AGENDA
REGULAR CITY COUNCIL MEETING
CITY OF BANNING
BANNING, CALIFORNIA

September 13, 2016
6:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

The following information comprises the agenda for a regular meeting of the City Council; a meeting of the Banning City Council Sitting in Its Capacity of a Successor Agency, and a scheduled meeting of the Banning Utility Authority.

Per City Council Resolution No. 2016-44 matters taken up by the Council before 10:00 p.m. may be concluded, but no new matters shall be taken up after 10:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Pastor Steve Braun, Banning Foursquare Church
- Pledge of Allegiance
- Roll Call – Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS – *On Items Not on the Agenda*

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

CORRESPONDENCE: Items received under this category may be received and filed or referred to staff for future research or a future agenda.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

IV. APPOINTMENTS

1. Ad Hoc Committee Request **1**

Recommendation: **That the City Council appoint a committee consisting of at least two members from the City Council and the Community Development Director to review and recommend FY 2017/18 Community Development Block Grant Applications.**

V. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council Reports
- City Committee Reports
- Report by City Attorney
- Report by City Manager

VI. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: To approve Consent Items 1 through 7
Items to be pulled ____, ____, ____, ____ for discussion.
(Resolutions require a recorded majority vote of the total membership of the City Council)

1. Approval of Minutes – Special Meeting – 07/13/16 *(Workshop)* **3**
2. Report of Investments for June 2016. . . . . **65**
3. Approval of Accounts Payable and Payroll Warrants for the Month of May 2016. . . . . **73**
4. Approval of Accounts Payable and Payroll Warrants for the Month of June 2016. . . . . **77**
5. Approve and Authorize the City Clerk to Certify Parcel Map No. 37111 . . . . **81**
6. Resolution No. 2016-74, Approving the City of Banning Electric Utility Power Content Label for Calendar Year 2015 . . . . . **89**
7. Resolution No. 2016-71, Approving a Professional Services Agreement between the City of Banning and DUDEK to provide peer review services to the City of Banning for review of the General Plan Amendment and Specific Plan Minor Modifications applications, technical studies and Addendum to the Butterfield Specific Plan Environmental Impact Report (EIR), as well as preparation of recommendations, staff reports and resolutions for Planning Commission and City Council hearings on the project **95**

- **Open for Public Comments**
- **Make Motion**

Recess Regular Council Meeting and Call to Order a Meeting of the Banning City Council Sitting In Its Capacity of a Successor Agency

I. REPORTS OF OFFICERS

1. Resolution No. 2016-06 SA of the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Approving a Form of Preliminary Official Statement, Bond Purchase Agreement, and a Continuing Disclosure Agreement and Authorizing Certain Action Relating Thereto **127**

   (Staff Report – Rochelle Clayton, Deputy City Manager/Administrative Services Director)

Recommendations: **That the Successor Agency adopt Resolution No. 2016-06 SA, Approving a Form of Preliminary Official Statement, Bond Purchase Agreement, and a Continuing Disclosure Agreement and Authorizing Certain Actions Relating Thereto.**
(The Budget and Finance Committee reviewed the Bond Purchase Agreement and the Continuing Disclosure Agreement at their September 6th meeting and gave their recommendation to move forward.)

Adjourn meeting of the Successor Agency and reconvene the regular City Council Meeting

VII. REPORTS OF OFFICERS

1. Discuss and Consider Resolution No. 2016-69, Approving the Contracts Extending the Hoover Dam Uprating Project Power Agreements **245**
   (Staff Report – Fred Mason, Electric Utility Director)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-69, Approving the fifty-year extension of the Hoover Dam Uprating Project Power Agreements, through September 30, 2067; and 2) Authorizing the City Manager to execute the applicable agreements for the extension.**

2. Discuss and Consider Resolution No. 2016-70, Approving the Amendment to the City of Banning Fee Agreement: Special Counsel Services Between the City of Banning and Thompson Coburn, LLP **253**
   (Staff Report – Fred Mason, Electric Utility Director)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-70, Approving the Amendment to the City of Banning Fee Agreement: Special Counsel Services between the City of Banning and Thompson Coburn, LLP; and 2) Authorizing the City Manager to execute the applicable documents to effect said amendment.**

4. Consideration and Approval of Resolution No. 2016-90, Approving a Legal Representation Services Agreement with the Law Offices of Silver & Wright, LLP for Receivership Petition for Blighted Properties **271**
   (Staff Report – Alejandro Diaz, Chief of Police)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-90, Approving a Legal Representation Services Agreement with the Law Offices of Silver & Wright, LLP for receivership services related to the Banning Business Center (Parcel #'s 540-220-008, 540-220-009, and 540-220-017) at the rate of $195 per hour for attorney services and $115 per hour for paralegal and law clerk services; and 2) Authorizing the City Manager to execute the Legal Representation Services Agreement with the Law Offices of Silver & Wright, LLP for receivership services related to the Banning Business Center.**

RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A SCHEDULED MEETING OF THE BANNING UTILITY AUTHORITY

I. BANNING UTILITY AUTHORITY (BUA)

Roll Call: Boardmembers Franklin, Miller, Moyer, Peterson, Chairman Welch

REPORTS OF OFFICERS

1. Discussion and Consideration of Adopting Resolution No. 2016-14 UA, Approving the Filing of an Application for an Integrated Regional Water Management Planning Grant, Authorizing Staff to Enter into a Proposition 1 Grant Agreement with the State of California, Department of Water Resources and Authorizing Staff to Execute a Memorandum of Understanding with the Participating Agencies **417**
(Staff Report – Art Vela, Public Works Director)

Recommendations: **That the Banning Utility Authority: 1) adopt Resolution No. 2016-14 UA, Authorizing the City Manager or his designee to execute and submit an Integrated Regional Water Management ("IRWM") Planning Proposition 1 grant application along with a required Regional Acceptance Process application for establishing an IRWM region to the State of California, Department of Water Resources ("DWR"); 2) Authorizing the City Manager or his designee to enter into an IRWM Proposition 1 grant agreement with the State of California, DWR, and to execute all related documents including a Memorandum of Understanding ("MOU") with the participating agencies; and 3) Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the IRWM Proposition 1 grant.**

2. Adopt Resolution No. 2016-16 UA, Approving the Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer of Palm Desert, CA. . . **441**
(Staff Report – Art Vela, Public Works Director)

Recommendations: **That the Banning Utility Authority adopt Resolution No. 2016-16 UA, Approving the Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer of Palm Desert, CA dated July of 2016.**

BUA ADJOURNMENT - Next regular meeting: Tuesday, September 27, 2016.

BANNING FINANCING AUTHORITY (BFA) – no meeting.

Reconvene the regular City Council Meeting

VIII. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Presentation by Southern California Gas Company regarding their insurance policy for gas lines.
2. Update on Banning Business Center
3. Update on Vanir
4. Fireworks – what can and cannot be done in regards to enforcement.

(Note: Dates attached to pending items are the dates anticipated when it will be on an agenda. The item(s) will be removed when completed.)

IX. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Tile II]

CITY OF BANNING

M E M O R A N D U M

DATE: September 13, 2016

TO: Honorable Mayor and City Council

CC: Marie Calderon, City Clerk

FROM: Ted Shove, Economic Development Manager TJS

RE: **AD-HOC Committee Request**

The Community Development Department requests the City Council appoint a committee at the September 13, 2016 meeting, consisting of a least two members from the City Council and the Community Development Director, to review and recommend FY 2017/18 Community Development Block Grant ("CDBG") program applications. Below is a schedule of important dates that are necessary in order to ensure that the City meets Riverside County Economic Development Agency's application deadline.

- **September 13, 2016** – Council to appoint a committee.
- **September 19, 2016** – CDBG Applications due to the City.
- **September 22 -30, 2016 -** Committee to meet within the provided dates to discuss applications.
- **October 25, 2016** – Resolution to be taken to Council requesting approval of projects.
- **October 28, 2016** – City approved applications, minutes and resolution due to the EDA.

About the Program

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs that is Federally funded by the U.S. Department of Housing and Urban Development ("HUD"). The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States.

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people and their communities across the Nation.

Eligible Activities

Over a 1, 2, or 3-year period, as selected by the grantee, a percentage of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

More information may be found by visting the following website address:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

07/13/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on July 13, 2016, at 6:05 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Franklin
Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager
Alex Diaz, Police Chief
Brian Guillot, Community Development Director
Robert Fisher, Administrative Sergeant
Marie Calderon, City Clerk
Sonja De La Fuente, Executive Assistant/Deputy City Clerk

Mayor Art Welch explained that this meeting is a workshop and not a regular City Council Meeting. He advised that the objective of this workshop is to get a general understanding of the history of cannabis and the laws in California, then advised that the workshop would take place first then follow with a public comment period, limiting each speaker to three minutes each for a maximum of 30 minutes total for public comments.

WORKSHOP

Mayor Welch introduced presenter David McPherson with HdL Companies. Mr. McPherson provided his background and played a video titled Regulating Medical Marijuana in Placer County (https://vimeo.com/155741123) for the City Council. He then provided a presentation to the City Council with information according to the outline in the Agenda, which is as follows:

1. General Understanding and Discussion of the history of Cannabis laws in California
    a. Medical Marijuana – Prop 215 passed in 1996
    b. Medical Cannabis Regulation and Safety Act (MCRSA) formerly known as MMRSA
    c. Adult Use Marijuana Act (AUMA) on ballot for November 2016
2. Strategies for Implementation

a. Cultivation Facilities
b. Medical Marijuana Dispensaries
c. Mobile Delivery
d. Manufacturing
e. Transportation
f. Distribution
g. Testing Labs

3. Taxation and Regulatory Fees by Local Governments
   a. Methodology
   b. Tax Rates
   c. Cost Recovery Fees

Mayor Welch called for questions from the City Council.

Councilmember Miller felt the public should be allowed longer to speak.

Motion: **Extend the Public Comment Period from 30 minutes to one hour.**

Action: **Motion died for lack of a second.**

Members of the City Council each asked various questions, Mr. McPherson provided answers and examples accordingly, and discussion was held.

Councilmember Peterson provided some documents to be shared with the Council and requested the Deputy City Clerk distribute copies to all of the City Council members. See "Exhibit A".

PUBLIC COMMENT

Mayor Welch opened the item for public comment. He reminded the audience there would be a three minute time limit per speaker, with a maximum of a 30 minute public comment period.

The following people spoke in support of implementing regulation allowing the cultivation and dispensing of medical cannabis:

1. "Berto", Dispensary owner in Desert Hot Springs
2. Lanny Swerdlow of Cabazon, CA
3. Terry Wilson of Cherry Valley, CA
4. Becky Perkins
5. Gretta Avila
6. Charles Badder, local property owner

Lanny Swerdlow provided the City Clerk with a copy of Riverside County's Cultivation Ordinance. See Exhibit "B"

Terry Wilson provided the City Clerk with a sample Ordinance for the City of Banning to use for Medical Marijuana in the City of Banning. See Exhibit "C".

Don Smith did not speak for or against the item. He congratulated the Council on taking the steps necessary to make important policy decisions. He encouraged they visit the facilities, continue to research, and discuss to help them make these decisions.

Councilmember Peterson asked if there was anyone in the audience opposed to this. Nobody came forward.

Councilmembers made some closing remarks. The Ad Hoc Committee will move forward and bring back recommendations to the City Council at future meeting.

ADJOURNMENT

By common consent the meeting adjourned at 8:22 p.m.

The entire discussion of this meeting can be found by visiting the following website: https://banninglive.viebit.com/#qJP7jfLVF0Hk **or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.**

Minutes Prepared by:

Sonja De La Fuente, Executive Assistant/
Deputy City Clerk

Minutes Approved by:

Marie A. Calderon, City Clerk

Michael Rock, City Manager

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Exhibit “A”

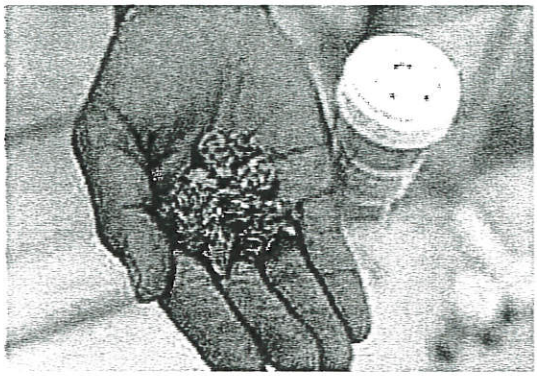
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Where can you buy medical marijuana in the Inland Empire

By Beau Yarbrough, The Sun

Sunday, January 31, 2016



This fall, the Legislature gave the state's counties, cities and towns a clear message: Regulate medical marijuana in your communities, or we'll do it for you.

After years of local governments being ambivalent at best about regulating medical marijuana in their jurisdictions, those governments hustled to beat a March 1 deadline imposed by the state.

Although voters approved Proposition 215, approving the use of medical marijuana, in 1996, and Senate Bill 420, enacted in 2004, attempted to clarify dispensary rules, medical marijuana has remained in a hazy legal limbo in the decades since, with something of a wild west for dispensaries cropping up in Los Angeles and other cities, while other communities fought protracted and inconclusive legal battles against dispensaries in their area.

That changed in September, with the passage of 70 pages of legislation that create a legal framework for the cultivation, transportation and use of cannabis for the first time, including the establishment of a Bureau of Medical Marijuana Regulation.

But one paragraph in the Medical Marijuana Regulation and Safety Act sent local governments into a panic, as it gave the Department of Food and Agriculture the sole ability to license applicants in any city or county that had not put regulations or prohibitions in place regarding the cultivation of marijuana.

Lawmakers called the provision a mistake, and announced their intention to repeal it, but local governments took no chances, kicking off what the California chapter of the National Organization for the Reform of Marijuana Laws called a "banapalooza."

But although many local governments have already passed bans or regulations ahead of the March 1 deadline, those that haven't yet got a reprieve Thursday: On Monday, the state Senate voted to repeal the March 1 deadline, and Thursday, the Assembly unanimously approved the bill.

Gov. Jerry Brown has voiced support for the change and is expected to sign the bill, which would take effect immediately. The change would allow local governments to regulate medical marijuana in their jurisdiction, even after the Department of Food and Agriculture begins licensing applicants.

Here's how cities in the Inland Empire have dealt with medical marijuana:

Chino — Banned

Although it hadn't experienced a problem with medical marijuana dispensaries in town, the Chino City Council wanted to assure there would be no problems, so it approved local prohibitions in 2008, said Community Development Director Nick Liquori.

The 2008 ordinance was expanded to include medical marijuana sales, distribution, cultivation and mobile delivery Jan. 19. The new ordinance is effective Feb. 19, he said.

Years ago, a medical marijuana dispensary opened for one day and did so without securing a business license. The operation was prosecuted and instantly closed, Liquori said.

Chino Hills — Banned

Chino Hills City Council members anticipated the need to approve prohibitions of medical marijuana and adopted a code maintaining local control in 2014, Community Development Director Joann Lombardo said.

The action pre-dated the recent state warning that if local laws weren't approved by March, the state would regulate such activities in cities.

The local law, effective since Sept. 23, 2014, prohibits medical marijuana collectives and cultivation. The city plans to ban mobile delivery before a January 2018 deadline, Lombardo said.

"The council and community development staff acted quickly in 2014 because we do not believe medical marijuana operations are consistent with the needs of our largely residential community," she concluded.

Claremont — Banned

The Claremont City Council adopted an ordinance Jan. 26 to prohibit cannabis dispensaries, manufacturers and cultivation in the city.

The ban would not interfere with an individual's right to possess, obtain, or use medical marijuana, as long as they are complying with the existing state laws, said Brian Desatnik, Claremont's director of Community Development.

The city's ban on marijuana dispensaries has been in place since 2008.

"What Claremont wanted to prohibit was the storefront commercialization of marijuana," said City Attorney Sonia Carvalho at the Jan. 12 council meeting.

Carvalho said the move gives the city an opportunity to study the issues in the future and "make some good policy."

The ordinance will become effective in 30 days.

Fontana — Banned

Earlier this month the City Council approved a first reading of an ordinance that would ban distribution and cultivation of marijuana within the city.

Dispensaries themselves have long been banned within the city, said Ken Hunt, city manager.

Highland — Banned

The city of Highland bans medical marijuana dispensaries and mobile dispensaries.

The Planning Commission last week approved an urgency ordinance prohibiting medical marijuana cultivation and an ordinance prohibiting all delivery within city limits. The City Council is expected to consider the ordinance next month.

La Verne — Banned

Cultivating and delivering medical marijuana is now illegal in La Verne.

The City Council voted unanimously Jan. 19 to replace an existing medical marijuana ban, which prohibits dispensaries from operating in the city, with one that also outlaws pot cultivation and deliveries in La Verne.

The previous ordinance, approved in 2008, only banned the operation of medical marijuana dispensaries.

Loma Linda — Banned

Medical marijuana dispensaries and mobile dispensaries are prohibited in the city of Loma Linda.

The City Council this month amended the city's ordinance to prohibit cultivation and all commercial medical marijuana uses.

Montclair — Banned

In early January, the city of Montclair expanded the scope of a six-year-old ordinance to prohibit medical marijuana, said Community Development Director Steve Lustro.

The new ordinance goes into effect on Wednesday. It prohibits medical marijuana sales, cultivation and transportation, Lustro said.

"In 2010, the City Council had approved an ordinance which prohibited medical marijuana dispensaries. There were numerous occasions when some dispensaries popped up illegally, and we had to shut them down," Lustro reported. "The City Council decided to be proactive again and directed the city manager to continue and expand the prohibitions to prevent the state from regulating medical marijuana in Montclair."

Ontario — Banned

Ontario took steps early to address marijuana dispensaries, first banning them in March 2007.

"Cities in California continue to receive mixed messages from the state and federal governments regarding the legality of marijuana for medicinal purposes and the establishment and operation of medical marijuana dispensaries," according to the ordinance. "This confusion has increasingly led to wasted taxpayers dollars as cities have been caught in the middle."

The ordinance pointed to then-recent Drug Enforcement Administration raids on various dispensaries throughout the state even though the voters had already passed the Compassionate Use Act of 1996.

In enacting its ban, Ontario feared significant increases in traffic, crime and noise, according to the ordinance.

In October 2013, Ontario city leaders tweaked the ban to encompass mobile medical marijuana dispensaries in any part of the city. About 14 months later, in December 2014, the council adopted an ordinance, prohibiting the cultivation.

Pomona — Banned

City Council members gave preliminary approval this week to an ordinance prohibiting marijuana deliveries in Pomona.

The city's zoning code "prohibits medical marijuana dispensaries from selling medical marijuana, or otherwise providing it," according to the staff report.

Neither the city's zoning code nor the Pomona city code "expressly prohibits or otherwise expressly regulates medical marijuana deliveries within the city of Pomona," the staff report said.

The proposed ordinance would prohibit marijuana deliveries whether the delivery "originates or terminates in the city," according to the staff report.

The ordinance will go back to the City Council Feb. 22 for a second and final vote, said Eva Buice, Pomona city clerk.

Earlier this month, the council adopted an ordinance prohibiting marijuana cultivation across the city. Prohibiting the cultivation of marijuana is currently the best way of protecting the health, safety and welfare of the city, the staff report said.

Rancho Cucamonga — Banned

Rancho Cucamonga has banned medical marijuana dispensaries at brick-and-mortar and mobile locations since March 2007.

Because the existing ordinance didn't address cultivation or delivery, the City Council unanimously agreed to enact an interim urgency ordinance to prohibit all commercial cannabis activities in the city, including deliveries and all medical marijuana cultivation. The ordinance also included the prohibition of the cultivation for medical use by a patient or caregiver.

On Jan. 6, the council voted to extend the urgency ordinance for 10 months and 15 days to allow the city to develop the final regulations.

The move will "allow us time to work through the development code issues to place it as a permanent portion of the development code," said Jeff Bloom, deputy city manager.

Redlands — Banned

Redlands prohibits medical marijuana dispensaries, manufacturers, cultivation and delivery within city

limits.

Medical marijuana dispensaries were already banned in the city, but the City Council this month amended the city's laws to prohibit cultivation, manufacturers and delivery.

Rialto — Banned

The City Council may pass an emergency memorandum to ban distribution and cultivation of marijuana ahead of a March 1 deadline, said Fred Galante, city attorney.

Meanwhile, a comprehensive ordinance is working its way through the city's planning department and planning commission, he said.

Should a March 1 deadline be relaxed, as anticipated, then the emergency ban would not be necessary, he said.

Rialto has long banned the medical marijuana dispensaries from its city limits, Galante said.

San Bernardino — Banned, but under review

San Bernardino has had laws banning medical marijuana dispensaries since 2007, when a moratorium first passed.

Noting that dozens of illegal dispensaries continue to operate, often in plain view, City Attorney Gary Saenz and council members spent months in 2014 considering the possibility of reversing the "futile" ban. After a series of public meetings, though, the City Council decided in closed session decided to double down.

"At this time, the full Common Council has, by consensus, determined that the city will continue its total land-use ban against dispensaries; will not, at this time, ordain to allow regulated dispensaries, and will incorporate additional and more aggressive methods of enforcement in our quest to rid, or significantly reduce, the number of illegal dispensaries operating in our city," Saenz said.

A study of a possible reversal continues in the city's Legislative Review Committee.

San Dimas — Banned

San Dimas was among the cities scrambling to revise local regulations prohibiting cultivating, dispensing and delivering medical marijuana before the state's March 16 deadline, said Larry Stevens, assistant city manager of community development.

On Jan. 12, the San Dimas City Council approved the final reading of new regulations prohibiting medical marijuana dispensaries, any form of marijuana cultivation and medical marijuana mobile delivery services, Stevens reported.

The ordinance is effective Feb. 12,

San Dimas had already placed prohibitions on medical marijuana dispensaries. It successfully took the one such operation in the San Dimas Town Center to court to legally force its closure, Stevens added.

"The new municipal law is more comprehensive," he said. "We modified, re-defined and expanded our

prohibitions to include cultivation and mobile delivery. Our local law defers to federal law and that gives us sufficient grounds to prohibit such activities in San Dimas."

Unincorporated San Bernardino County — Mostly banned

Medical marijuana dispensaries are prohibited in all unincorporated areas of San Bernardino County, as is the outdoor cultivation of medical marijuana.

Indoor cultivation is allowed, as long as state laws are followed.

The county Department of Public Health does, per the Compassionate Use Act of 1996, accept applications for medical marijuana identification cards from qualified patients and caregivers. Applications are sent up the chain to the state for review and approval. There have been no proposed changes to the county's medical marijuana ordinance or medical marijuana identification card program since adoption of the ordinance and implementation of the program.

Upland — Banned but for how long?

In Upland, the topic of marijuana has come up quite often during council meetings and in recent ballot measure efforts.

Upland's zoning code does not allow for the sale or delivery of medical marijuana but fails to address regulations on cultivating it. On Jan. 25, the council directed staff 3-2, to come back with an ordinance that would provide a complete ban in the city, including the manufacturing, testing, transporting, and cultivating medical marijuana. The item will come to the council at a future meeting.

But the city has spent hundreds of thousands of dollars fighting medical marijuana dispensaries, which the zoning code prohibits.

Since 2009, $668,000 was spent trying to shut down medical marijuana dispensaries. Between January and April 2015, the city has spent $65,369 in legal costs associated with medical marijuana dispensaries,

Come November, residents will vote on whether to uphold an existing ban or allow three medical marijuana dispensaries to operate legally.

A second initiative petition — to legalize dispensaries and aimed to bring the issue of medical marijuana to the voters sooner than the November 2016 election — failed to get the necessary signatures to be placed on a special election ballot. The deadline was Dec. 7.

Yucaipa — Banned

Yucaipa prohibits medical marijuana dispensaries, mobile dispensaries, cultivation and delivery.

The City Council banned medical marijuana dispensaries in 2009. On Monday, council members voted 3-2 to amend the city's laws to prohibit cultivation, manufacturers and delivery. Mayor Denise Hoyt and Councilman David Avila voted against the changes.

With additional reporting from Sandra Emerson, Ryan Hagen, Liset Marquez, Joe Nelson, Neil Nisperos, Monica Rodriguez, Jim Steinberg and Imani Tate.

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URL: http://www.sbsun.com/health/20160131/where-can-you-buy-medical-marijuana-in-the-inland-empire

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5.35.210 Process for Issuing a New Permit for a MCCC.

A. General Requirements

1. The City Council shall review and evaluate all qualified applications and will approve issuance of a regulatory permit to the most qualified as determined through the Allotment Process described in this Section. Where the City Council has reviewed qualified applications within two (2) years of any review and allotment process under the provisions of this Section, the City Council may limit its review to one or more of the qualified applications reviewed and considered during such previous Allotment Process.

2. Each Applicant for a new permit, at the time of application, shall fully comply with the requirements of Section 5.35.200, and provide the following information:

a. Suitable evidence of proof of lawful presence or residence and Good Moral Character and reputation as required by the current forms prescribed by the City Manager;

b. All requested information concerning financial and management associations and interests of other Persons in the business; including the names, mailing addresses, and Operator's background forms of all of its principal officers, directors, and Operators; a copy of its articles of incorporation or articles of organization; and evidence of authorization to do business as a non-profit within the State;

c. An estimate of the size of the group of primary caregivers and/or qualified patients who will be served by the non-profit MCCC; this description should include whether delivery service will be provide and the extent of such service.

d. The address of the location from which the MCCC for which application is made will be operated;

e. Accurate site plan and floor plans for the premises to be permitted denoting all the use of areas on the premises, including storage, cultivation areas, exterior lighting, restrooms, signage, and parking; other tenant spaces if the MCCC is proposed for a multi-tenant building site;

f. The deed, lease, contract, or other document governing the terms and conditions of occupancy of the premises permitted or proposed to be permitted.

g. A security plan that fully addresses and complies with the provisions of Sections 5.35.330 and 5.35.340 of this Code.

h. The name and address of any person who is managing or responsible for the MCCC's activities, and the names and addresses of any employees, if any, and a statement as to whether such person or persons has or have been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received for such conviction(s).

i. The name and address of the owner and lessor of the real property upon which the business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a MCCC will be operated on his/her property.

j. Authorization for the City Manager to seek verification of the information contained within the application.

k. Evidence that the MCCC is organized as a bona fide non-profit cooperative, affiliation, association, or collective of persons comprised exclusively and entirely of qualified patients and the primary caregivers of those patients in strict accordance with the Compassionate Use Act.

l. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

m. Any such additional and further information as is deemed necessary by the City Manager to administer this Section.

3. Based on the information set forth in the application and the City Manager's report, the City Manager, or the City Council pursuant to the allotment process, may impose reasonable terms and conditions on the proposed operations in addition to those specified in this Section. A regulatory permit issued pursuant to this Section is not transferable.

B. Application Review; Allotment Process.

1. The City Manager will accept and review applications for MCCCs during the Application Period.

2. In the event there is no more than one qualified application for each unallocated permit for a MCCC as allowed under Section 5.35.120 determined to be conditionally qualified by the City Manager, the City Manager shall refer each such application to the City Council with a recommendation that the City Council approve the issuance of a permit to the applicants, subject to full compliance with the provisions of this Chapter and any conditions of approval.

3. In the event there is more than one application submitted for each unallocated regulatory permit for a MCCC as allowed under Section 5.35.120 during the Application Period, the City Manager shall submit the qualified applications and the City Manager report on each application to the City Council for review and consideration. The qualified applications shall be considered concurrently by the City Council at a public hearing noticed and conducted pursuant to the provisions of Section 94.02.00.C of this Code.

4. The City Council shall consider the qualified applications after evaluating the applications on their respective merits and the City Council may conditionally approve each qualified application or deny one or more of such applications if the Council makes one or more of the findings listed in Subsection F of Section 5.35.200. The City Council shall rank all qualified applications in order of those that best satisfy the requirements of this Section and provide the highest level of service and opportunities for residents of Palm Springs. The highest ranked qualified application equal to the number of available regulatory permits shall be granted regulatory permits pursuant to this Section.

C. Operations Covenant. The obligations of the MCCC, including all on-going and continuing obligations required pursuant to any provision of this Chapter or as may be provided in any conditional approval of the City Manager or the City Council, shall be set forth in a covenant running with the land or the leasehold interest, approved as to form by the City Attorney, and enforceable by the City. To the fullest extent permitted by law, the City shall not assume any liability whatsoever, and expressly does not waive sovereign immunity, with respect to medical cannabis, or for the activities of any MCCC. The Covenant shall also contain the Continuing Obligations and Responsibilities as provided in this Section and the following terms:

1. Agree to indemnify the City;

2. Carry insurance in the amounts and of the types that are acceptable to the City Manager;

3. Name the City as an additional insured;

4. Agree to defend at its sole expense, any action against the City, its agents, officers, and employees because of the issues of such approval;

5. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of such action. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

D. Continuing Obligations and Responsibilities. No persons shall engage in, conduct, or be permitted to engage in or conduct a MCCC unless each of the following requirements is continually met:

1. The MCCC shall comply fully with all of the applicable restrictions and mandates set forth in state law, including without limitation the State Guidelines.

2. The MCCC shall only be open between the hours of 9:00 a.m. and 7:00 p.m.

3. Physician's referrals shall be verified by the MCCC prior to inclusion into the MCCC and at least every six months thereafter.

4. Each member of the MCCC shall be a patient or a qualified primary caregiver. The cooperative shall maintain patient records in a secure location within the City of Palm Springs, available to the City Manager to review upon demand. Such records shall include without limitation a copy of the physician's referral and, if using a primary caregiver, a notarized written authorization from the patient to be represented by such primary caregiver.

5. Cannabis shall be kept in a secured manner during business and nonbusiness hours.

6. Each MCCC that prepares, dispenses, or in any manner distributes Edible Cannabis-Infused Product must comply with the provisions of all relevant State and local laws regarding the preparation, distribution, and sale of product.

7. Each MCCC must pay any applicable sales tax pursuant to federal, state, and local law.

8. On-site smoking, ingestion, or consumption of cannabis or alcohol shall be prohibited on the premises of the MCCC. The term "premises" as used in this Subsection includes the actual building, as well as any accessory structures and parking areas. The building entrance to a MCCC shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the MCCC is prohibited.

9. Signage for the MCCC shall be limited to name of business and its status as a permitted MCCC pursuant to this Section only and no advertising of the goods and/or services shall be permitted. Each MCCC shall post a sign or notice conspicuously at each point of public access into the MCCC stating that the MCCC is a permitted MCCC under the provisions of this Chapter.

10. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A MCCC shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the cooperative or collective.

11. Except as provided in Subsection G-4, windows and/or entrances shall not be obstructed and must maintain a clear view into the premises during business hours.

12. No one under eighteen (18) years of age shall be a member of a MCCC without written authorization of a parent or legal guardian.

13. Issuance of physician recommendations or prescriptions for cannabis or marijuana use shall not be performed or provided on the premises.

14. The building in which the MCCC is located as well as the operations as conducted therein shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the Compassionate Use Act.

15. The MCCC shall not distribute, sell, dispense, or administer cannabis to anyone other than qualified patient members of the MCCC and their primary caregivers.

16. A MCCC shall distribute only cannabis cultivated on the premises or by a member of the MCCC or the member's primary caregiver. The MCCC shall do an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises. These records shall be maintained for two (2) years from the date created.

17. Provide the City Manager with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom one can provide notice if there are operating problems associated with the MCCC. The MCCC shall make every good faith effort to encourage residents to call this person to try to solve operating problems, if any, before any calls or complaints are made to the police or planning departments.

18. Nothing in this Section prohibits a Permittee from refusing to sell Medical Cannabis or Cannabis-Infused Product to a patient.

19. A MCCC shall not display Medical Cannabis and Cannabis-Infused Product in a manner in which Medical Cannabis or Cannabis-Infused Product can be seen from outside the Location. Storage of Medical Cannabis and Cannabis-Infused Product shall otherwise be maintained in restricted access areas.

20. An MCCC shall not sell any expired Cannabis-Infused Product.

21. Each Permittee shall consent and allow the City Manager to cause medical cannabis and cannabis-infused product at the Location to be tested and examined as provided in this Chapter.

22. Fully comply with and meet all operating criteria required pursuant to the Compassionate Use Act, state law, the State General Guidelines, the provisions of the Palm Springs Municipal Code, including without limitation, this Section, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit, and all requirements set forth in the covenant as described in Subsection J, in order to ensure that the operation of the MCCC is consistent with the protection of the health, safety, and welfare of the community, qualified patients, and primary caregivers, and will not adversely affect surrounding uses.

(Ord. 1845 § 7, 2014)

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5.35.340 Cultivation Operation: Health and Safety Regulations.

A. Local Safety Inspections. A MCCC may engage in cultivation operations at its Location and shall be subject to inspection of its Location by the City Manager or Code Enforcement Officer to confirm that no health or safety concerns are present. The inspection could result in additional specific standards to meet local permitting authority restrictions related to Medical Cannabis or other local businesses. An annual fire safety inspection may result in the required installation of fire suppression devices, or other means necessary for adequate fire safety.

B. General Sanitary Requirements. An Optional Premises Cultivation Operation shall take all reasonable measures and precautions to ensure the following:

1. That any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with Medical Cannabis shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected;

2. That all persons working in direct contact with Medical Cannabis shall conform to hygienic practices while on duty, including but not limited to:

   a. Maintaining adequate personal cleanliness;

   b. Washing hands thoroughly in an adequate hand-washing area(s) before starting work and at any other time when the hands may have become soiled or contaminated;

   c. Hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Location and where good sanitary practices require employees to wash and/or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices; and

   d. Refraining from having direct contact with Medical Cannabis if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected.

3. That litter and waste are properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where Medical Cannabis is exposed;

4. That floors, walls, and ceilings are constructed in such a manner that they may be adequately cleaned and kept clean and kept in good repair;

5. That there is adequate lighting in all areas where Medical Cannabis is stored and where equipment or utensils are cleaned;

6. That the Permittee provides adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests;

7. That any buildings, fixtures, and other facilities are maintained in a sanitary condition;

8. That toxic cleaning compounds, sanitizing agents, solvents used in the production of Medical Cannabis concentrates, and pesticide chemicals shall be identified, held, and stored in a manner that protects against contamination of Medical Cannabis, and in a manner that is in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance;

9. That all contact surfaces, including utensils and equipment used for the preparation of Retail Cannabis or Retail Cannabis Product, shall be cleaned and sanitized as frequently as necessary to protect against contamination. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable, and shall be properly maintained. Only sanitizing agents registered with the Environmental Protection Agency shall be used in Retail Cannabis Products Manufacturing Facilities and used in accordance with labeled instructions;

10. That the water supply shall be sufficient for the operations intended and shall be derived from a source that is a regulated water system. Private water supplies shall be derived from a water source that is capable of providing a safe, potable, and adequate supply of water to meet the facility's needs;

11. That plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the plant and that shall properly convey sewage and liquid disposable waste from the facility. There shall be no cross-connections between the potable and waste water lines;

12. That all operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of Retail Cannabis or Retail Cannabis Product shall be conducted in accordance with adequate sanitation principles;

13. That each Optional Premises Cultivation Operation shall provide its employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair; and

14. That Medical Cannabis that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.

C. Medical Cannabis Cultivation Facility.

1. Each permitted MCCC may operate and maintain one (1) MCCF, subject to the requirements of the City's Zoning Code. Nothing in this Section shall prohibit two or more permitted MCCCs from operating or maintaining such MCCF.

2. One hundred percent (100%) of all cannabis or marijuana cultivated at each MCCF shall be distributed solely to one or more MCCFs permitted pursuant to the provisions of this Chapter.

3. Each MCCF shall be used exclusively for cultivation and for no other use or purpose. This prohibition includes without limitation distribution or sales to patients.

4. No Person shall cultivate, plant, grow, harvest, dry, process, or store one or more cannabis or marijuana plants or any part thereof in the City unless such activity has been approved or authorized pursuant to the provisions of this Chapter.

(Ord. 1879 § 3, 2015; Ord. 1845 § 7, 2014)

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5.35.500 Mobile Marijuana Dispensaries.

A. Mobile Marijuana Dispensaries Prohibited. Mobile Marijuana Dispensaries are prohibited in the City. No person shall locate, operate, own, suffer, allow to be operated, or aide, abet, or assist in the operation of any Mobile Marijuana Dispensary within the City.

B. Marijuana Delivery Prohibited.

1. No Person shall deliver marijuana or medical cannabis to any location within the City from a Mobile Marijuana Dispensary, regardless of where the Mobile Marijuana Dispensary is located, or engage in any Operation for this purpose.

2. No Person shall deliver any Cannabis-Infused Product or marijuana-infused product to any location within the City from a Mobile Marijuana Dispensary, regardless of where the Mobile Marijuana Dispensary is located, or engage in any Mobile Operation for this purpose.

C. Public Nuisance Declared. Operation of any Mobile Marijuana Dispensary within the City in violation of the provisions of this chapter is hereby declared a public nuisance and shall be abated pursuant to all available remedies.

E. Exceptions. The provisions of this Section shall not apply to any MCCC that has a permit from the City pursuant to, and is operating in full compliance with, this Chapter and Section 93.23.15 of this Code, subject to the restrictions contained in this Subsection.

1. The transport of Medical Cannabis and Cannabis-Infused Product shall be conducted by a motor vehicle that is properly registered in the state of California pursuant to motor vehicle laws, but need not be registered in the name of the Permittee.

2. Transport of Medical Cannabis or Cannabis-Infused Product shall be accompanied by documents identifying the originating MCCC, the driver's valid motor vehicle operator's permit, and all required vehicle registration information.

(Ord. 1845 § 7, 2014)

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Exhibit “B”

ORDINANCE NO. 925

AN ORDINANCE OF THE COUNTY OF RIVERSIDE

PROHIBITING MARIJUANA CULTIVATION AND

DECLARING MARIJUANA CULTIVATION TO BE A NUISANCE

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS AND PURPOSE. The Board of Supervisors finds and declares the following:

a. In 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code section 11362.5, and entitled "The Compassionate Use Act of 1996").

b. The intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to use it without fear of criminal prosecution under limited, specified circumstances. The proposition further provides that "nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes." The ballot arguments supporting Proposition 215 expressly acknowledged that "Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere."

c. In 2004, the Legislature enacted Senate Bill 420 (codified as California Health and Safety Code sections 11362.7 et seq., and referred to as the "Medical Marijuana Program") to clarify the scope of Proposition 215, and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified state criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to

"[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances.

d. In *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, the California Supreme Court held that "[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land..." Additionally, in *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975, the Court of Appeal held that "there is no right – and certainly no constitutional right – to cultivate medical marijuana..." The Court in *Maral* affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

e. The Federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq., classifies marijuana as a Schedule I Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for the cultivation, manufacture, distribution, dispensation, or possession of marijuana for medical purposes.

f. Marijuana cultivation in the unincorporated area of Riverside County can adversely affect the health, safety, and well-being of County residents. Countywide prohibition of marijuana cultivation is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells, and indoor electrical fire hazards that may result from unregulated marijuana cultivation, and that are especially significant if the

amount of marijuana cultivated on a single premises is not regulated and substantial amounts of marijuana are thereby allowed to be concentrated in one place.

g. Marijuana cultivation at locations or premises within one thousand feet of schools, parks, and community centers creates unique risks that the marijuana plants may be observed by minors, and therefore be especially vulnerable to theft or recreational consumption by minors. Further, the potential for criminal activities associated with marijuana cultivation in such locations poses heightened risks that minors will be involved or endangered. Therefore, any amount of marijuana cultivation in such locations or premises is especially hazardous to public safety and welfare, and to the protection of children and the person(s) cultivating the marijuana plants.

h. As recognized by the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime.

i. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

j. The County is committed to making efficient and rational use of its limited investigative and prosecutorial resources. There shall be a limited exemption from enforcement for violations of this ordinance by primary caregivers and qualified patients for small amounts of marijuana cultivation for their own medical use in zone classifications identified section 3.4 of Ordinance No. 348 when all of the conditions and standards in section 12 of

this ordinance are met.

Section 2. AUTHORITY. This ordinance is adopted pursuant to the authority granted by Article XI, section 7 of the California Constitution, Health and Safety Code section 11362.83, and Government Code sections 25845 and 53069.4.

Section 3. DEFINITIONS. As used in this ordinance, the following terms shall have the following meanings:

a. Abatement Costs. Any costs or expenses, including County staff time reasonably related to the abatement of conditions which violate this ordinance, and shall include, but not be limited to, enforcement, investigation, summaries, reports, notices, telephonic contact, correspondence, mailing expense, title search costs, administrative costs including scheduling and participation at hearings and meetings, Hearing Officer costs, expenses incurred by the County, court costs, civil or administrative penalties, collection, reasonable attorneys' fees, and other costs associated with the removal, abatement or correction of a violation.

b. Child Care Center. Any licensed child care center, daycare center, child care home, or any preschool.

c. Church. A structure or leased portion of a structure, which is used primarily for religious worship and related religious activities.

d. Community Center. Any facility open to the public at which classes, social activities, recreational activities, educational activities, support and public information are offered for all residents of the community.

e. Enforcement Officer. The Sheriff, the Transportation and Land Management Agency Director, Building Official, Code Enforcement Official, County Counsel, Environmental Health Department Director, Public Health Officer, Agricultural Commissioner, Fire Chief, Clerk of the Board of Supervisors, and their designees.

f. Family. One or more non-transient, related or unrelated persons living

together as a single, nonprofit housekeeping unit.

g. Marijuana Cultivation. The planting, growing, harvesting, drying, processing, or storage of one or more marijuana plants or any part thereof in any location, indoor or outdoor, including from within a fully enclosed and secure building.

h. Marijuana plant. Any mature or immature marijuana plant, or any marijuana seedling.

i. Minor. A person under eighteen (18) years of age.

j. Multiple-Family Dwelling. A building or portion thereof used to house two or more families, including domestic employees of each such family, living independently of each other, and each having their own kitchen.

k. One-Family Dwelling. A building or detached structure, including a mobilehome or manufactured home, containing one kitchen and used to house not more than one family, including domestic employees.

l. Park. A public playground, public recreation center or area, and other public areas, created, established, designated, maintained, provided or set aside by the County, any city, or any other public entity or agency, for the purposes of public rest, play, recreation, enjoyment or assembly, and all buildings and structures located thereon or therein.

m. Premises. A single parcel of property. Where contiguous parcels are under common ownership or control, such contiguous parcels shall be counted as a single "premises" for purposes of this ordinance.

n. Primary Caregiver. Shall have the meaning set forth in Health and Safety Code sections 11362.5 and 11362.7 et seq.

o. Qualified Patient. Shall have the meaning set forth in Health and Safety Code sections 11362.5 and 11362.7 et seq.

p. Responsible Party. (1) Each person committing the violation or causing a condition on a premises located within the jurisdiction of the County of

Riverside which violates this ordinance; (2) each person who has an ownership interest in that premises; or (3) each person who, although not an owner, nevertheless occupies or has a legal right or a legal obligation to exercise possession or control over that premises. In the event the person who commits the violation or causes the violating condition is a minor, then the minor's parents or legal guardian shall be deemed the responsible party. In the event the violation or violating condition is most reasonably attributable to a business, then that business, to the extent it is a legal entity such that it can sue and be sued in its own name, and each person who is an owner of that business shall be deemed responsible parties.

q. School. An institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a home school, vocational or professional institution of higher education, including a community or junior college, college, or university.

r. Youth-oriented Facility. Any facility that caters to or provides services primarily intended for minors, or the individuals who regularly patronize, congregate or assemble at the establishment are predominantly minors.

Section 4. PROHIBITIONS ON MARIJUANA CULTIVATION. NUISANCE DECLARED. Marijuana cultivation, either indoors or outdoors, fixed or mobile, upon any premises within all unincorporated areas of Riverside County is prohibited and hereby declared to be unlawful and a public nuisance that may be abated in accordance with this ordinance. The foregoing prohibition shall be imposed regardless of the number of qualified patients or primary caregivers residing at the premises or participating directly or indirectly in the cultivation. Further, this prohibition shall be imposed notwithstanding any assertion that the person(s) cultivating marijuana are the primary caregiver(s) for qualified patients or that such person(s) are collectively or cooperatively cultivating marijuana.

Section 5. NOTICE TO ABATE UNLAWFUL MARIJUANA CULTIVATION. Whenever the enforcement officer determines that a public nuisance as described in this ordinance exists on any premises within the unincorporated area of Riverside County, he or she is authorized to notify the owner of the premises and any other responsible party, through issuance of a "Notice to Abate Unlawful Marijuana Cultivation."

Section 6. CONTENTS OF NOTICE. The Notice to Abate Unlawful Marijuana Cultivation set forth in section 5 of this ordinance shall be in writing and shall:

a. Identify the owner(s) of the premises upon which the nuisance exists, as named in the last County Equalized Assessment Roll, and identify any other responsible party, if other than the owner(s), and if known or reasonably identifiable.

b. Describe the location of such premises by its commonly used street address, giving the name or number of the street, road or highway and the number, if any.

c. Identify such premises by reference to the assessor's parcel number.

d. Contain a statement that unlawful marijuana cultivation exists on the premises and that it has been determined by the enforcement officer to be a public nuisance described in this ordinance.

e. Describe the unlawful marijuana cultivation that exists and the actions required to abate it.

f. Contain a statement that the owner or responsible party is required to abate the unlawful marijuana cultivation within ten (10) calendar days after the date that said notice was served.

g. Contain a statement that the owner or responsible party may, within ten (10) calendar days after the date that said Notice to Abate Unlawful Marijuana Cultivation was served, make a request in writing to the County Department that issued the notice for a hearing to appeal the

determination of the enforcement officer that the conditions existing constitute a public nuisance, or to show other cause why those conditions should not be abated in accordance with the provisions of this ordinance.

h. Contain a statement that, unless the owner or responsible party abates the unlawful marijuana cultivation within the time prescribed in the Notice to Abate Unlawful Marijuana Cultivation, the enforcement officer shall abate the nuisance. It shall also state that the abatement costs may result in the imposition of a lien and special tax assessment against the premises for abatement costs related to enforcement of the this ordinance and abatement of the violative conditions.

i. The failure of the Notice to Abate Unlawful Marijuana Cultivation to set forth all required contents shall not affect the validity of the proceedings.

Section 7. SERVICE OF NOTICE. Unless otherwise specifically provided for in any other section of this ordinance, notices shall be issued in the following manner:

a. Notices required pursuant to this ordinance may be served in any of the following methods:

1. Personal service; or

2. By posting a copy of the notice in a visible place on the premises and mailing a copy to the premises owner as such person's name and address appears on the last County Equalized Assessment Roll. If notice is mailed to a responsible party other than the premises owner then the notice may be mailed to the last known address. If the address of any such person is unknown, that fact shall be stated in the copy so mailed and it shall be addressed to the person at the county seat. Service shall be deemed complete five (5) calendar days after the date of deposit in the mail or five (5) calendar days after the date of posting, whichever is later.

b. The failure of any premises owner or any other responsible party to receive such notice shall not affect the validity of the abatement proceedings.

Section 8. APPEAL HEARING BY COUNTY HEARING OFFICER.

a. Any person upon whom a Notice to Abate Unlawful Marijuana Cultivation has been served may appeal the determination of the enforcement officer that the conditions set forth in the notice constitute a public nuisance, or may show cause why those conditions should not be abated in accordance with the provisions of this ordinance.

b. Any such appeal shall be commenced by filing a written request for a hearing with the County Department that issued the Notice to Abate Unlawful Marijuana Cultivation within ten (10) calendar days after the date that said Notice was served. The written request shall include a statement of all facts supporting the appeal. The time requirement for filing such a written request shall be deemed jurisdictional and may not be waived. In the absence of a timely filed written request that complies fully with the requirements of this section, the findings of the enforcement officer contained in the Notice to Abate Unlawful Marijuana Cultivation shall become final and conclusive on the eleventh day following service of the notice.

c. Upon timely receipt of a written request for hearing which complies with the requirements of this section, a hearing shall be set for a date not less than ten (10) calendar days, nor more than thirty (30) calendar days, from the date the request was filed. Written notice of the hearing shall sent to the requesting party, to any other parties upon whom the Notice to Abate Unlawful Marijuana Cultivation was served, and to the enforcement officer.

d. The Board of Supervisors delegates its authority to conduct the hearing to the County Hearing Officer appointed by the Board of Supervisors pursuant to Ordinance No. 643 and Government Code section 27720.

e. The County Hearing Officer shall have full authority and duty to preside over the hearing in the manner set forth in Ordinance No. 643.

f. At the time fixed in the notice of hearing, the County Hearing Officer shall receive evidence from the enforcement officer and the owner of the premises, any other responsible party, or their representatives and any other concerned persons who may desire to present oral or documentary evidence regarding the conditions of the premises or other relevant matter, if such persons are present at the hearing. In conducting the hearing, the County Hearing Officer shall not be limited by the technical rules of evidence. Failure of the owner or responsible party to appear shall not affect the validity of the proceedings or order issued thereon.

g. Upon conclusion of the hearing, the County Hearing Officer shall make his decision and in the event it so concludes, may declare the conditions on the premises to be in violation of this ordinance and to constitute a public nuisance. The County Hearing Officer may direct the owner or responsible party to abate the unlawful marijuana cultivation within ten (10) calendar days after mailing and posting of the County Hearing Officer's decision. The County Hearing Officer's decision shall include notice that if the unlawful marijuana cultivation is not abated as directed and within ten (10) calendar days, the enforcement officer may abate the unlawful marijuana cultivation and the abatement costs shall be a lien and an assessment against the premises. Such decision shall be mailed to, or personally served upon, the party requesting the hearing, any other parties upon whom the Notice to Abate Unlawful Marijuana Cultivation was served, and the enforcement officer.

h. The County Hearing Officer may continue the administrative hearing from time to time.

i. At the conclusion of the hearing, the County Hearing Officer shall submit his decision and the record to the Clerk of the Board.

j. The decision of the County Hearing Officer shall be final and conclusive.

Section 9. ABATEMENT BY OWNER OR RESPONSIBLE PARTY. Any owner or responsible party may abate the unlawful marijuana cultivation or cause it to be abated at any time prior to commencement of abatement by, or at the direction of, the enforcement officer.

Section 10. SUMMARY ABATEMENT. Notwithstanding any other provision of this ordinance, when any unlawful marijuana cultivation constitutes an immediate threat to public health or safety, and when the procedures set forth in sections 5 through 8 of this ordinance will not result in abatement of that nuisance within a short enough time period to avoid that threat, the enforcement officer may direct any officer or employee of the County to summarily abate the nuisance by removing and destroying the marijuana plants. The enforcement officer shall make reasonable efforts to notify the owner of the premises and any other responsible party, but the formal notice and hearing procedures set forth in this ordinance shall not apply. The County may nevertheless recover its abatement costs for abating that nuisance in the manner set forth in this ordinance.

Section 11. ENFORCEMENT. Whenever the enforcement officer becomes aware that an owner of the premises or any other responsible party has failed to abate any unlawful marijuana cultivation within ten (10) calendar days of the date of service of the Notice to Abate Unlawful Marijuana Cultivation, unless timely appealed, or of the date of the County Hearing Officer's decision requiring such abatement, the enforcement officer may take one or more of the following actions:

a. Enter upon the premises and abate the nuisance by County personnel, or by private contractor under the direction of the enforcement officer. The enforcement officer may apply to a court of competent jurisdiction for a warrant authorizing entry upon the premises for purposes of undertaking the nuisance abatement work by removing and destroying the marijuana plants, including any fixtures and other moveable property and equipment used for

marijuana cultivation, if necessary.

b. Request that the County Counsel commence a civil action to redress, enjoin, and abate the public nuisance.

Section 12. LIMITED EXEMPTION FROM ENFORCEMENT.

a. The County is committed to making efficient and rational use of its limited investigative and prosecutorial resources. There shall be a limited exemption from enforcement for violations of this ordinance by primary caregivers and qualified patients for small amounts of marijuana cultivation for their own medical use in zone classifications identified section 3.4 of Ordinance No. 348 when all of the following conditions and standards are complied with:

1. The premises shall contain a legally permitted one-family dwelling.

2. Cultivation of no more than twelve (12) marijuana plants per qualified patient. In the event a qualified patient has a primary caregiver cultivating marijuana plants for the qualified patient, only one primary caregiver may cultivate no more than twelve (12) marijuana plants for that qualified patient at any one time. In no circumstances shall a qualified patient have multiple primary caregivers cultivating marijuana plants for the qualified patient at the same time.

3. Two (2) qualified patient limit to aggregate marijuana plant count for a maximum total of twenty-four (24) marijuana plants per premises.

4. At least one qualified patient or one primary caregiver must live on the premises.

5. All marijuana plants must be reasonably secured to prevent access by minors or theft, to a standard satisfactory to the enforcement officer.

6. All marijuana cultivation outside of any building must be fully enclosed by an opaque fence at least six feet in height. The fence must be adequately secure to prevent unauthorized entry. Bushes, hedgerows, plastic sheeting, tarps, or cloth material shall not constitute an adequate fence under this subsection. Premises larger than five (5) acres are exempt from this fencing provision so long as all other standards and conditions of subsection a. of this section are complied with and any barriers used are otherwise consistent with Ordinance No. 457 and Ordinance No. 348.

7. Each building or outdoor area in which the marijuana plants are cultivated shall be set back at least ten (10) feet from all boundaries of the premises. Such setback distance shall be measured in a straight line from the building in which the marijuana plants are cultivated, or, if the marijuana plants are cultivated in an outdoor area, from the fence required by subsection 6. to the boundary line of the premises.

8. The designated marijuana cultivation area must not be visible from any public right-of-way.

9. If the person cultivating marijuana plants on any premises is not the owner of the premises, such person shall submit a letter from the owner(s) consenting to the marijuana cultivation on the parcel. This letter shall be examined by the enforcement officer, and shall then be returned to the submitter. The County shall prescribe forms for such letters.

10. Parolees or probationers shall not live on the premises unless the parolees or probationers have received confirmation from the court that he is allowed to use medical marijuana while on parole or probation pursuant to Health & Safety Code section 11362.795

which shall be subject to verification by the enforcement officer.

11. Qualified patients for whom the marijuana plants are being cultivated shall have valid Medical Marijuana Identification Cards issued by the Riverside County Department of Public Health. Any primary caregiver cultivating marijuana plants for a qualified patient shall have a copy of the qualified patient's valid Medical Marijuana Identification Card issued by the Riverside County Department of Public Health which shall be kept on the premises.

12. The address for the premises must be posted and plainly visible from the public right-of-way.

13. The marijuana cultivation shall not be within a multi-dwelling building.

14. The marijuana cultivation shall not be upon any premises located within one thousand (1,000) feet of any school, community center, or park.

15. The marijuana cultivation shall not be upon any premises containing a child care center, church, or youth-oriented facility.

b. Any marijuana cultivation that does not comply with all of the standards and conditions in subsection a. of this section is subject to nuisance abatement enforcement and administrative civil penalties as set forth in this ordinance.

Section 13. RECOVERY OF ABATEMENT COSTS AND ATTORNEYS' FEES.

a. In any enforcement action brought pursuant to this ordinance, whether by administrative proceedings, judicial proceedings, or summary abatement, each person who causes, permits, suffers, or maintains the unlawful marijuana cultivation to exist shall be liable for all abatement costs incurred by the County, and any and all costs incurred to undertake, or to cause or compel any responsible party to undertake, any abatement action in

compliance with the requirements of this ordinance, whether those costs are incurred prior to, during, or following enactment of this ordinance.

b. In any action by the enforcement officer to abate unlawful marijuana cultivation under this ordinance, whether by administrative proceedings, judicial proceedings, or summary abatement, the prevailing party shall be entitled to a recovery of the reasonable attorneys' fees incurred. Recovery of attorneys' fees under this subdivision shall be limited to those actions or proceedings in which the County elects, at the initiation of that action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the County in the action or proceeding.

Section 14. NOTICE OF ABATEMENT COSTS. At the conclusion of the abatement, the enforcement officer shall issue a bill setting forth the abatement costs to the owner of the premises and any other responsible party. The bill shall demand payment to the County of the total abatement costs within fifteen (15) calendar days of its mailing.

Section 15. SPECIAL ASSESSMENT AND LIEN.

a. If the owner fails to pay the abatement costs upon demand by the County, the Board of Supervisors may order the abatement costs to be specially assessed against the premises under Government Code section 25845. The assessment may be collected at the same time and in the same manner as ordinary county taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as are provided for ordinary county taxes. All laws applicable to the levy, collection, and enforcement of county taxes are applicable to the special assessment.

b. If the Board of Supervisors specially assesses the abatement costs against the premises, the Board of Supervisors also may cause a Notice of

Abatement Lien to be recorded. The Notice of Abatement Lien shall, at a minimum, identify the record owner or possessor of the premises, set forth the last known address of the record owner or possessor of the premises, set forth the date upon which abatement of the nuisance was ordered by the County Hearing Officer, the date the abatement was complete, include a description of the premises subject to the lien, and the amount of the abatement cost.

Section 16. ADMINISTRATIVE CIVIL PENALTIES.

a. In addition to any other remedy prescribed in this ordinance, any nuisance as described in this ordinance may be subject to an administrative civil penalty of up to one thousand dollars ($1000) per day. The administrative civil penalty may be imposed via the administrative process set forth in this section, as provided in Government Code section 53069.4, or may be imposed by the court if the violation requires court enforcement without an administrative process.

b. Acts, omissions, or conditions in violation of this ordinance that continue, exist, or occur on more than one day constitute separate violations on each day. Violations continuing, existing, or occurring on the service date, the effective date, and each day between the service date and the effective date are separate violations.

c. In the case of a continuing violation, if the violation does not create an immediate danger to health or safety, the enforcement officer or the court shall provide for a reasonable period of time, not to exceed ten (10) calendar days, for the person responsible for the violation to correct or otherwise remedy the violation prior to the imposition of the administrative civil penalty.

d. In determining the amount of the administrative civil penalty, the enforcement officer, or the court if the violation requires court enforcement

without an administrative process, shall take into consideration the nature, circumstances, extent, and gravity of the violation or violations, any prior history of violations, the degree of culpability, economic savings, if any resulting from the violation, and any other matters justice may require.

e. The enforcement officer may commence the administrative civil penalty process by issuance of a notice of violation and proposed administrative civil penalty, which shall state the amount of the proposed administrative civil penalty and the reasons therefore. The notice of violation and proposed administrative civil penalty shall inform the recipient of his right to request an appeal hearing in accordance with this section. The notice shall state that if such a hearing is not requested within ten (10) days of issuance of the notice of violation and issuance of the proposed administrative civil penalty, the proposed penalty shall become final and the recipient of thereof shall immediately make payment of the administrative civil penalty to the County. The notice of violation and proposed administrative civil penalty shall also state that if the administrative civil penalty is not timely paid or appealed then additional costs shall be assessed by the enforcement officer to recover administrative costs, including but not limited to costs of obtaining a title report, recording fees, noticing, scheduling and participating in further hearings, collection activities or other costs incurred to recover the administrative civil penalties. The notice of violation and proposed administrative civil penalty may be combined with a Notice to Abate Unlawful Marijuana Cultivation issued pursuant to Section 5. The notice of violation and proposed administrative civil penalty shall be served by mail addressed to all of the following: (i) the owner of the premises on which the violation exists, as named on the last County Equalized Assessment Roll, or as otherwise known to the enforcement officer; (ii) anyone other responsible party, if other than the owner(s), and if

known or reasonably identifiable; and (iii) any other person known to the enforcement officer who has caused, permitted, maintained, conducted, or otherwise suffered or allowed the violation to exist. The failure to serve any person described in this subsection shall not affect the validity of service or the validity of any penalties imposed upon any other person.

Section 17. APPEAL OF ADMINISTRATIVE CIVIL PENALTIES.

a. Notice of Appeal. The recipient of an administrative civil penalty may appeal its validity by filing a written Notice of Appeal with the County Department that issued the administrative civil penalty. The written Notice of Appeal must be filed within ten (10) calendar days of service of the administrative civil penalty. The Notice of Appeal shall be accompanied by either an advance deposit of the administrative civil penalty imposed or a Request for Advance Deposit Hardship Waiver as set forth below. Failure to properly file a written Notice of Appeal within this time period shall constitute a waiver of the right to appeal the administrative civil penalty. The Notice of Appeal shall be submitted on a form provided by the County Department that issued the administrative civil penalty and shall contain the following information:

1. A brief statement setting forth the appellant's interest in the proceedings;
2. A brief statement of the material facts which the appellant claims support a contention that no violation exists and that no administrative civil penalty should be imposed or that an administrative civil penalty of a different amount is warranted;
3. An address at which the appellant agrees that notice of any additional proceeding or an order relating to the imposition of the administrative civil penalty may be received by mail; and
4. The Notice of Appeal must be signed by the appellant under penalty

of perjury.

b. Advance Deposit Hardship Waiver.

1. Any person filing a Notice of Appeal to contest an administrative civil penalty and who is financially unable to make the advance deposit of the penalty as required, may submit a Request For Advance Deposit Hardship Waiver with the Notice of Appeal.

2. The Request For Advance Deposit Hardship Waiver shall be filed with the County Department that issued the administrative civil penalty on a form provided by the same County Department. The request shall be documented by a sworn affidavit, together with any supporting documents or materials, demonstrating to the satisfaction of the enforcement officer that the person's actual financial inability to deposit the full amount of the administrative civil penalty in advance of the hearing.

3. The requirement of depositing the full amount of the administrative civil penalty shall be stayed for ten (10) calendar days pending a determination by the enforcement officer of the approval or denial of the Request For Advance Deposit Hardship Waiver.

4. The enforcement officer shall issue a written determination stating the approval or listing the reasons for the denial of the Request For Advance Deposit Hardship Waiver. The written determination shall be mailed to the appellant at the address provided in the Request.

5. If the enforcement officer denies a Request For Advance Deposit Hardship Waiver, the appellant shall remit the deposit to the County within fifteen (15) calendar days of the date of mailing notice of the denial.

6. The written determination of the enforcement officer shall be final.

c. Hearing on Appeal of Administrative Civil Penalty. Upon receipt of a

timely filed Notice of Appeal of an Administrative Civil Penalty, an appeal hearing to consider the issuance of the administrative civil penalty shall be held before the County Hearing Officer, appointed by the Board of Supervisors pursuant to Ordinance No. 643 and Government Code section 27720. The appeal hearing shall be conducted pursuant to the provisions set forth in section 8 of this ordinance.

d. County Hearing Officer's Decision. The County Hearing Officer shall issue a written decision following the appeal hearing, which shall be issued to the appellant at the appellant's address set forth in the Notice of Appeal. If the administrative civil penalty is determined to have been valid at the time of its issuance, the County Hearing Officer shall set the penalty amount pursuant to section 16 of this ordinance, and order said penalties to be paid within fifteen (15) calendar days of issuance of the County Hearing Officer's decision. The County Hearing Officer is authorized to order the penalties to be placed as a recorded lien against the premises subject to the administrative civil penalty and authorize the penalties to be placed as a Special Assessment on the County Tax Assessment Roll to be paid with County taxes, unless paid sooner. The County Hearing Officer's decision shall contain instructions for obtaining judicial review of the decision as set forth below.

e. Judicial Review of Administrative Hearing Officer's Decision On Administrative Civil Penalty.

1. Notice of Appeal of the Administrative Hearing Officer's Decision. Within twenty (20) calendar days of the date of issuance of the final decision, the appellant may contest an Administrative Hearing Officer's decision by filing an appeal in the Riverside County Superior Court. The fee for filing the appeal is specified in Government Code section 70615 (currently $25.00) and shall be

paid to the Clerk of the Court. The failure to file the written appeal and to pay the filing fee within this period shall constitute a waiver of the right to an appeal and the decision shall be deemed final and confirmed. A copy of the Notice of Appeal of the Administrative Hearing Officer's Decision filed in the Riverside County Superior Court shall be served in person or by first class mail upon the County Department that issued the administrative civil penalty by the appellant.

2. Conduct of Hearing. The conduct of the appeal hearing is a subordinate judicial duty and may be performed by traffic trial commissioners and other subordinate judicial officials at the direction of the Presiding Judge of the Riverside County Superior Court. The appeal shall be heard de novo, and the contents of the file of the County Department that issued the administrative civil penalty shall be received into evidence. A copy of the Notice of Violation, administrative civil penalty and Hearing Officer's Decision shall be admitted into evidence as prima facie evidence of the facts stated therein. The Court shall request that the County Department's file be forwarded to the Court, to be received within fifteen (15) calendar days of the request.

3. Judgment. The Court shall retain the fee for filing the appeal regardless of the outcome of the appeal. If the Court finds in favor of the appellant, the amount of the fee shall be reimbursed to the appellant by the County in accordance with the judgment of the Court. If the penalty has not been deposited and the decision of the Court is against the appellant, the County Department that issued the administrative civil penalty may proceed to collect the penalty pursuant to the abatement cost recovery procedures set forth in this

ordinance.

Section 18. COLLECTION OF ADMINISTRATIVE CIVIL PENALTIES WHEN NO APPEAL HEARING IS REQUESTED.

a. If the administrative civil penalty are not timely paid and no Notice of Appeal is filed by the date set forth on the administrative civil penalty then additional costs shall be assessed by the enforcement officer to recover administrative costs. These administrative costs include, but are not limited to costs of obtaining a title report, recording fees, noticing, scheduling and participating in further hearings, reasonable attorneys' fees, collection activities or other costs incurred to recover the administrative civil penalties.

b. A "Notice Of Delinquent Administrative Civil Penalties and Special Tax Assessment" shall be issued to the owner of the premises and other responsible party who received the administrative civil penalty in the same manner as set forth in section 16 of this ordinance. Said notice shall provide an opportunity to request a hearing regarding only the amount of penalties to be assessed as a special tax assessment. The request for hearing shall be submitted to the County Department issuing the administrative civil penalty within twenty (20) calendar days of issuance of the Notice of Delinquent Administrative Civil Penalties and Special Tax Assessment and shall include the proper form to be used to request a hearing. Any hearing set pursuant to this subsection shall be conducted by the County Hearing Officer. If a request for hearing is not timely or properly submitted, the right to a hearing concerning the amount of penalties assessed shall be considered waived.

Section 19. ENFORCEMENT BY CIVIL ACTION. As an alternative to the procedures set forth in sections 5 through 8, the County may abate a violation of this ordinance by the prosecution of a civil action through the Office of County Counsel, including an action for injunctive relief. The remedy of

injunctive relief may take the form of a court order, enforceable through civil contempt proceedings or receivership, prohibiting the maintenance of the violation of this ordinance or requiring compliance with other terms.

Section 20. OTHER NUISANCE. Nothing in this ordinance shall be construed as a limitation on the County's authority to abate any nuisance which may otherwise exist from the planting, growing, harvesting, drying, processing or storage of marijuana plants or any part thereof from any location, indoor or outdoor, including from within a fully enclosed and secure building.

Section 21. TREBLE DAMAGES. Upon a second or subsequent civil or criminal judgment for violation of this ordinance within a two-year period, a violator shall be liable to the County for treble the abatement costs, in accordance with Government Code section 25845.5.

Section 22. MISDEMEANOR PENALTY. Any person violating any provision of this ordinance shall be guilty of a misdemeanor.

Section 23. NON-EXCLUSIVE REMEDIES AND PENALTIES. All remedies and penalties for the abatement of public nuisances provided for in this ordinance shall be cumulative and not exclusive. Enforcement by use of any administrative, criminal or civil action, citation or administrative proceeding or abatement remedy does not preclude the use of additional citations or other remedies as authorized by other ordinance or law. Enforcement remedies may be employed concurrently or consecutively. Conviction and punishment of or enforcement against any person hereunder shall not relieve such person from the responsibility of correcting, removing or abating a violation, nor prevent the enforced correction, removal or abatement thereof. Each and every day, or any portion thereof, during which any violation of this ordinance is committed, continued, or permitted by such person, shall be deemed a separate and distinct offense.

Section 24. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

///

Section 25. EFFECTIVE DATE. This ordinance shall take effect thirty (30) calendar days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: _____

Chairman

ATTEST:

CLERK OF THE BOARD

By: _____

Deputy

(SEAL)

APPROVED AS TO FORM

_____, 2015

By: _____

TIFFANY N. NORTH

Deputy County Counsel

G:\Property\TNorth\RCO No 348\... Marijuana\RCO No 925 re marijuana cultivation Final.doc

Exhibit “C”

Proposed Ordinance for Medical Marijuana

In the City of Banning

1. Intent and Purpose
2. Definitions
3. Authority
4. Rules and Regulation
5. Enforcement

It is intent of the City of Banning to provide a means for safe and affordable access to medical cannabis (medical marijuana) to qualified patients in need.

While the operation of a business, fixed or mobile, that stores, gives or sells cannabis is a violation of City of Banning Municipal Code (1965, § 35-3; Ord. No. 1369, § 1): *It shall be unlawful for any person to open, operate, manage, or be employed by, or conduct business with a medical marijuana dispensary and other similar uses.* An individual, company or corporation that is properly vetted and meets all requirements herein may obtain a Permit to operate a cannabis facility or at minimum an Exemption from Enforcement of the City Code as well as Health and Safety Code 11570.

Definitions

"Marijuana" means all parts of the plant Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It includes marijuana infused in foodstuff. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except resin extracted therefrom), fiber, oil, or cake, or the sterilized seeds of the plant that are incapable of germination. All references to Cannabis shall have the same meaning as Marijuana.

"Medical marijuana dispensary" means any facility or location where medical marijuana is made available to and/or distributed by or to two or more of the following: a "primary caregiver," "a qualified patient," or a person with an "identification card," as these terms are defined in California Health and Safety Code Section 11362.5 et seq. A "medical marijuana dispensary" shall not include the following uses, as long as the location of such uses are otherwise regulated by this code or applicable law: a clinic licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code, a health care facility licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code, a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code, a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code, a residential hospice, or a home health agency licensed pursuant to Chapter 8 of Division 2 of the Health and Safety Code, as long as any such use complies strictly with applicable law including, but not limited to, Health and Safety Code Section 11362.5 et seq.

Cultivation Site: A facility, indoor or outside where Cannabis is cultivated for distribution to licensed Dispensaries.

Processor: A facility where cannabinoids are extracted from the cannabis plant for distribution to licensed dispensaries.

Distribution Center: (Pending final definition by the Medical Marijuana Board) A facility where raw and processed cannabis shall be stored and tested prior to distribution to licensed dispensaries.

Physician's Recommendation: Physicians may not prescribe marijuana because the federal Food and Drug Administration regulates prescription drugs and, under the CSA, marijuana is a Schedule I drug, meaning that it has no recognized medical use. Physicians may, however, lawfully issue a verbal or written recommendation under California law indicating that marijuana would be a beneficial treatment for a serious
medical condition. (§ 11362.5(d); *Conant v. Walters* (9th Cir. 2002) 309 F.3d 629, 632.)

Qualified Patient: A qualified patient is a person whose physician has recommended the use of marijuana to treat a serious illness, including cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief. (§ 11362.5(b)(1)(A).) Member shall have the same meaning as Qualified Patient.

Recommending Physician: A recommending physician is a person who (1) possesses a license in good standing to practice medicine in California; (2) has taken responsibility for some aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient; and (3) has complied with accepted medical standards (as described by the Medical Board of California in its May 13, 2004 press release) that a reasonable and prudent physician would follow when recommending or approving medical marijuana for the treatment of his or her patient.

Primary Caregiver: A primary caregiver is a person who is designated by a qualified patient and "has consistently assumed responsibility for the housing, health, or safety" of the patient. (§ 11362.5(e).) California courts have emphasized the consistency element of the patient-caregiver relationship. Although a "primary caregiver who consistently grows and supplies . . . medicinal marijuana for a section 11362.5 patient is serving a health need of the patient," someone who merely maintains a source of marijuana does not automatically

become the party "who has consistently assumed responsibility for the housing, health, or safety" of that purchaser. (*People ex rel. Lungren v. Peron* (1997) 59 Cal.App.4th 1383, 1390, 1400.) A person may serve as primary caregiver to "more than one" patient, provided that the patients and caregiver all reside in the same city or county. (§ 11362.7(d)(2).) Primary caregivers also may receive certain compensation for their services. (§ 11362.765(c) ["A primary caregiver who receives
compensation for actual expenses, including reasonable compensation incurred for services provided . . . to enable [a patient] to use marijuana under this article, or for payment for out-of-pocket expenses incurred in providing those services, or both, . . . shall not, on the sole basis of that fact, be subject to prosecution" for possessing or transporting marijuana].)

Business Licenses, Sales Tax, and Seller's Permits: The State Board of Equalization has determined that medical marijuana transactions are subject to sales tax, regardless of whether the individual or group makes a profit, and those engaging in transactions involving medical marijuana must obtain a Seller's Permit. City of Banning also requires dispensaries to obtain business licenses.

Authority: Shall mean the City of Banning and or designate, including but not limited to Banning Police Department (BPD), City Manager, Code Enforcement officer and Members of the City Council.

Sensitive use: Shall mean any area within 600' of K through 12 credentialed school, public or private. Measurement shall mean a straight line from the nearest property line of both properties.

Security: Shall mean adequate security to ensure that patients are safe and that the surrounding homes or businesses are not negatively impacted by nuisance activity such as loitering or crime. Maintain adequate video surveillance and recordings of all areas cannabis will be displayed, sold and stored. Further, to maintain security, prevent fraud, and deter robberies, keep accurate records and follow accepted cash handling practices, including regular bank runs and cash drops, and maintain a general ledger of cash transactions.

Diversion: Is the sale, gift or transfer in any way to a Non-Qualified patient or member.

Personal Cultivation: Is the cultivation of cannabis for the sole use and consumption by a qualified patient.

Facility: A business permitted by the City of Banning to engage in the sale, cultivation, storage or processing of Medical Marijuana.

Authority to Regulate

While the State California has signed into law The Medical Marijuana Regulation and Safety Act (MMRSA) to take effect January 1, 2018. The regulatory board established by MMRSA is currently convening to establish rules and regulation for the cultivation, sale and distribution of cannabis in the State of California. The Act provides that a City may adopt regulation consistent with the Act.

The City of Banning is assuming authority to regulate the cultivation, sale and distribution of cannabis within it's jurisdiction based on State Supreme Court case S198638, City of Riverside vs Inland Empire Health and Wellness.

"We thus conclude that neither the CUA nor the MMP expressly or impliedly preempts the authority of California cities and counties, under their traditional land use and police powers, **to allow**, restrict, limit, or entirely exclude facilities that distribute medical marijuana"

And

Department of Justice memo of August 29,2013, aka "The Cole Memorandum"

"The Department's guidance rests on the expectation that states and local governments that have enacted laws authorizing marijuana-related conduct will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests."

The City, of course shall amend the local regulation as needed to remain consistent with State law.

Proposed Zoning, Rules and Standards

No land use entitlement, permit (including building permit) approval, site plan, certificate of occupancy, zoning clearance, or other land use authorization for a Medical Cannabis Facility shall be granted or permitted except in conformance with this Section.

Medical Cannabis Facility shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and process set forth in this Section.

No Medical Cannabis Facility shall be established, developed, or operated within a sensitive use area.

A Medical Cannabis Facility is not and shall not be approved as an accessory use to any other use permitted by this Zoning Code.

No more than two (2) of each business classification shall be maintained or operated in the City at any time. Classifications are, Dispensary, Cultivation facility, Distribution and Processing. The City Council shall review and evaluate all qualified applications and will approve issuance of regulatory permits to the most qualified as determined through the Allotment Process described below. Where the City Council has reviewed qualified applications within three (3) years of any review and allotment proposal allowed under the provisions of this Section, the City Council may limit its review to one or more of the qualified applications reviewed and considered during such previous Allotment Process.

Prior to initiating operations and as a continuing requisite to conducting operations, the legal representative of the persons wishing to operate a Medical Cannabis Facility shall obtain a regulatory permit from the City Manager under the terms and conditions set forth in this Section. The legal representative shall file an application with the City Manager upon a form provided by the City and shall pay a filing fee as established by resolution adopted by the City Council as amended from time to time. An application for a regulatory permit for a Medical Cannabis Facility shall include, but shall not be limited to, the following information:

1. An estimate of the size of the group of primary caregivers and/or qualified patients who will be served by the facility.
2. The address of the location from which the facility for which application is made will be operated.

3. A site plan and floor plan of the premises denoting all the use of areas on the premises, including storage, cultivation areas, exterior lighting, restrooms, signage, and parking; other tenant spaces if the facility is proposed for a multitenant building site.

4.A security plan including the following measures:

a. Security cameras shall be installed and maintained in good working condition, and used in an on-going manner with at least 120 continuous hours of digitally recorded documentation in a format approved by the Authority. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, cultivation areas, all doors and windows, and any other areas as determined by the Authority.

b. The lease/business space shall be alarmed with a reliable, commercial alarm system that is operated and monitored by a security company or alarm business that is operating in full compliance with of this Code.

c. Entrance to the dispensing area and any storage areas shall be locked at all times, and under the control of facility staff.

d. The business entrance(s) and all window areas shall be illuminated during evening hours. The applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etc., and secure the necessary approvals and permits as needed.

e. All windows on the building that houses the facility shall be appropriately secured and all marijuana securely stored.

5. The name and address of any person who is managing or responsible for the Medical Cannabis Facilities activities, and the names and addresses of any employees, if any, and a statement as to whether such person or persons has or have been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received for such conviction(s).

6. The name and address of the owner and lessor of the real property upon which the business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a Medical Cannabis Facility will be operated on his/her property.

7. Authorization for the City Authority to seek verification of the information contained within the application.

8. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

9. Any such additional and further information as is deemed necessary by the Authority to administer this Section.

10. The Authority shall conduct a background check of any applicant for a regulatory permit, including any person who is managing or is otherwise responsible for the activities of the Facility, and any employee, and shall prepare a report on the acceptability of the applicant's background and the suitability of the proposed location. Upon completing the review process, the regulatory permit shall be deemed a qualified application subject to the final certification and approval by the City Council pursuant to the allotment process, unless the Authority finds that the applicant:

a. Has made one or more false or misleading statements, or omissions on the application or during the application process; or

b. The proposed Facility is not allowed by state or local law, statue, ordinance, or regulation, including this Code, at a particular location.

c. Is not a Primary Caregiver or Qualified Patient or the legal representative of the cooperative or collective; or

d. The applicant, or any person who is managing or is otherwise responsible for the activities of the Facility, or any employee, if any, has been convicted of a felony, or convicted of a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, with the exception of marijuana related offenses for which the conviction occurred prior to passage of Compassionate Use Act. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

e. The applicant. Or any person who is managing or is otherwise responsible for the activities of the Facility has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices within the City in the past.

11. Based on the information set forth in the application and the Authority's report, the Authority, or the City Council pursuant to the allotment process, may impose reasonable terms and conditions on the proposed operations in addition to those specified in this Section. A regulatory permit issued pursuant to this Section is not transferable.

a. The City Manager will accept applications for Medical Cannabis Facilities during a sixty (60) day period commencing on the effective date of this Section. Such sixty (60) day time period plus an additional thirty (30) days to complete the reviews and the preparation of the reports called for in this Section shall be considered the "Application Period." In the event there is no more than one qualified application for each unallocated regulatory permit for a medical cannabis facility as allowed under section (10) determined to be conditionally qualified by the Authority, the Authority shall refer each such application to the City Council with a recommendation that the City Council approve the issuance of a regulatory permit to the applicants, subject to full compliance with the provisions of this Section and any conditions of approval. In the event there are more than one applications submitted for each unallocated regulatory permit for a medical cannabis facility as allowed during the Application Period, the Authority shall submit the qualified applications and the Authority's report on each application to the City Council for review and consideration. The qualified applications shall be considered concurrently by the City Council at a public hearing noticed and conducted pursuant to the provisions of City Code.

b. The City Council shall consider the qualified applications after evaluating the applications on their respective merits and the City Council may conditionally approve each qualified application or deny one or more of such applications if the Council makes one or more of the findings listed in section 10. The City Council shall rank all qualified applications in order of those that best satisfy the requirements of this Section and provide the highest level of service and opportunities for residents of Banning. The highest ranked qualified applications

equal to the number of available regulatory permits shall be granted regulatory permits pursuant to this Section.

12. The obligations of the Medical Cannabis Facility, including all on-going and continuing obligations required pursuant to any provision of this Section or as may be provided in any conditional approval of the Authority or the City Council, shall be set forth in a covenant running with the land or the leasehold interest, approved as to form by the City Attorney, and enforceable by the City. Such covenant shall also provide that the Facility shall annually provide to the Authority an updated application containing the information contained in Section 5 through 10. To the fullest extent permitted by law, the City shall not assume any liability whatsoever, and expressly does not waive sovereign immunity, with respect to medical cannabis, or for the activities of any Medical Cannabis Facility.
Upon receiving possession of a regulatory permit as provided in this Section, the collective or cooperative shall:

a: Execute an agreement indemnifying the City;
b. Carry insurance in the amounts and of the types that are acceptable to the Authority;
c. Name the City as an additionally insured;

13. No persons shall engage in, conduct, or be permitted to engage in or conduct a Medical Cannabis Facility unless each of the following requirements is continually met:

a. The Facility shall comply fully with all of the applicable restrictions and mandates set forth in state law, including without limitation the Attorney General Guidelines.
b. The Dispensary shall only be open between the hours of 9:00a.m. and 9:00 p.m., Monday through Saturday.
c. Physician's referrals shall be verified by the Facility prior to inclusion into the and at least every six months thereafter.
d. Each member of the Facility shall be a patient or a qualified primary caregiver.
e. The Facility shall maintain patient records in a secure location within the City of Banning, available to the Authority to review upon demand. Such records shall include without limitation a copy of the physician's referral and, if using a primary caregiver, a written authorization from the patient to be represented by such primary caregiver.
f. Cannabis shall be kept in a secured manner during business and nonbusiness hours.
g. Each Facility that prepares, or in any manner distributes food must comply with the provisions of all relevant State and local laws regarding the preparation, distribution, and sale of food.
h. Any Medical Cannabis Facility must pay any applicable sales tax pursuant to federal, state, and local law.
i. On-site smoking, ingestion, or consumption of cannabis or alcohol shall be prohibited on the premises of the Facility except by Qualified Patients in employ of the Facility. Consumption by Qualified Patient employees shall be conducted out of public view. The term "premises" as used in this Subsection includes the actual building, as well as any accessory structures and parking areas. The building entrance to a Facility shall be

clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the Facility is prohibited.

j. Signage for the Facility shall be limited to name of business and its status as a permitted Facility and in compliance with City of Banning sign permit. Each Facility shall post a sign or notice conspicuously at each point of public access into the Facility stating that the Facility is a permitted Marijuana Facility: No entry by persons under the age of 21 and a Qualified Patient.

k. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A Facility shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the Facility.

l. No one under twenty-one (21) years of age shall be a member or employee of a Facility.

m. Physician services shall not be provided on the premises. "Physician services" does not include social services, including counseling, help with housing and meals, hospice and other care referrals which may be provided on site.

n. The building in which the Facility is located as well as the operations as conducted therein shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the Compassionate Use Act.

o. The cooperative or collective shall not distribute, sell, dispense, or administer cannabis to anyone other than qualified patient members of the Facility and their primary caregivers.

p. A Medical Marijuana Dispensary shall distribute only cannabis cultivated or processed on the premises or by a member of the Facility, the member's primary caregiver, licensed cultivator or licensed processor. The first business day of each month the Facility shall record the total quantity of each form of cannabis on the premises. These records shall be maintained for two (2) years from the date created.

q. Provide the Authority with the name, phone number, and email address of an on-site community relations or staff person or other representative to whom one can provide notice if there are operating problems associated with the Facility. The Facility shall make every good faith effort to encourage residents to call this person to try to solve operating issues or complaints.

r. Fully comply with and meet all operating criteria required pursuant to the Compassionate Use Act, state law, the Attorney General Guidelines, the provisions of the Banning Municipal Code, including without limitation, this Section, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit, and all requirements set forth in the covenant. In order to ensure that the operation of the Facility is consistent with the protection of the health, safety, and welfare of the community, qualified patients, and primary caregivers, and will not adversely affect surrounding uses. The Facility shall implement equipment so as to mitigate or minimize the odors emanating from the Facility.

Enforcement

14. Enforcement of Medical Cannabis Facility Permits.

a. Recordings made by the security cameras shall be made available to the City Authority upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.
b. The City Authority shall have the right to enter the Medical Cannabis Facility from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and State of California.
c. Operation of the Facility in non-compliance with any conditions of approval or standards of this Section shall constitute a violation of the Municipal Code and shall be enforced pursuant to the provisions of this Code.

15. The City Manager may revoke a medical cannabis regulatory permit if any of the following, singularly or in combination, occur;

a. The City Manager determines that the Facility has failed to comply with any provision of this Code, any condition or approval, or any agreement or covenant as required pursuant to this Section; or
b. Operations cease for more than 90 calendar days, including during change of ownership proceedings; or
c. Ownership is changed without securing a regulatory permit; or
d. The Facility fails to maintain 120 continuous hours of security recordings; or
e. The Facility fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.
f. Any decision regarding the approval, conditional approval, denial, or revocation of a regulatory permit may be appealed to the City Council. Said appeal shall be made by a notice of appeal from the person appealing within thirty (30) days from the date of the decision. The appeal shall be accompanied by a fee, which shall be established by resolution of the City Council amended from time to time, and a written, verified declaration setting forth the basis for the claim that the permit was improperly approved, denied, conditioned or revoked. Filing of an appeal shall suspend the issuance of all regulatory permits until action is taken on the appeal.

16. In the event a qualified Facility that receives a permit ceases to operate for any reason, the Authority may or shall reopen the allotment process and provide an opportunity for new applications to be submitted. The time periods and process provided in Subsection 6 -10 shall be applied to the review and consideration of applications and the allotment of a regulatory permit. The provisions of this Subsection shall not apply in those situations where the City

Council has reviewed qualified applications within three (3) years of a previous Allotment Process and the City Council decides to limit its review to one (1) or more qualified applications reviewed and considered during such previous Allotment Process.

17. Abatement Orders and Civil Penalties.

a. Any person, partnership, association, corporation, fiduciary, or other entity that owns, leases, occupies, controls, or manages any building, property, or occupancy and causes, permits, or maintains a violation of the provisions of this Section, including without limitation the provisions of the permit thereof, or that falsely claims in any advertising of any kind, including without limitation, signs or handbills, that such person, association, corporation, fiduciary, or other entity is permitted as a medical cannabis Facility in the City, shall be subject to an abatement order issued pursuant to the provisions of City Municipal Code and shall be liable for administrative penalties as follows:

b. Each party subject to an abatement order pursuant to this Subsection, as determined by the Authority, shall pay an administrative penalty of one thousand ($1,000.00) dollars.

c. In the event that a violation of this Section addressed by an abatement order has not been abated, cured, remedied, and/or eliminated to the reasonable satisfaction the City Authority by the tenth (10th) day after the issuance of the abatement order, each party subject to said abatement order shall pay a supplemental administrative penalty of two thousand five hundred ($2,500.00) dollars.

d. In the event that a violation of this Section addressed by an abatement order has not been abated, cured, remedied and/or eliminated to the reasonable satisfaction of the City Authority by the thirtieth (30th) day after the issuance of an abatement order, each party subject to said abatement order shall pay a second supplemental administrative penalty of five thousand ($5,000.00) dollars for each calendar week, or portion thereof, the building and/or occupancy thereof is in violation of the provisions of this Section.

18. The City Authority may issue an Abatement Order for violations of the provisions of this Section. The Abatement Order shall contain:

(a) The street address and assessor's parcel number of the premises on which the building or structure is located, sufficient for identification;

(b) Reference to all code sections violated with a brief and concise description of the conditions found;

(c) A statement of the required action to permanently correct outstanding violations;

(d) A statement enumerating the action that can be taken by the City should the responsible party or parties fail to comply with the terms and deadlines as prescribed in the Abatement Order.

(e) A statement advising that any person having any record title or interest in the building may appeal Abatement Order served, provided the appeal is made in writing,

pursuant to and within the time frames provided in this Subsection. Failure to file an appeal in accordance with this Subsection shall constitute a waiver of the right to an administrative hearing and adjudication of the Abatement Order or any portion thereof.

19. The Abatement Order, or any amended Abatement Order, shall be served on the following parties:

(a) The record owner of the property; and,

(b) The holder of a mortgage, deed of trust, or other lien on the property, if recorded or otherwise actually known to the City Authority at the time the Abatement Order is served.

(c) If different than (a) or (b) above, the tenant of any building or structure or the operator of any marijuana or cannabis dispensary activity within such building or structure.

(1). Service shall be completed in the following manner:

(a) Posting of the Abatement Order conspicuously on or in front of the property and at each point of public access into the building or structure. It is a misdemeanor to remove or deface any Abatement Order posted on the property.

(b) Simultaneously, the same notice shall be sent by regular mail and certified mail (return receipt requested). If a notice that is sent by certified mail is returned unsigned, then service shall be deemed effective pursuant to regular mail, provided the notice that was sent by regular mail is not returned. Service by certified or regular mail in the manner described above shall be effective on the date of mailing; or

(c) Personal service;

(d) If the City Authority is unable to effectively serve the Abatement Order as provided in this Subsection, the City Authority may publish the Abatement Order in a newspaper of general circulation (as defined in Govt. Code § 6000), published in this jurisdiction. Publication of the Abatement Order pursuant to this Subsection shall be for five (5) days. The period of notice commences upon the first day of publication and terminates at the end of the fifth day, including therein the first day. Publication shall be made on each day on which the newspaper is published during the period. Service is deemed complete on the last day of publication.

e. The failure of any person with an interest in the property to receive any notice served in accordance with this Subsection shall not affect the validity of any proceedings taken under this Section.

f. Proof of service of the Notice and Order shall be documented at the time of service by a declaration under penalty of perjury, executed by the person effecting service, declaring the time and manner in which service was made. If service is effectuated by certified mail, the declaration, together with any receipt card returned in acknowledgment of receipt by certified mail, shall be affixed to the copy of the Notice and Order retained by the Building Official.

20. Upon receipt of an Abatement Order, each responsible party must take one of the following actions to avoid additional penalties:

(a) Correct the violation, pay the corresponding fine(s), if any, and contact the City Authority to request a re-inspection, prior to the compliance date specified in the abatement order; or

(b) Request a hearing to appeal the Abatement Order.

21. A responsible party receiving an Abatement Order may appeal such order within seven (7) calendar days from the date the Abatement Order is deemed served.

(a) The appeal must be in writing and must indicate the appellant's full name and mailing address. It must be accompanied by the penalty amount and appeal fee which shall be set by resolution of the City Council, must specify the basis for the appeal in detail, and must be filed with the City Clerk's Office. If the appeal deadline falls on a day City Hall is closed, then the deadline shall be extended until the next regular business day.

(b) As soon as practicable after receiving the written notice of appeal, the City Authority shall fix a date, time, and place for the hearing before a hearing officer. Written notice of the time and place for the hearing may be served by first class mail, at the mailing address indicated on the written appeal. Service of the appeal notice must be made at least seven (7) calendar days prior to the date of the hearing to the party appealing the administrative citation.

(c) The failure of any person with an interest in the property, or other responsible party, to receive such properly addressed notice of the hearing shall not affect the validity of any proceedings under this Section. Service by first class mail, postage prepaid shall be effective on the date of mailing.

(d) Failure of any responsible party to file an appeal in accordance with the provisions of this Section shall constitute a waiver of that responsible party's rights to administrative determination of the merits of the Abatement Order and the amount of the penalty. If no appeal is filed, the Abatement Order shall be deemed a final administrative order and a failure to exhaust the responsible party's administrative remedies.

22. At any time after the Abatement Order becomes final, the City Council may cause the Abatement Order and a notice of lien to be recorded with the County Recorder. The final Abatement Order and lien shall, at a minimum, identify the record owner and/or possessor of the property and set forth the last known address of the record owner and/or possessor, the date on which the penalty was imposed, a description of the real property subject to the lien, and the amount of the penalty.

23. This Subsection provides a civil penalty remedy that is in addition to all other legal remedies, criminal or civil, which may be pursued by the City Manager or the City Attorney to address any violation of this Section. The civil penalty imposed pursuant to the provisions of this section shall be in lieu of the administrative citation penalties imposed pursuant to the provisions of Section

CITY OF BANNING
CITY COUNCIL REPORT

TO: **City Council**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Michelle Green, Deputy Finance Director**
Melissa Elizondo, Accountant

MEETING DATE: **September 13, 2016**

SUBJECT: **Report of Investments for June 2016**

RECOMMENDATION:

The City Council receive and file the monthly *Report of Investments*.

JUSTIFICATION:

State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

BACKGROUND/ANALYSIS:

This report includes investments on hand at the end of June 2016. As of June 30, 2016, the City's operating funds totaled $78,979,700. Included in Successor Agency operating funds is $901,879 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of June 30, 2016 approximately 40% of the City's unrestricted cash balances were invested in investments other than LAIF.

The June Investment Report includes the following documents:

- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information

The attached Summary Schedule of Cash and Investments has been updated to show the rate of earnings allowance received from Wells Fargo Bank. The amount earned reduces the total amount of bank fees charged.

FISCAL DATA:

The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was increased to 0.576% in June. The average rate for all investments in June was 0.416%.

PREPARED BY:

Michelle M. Green
Deputy Finance Director

REVIEWED BY:

Rochelle Clayton
Administrative Services Director

APPROVED BY:

Michael Rock
City Manager

Summary Schedule of Cash and Investments

Operating Funds

				Amount	
Petty Cash				4,205	
Bank Accounts		Interest Rate	Amount		
Wells Fargo Bank		0.180% *	3,981,393		
Bank of America-Airport		0.020%	26,795		
Bank of America-Parking Citations		0.020%	12,728		
Bank of America-CNG Station		0.020%	32,741		
Money Market and Bank Account Sub-Total				4,053,657	
Government Pools					
Account #1 Operating Amount	44,724,702				
Account #1 CRA Bond Cash Bal.	901,879				
Local Agency Investment Fund: Account #1		0.576%	45,626,581		
Account #2 Sucessor Agency Cash Bal	0				
Local Agency Investment Fund: Account #2		0.576%	0		
Government Pool Sub-Total				45,626,581	
Operating Cash Balance					**49,684,443**
Restricted Operating Funds					
Riverside Public Utilities- Highmark U.S. Government Money Market Fund		0.110%			**1,048,390**
Calfornia ISO Corp- Union Bank					**109,728**
Worker's Compensation Program- (PERMA)					**2,009,702**
Other Investments					
Investments-US Bank/Piper Jaffray - See Page 2		0.172%			**26,097,438**
Operating Funds Total					**78,949,700**

Fiscal Agent

	Amount	
US Bank	29,133,643	
Fiscal Agent Total		**29,133,643**

** Rate of earnings allowance received, offsets analyzed bank charges.*

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Date	Discount or (Premium) Amortization	Market Value
Bank Accounts								
3,981,393	Wells Fargo Bank-Operating	n/a	0.18%	daily	varies	3,981,393	n/a	3,981,393
26,795	Bank of America-Airport	n/a	0.02%	daily	varies	26,795	n/a	26,795
12,728	Bank of America-Parking Citations	n/a	0.02%	daily	varies	12,728	n/a	12,728
32,741	Bank of America-Parking Citations	n/a	0.02%	daily	varies	32,741	n/a	32,741
	Sub-total							4,053,657
Government Pools								
45,626,581	L.A.I.F. account #1	n/a	0.576%	daily	varies	45,626,581	n/a	45,626,581
0	L.A.I.F. account #2	n/a	0.576%	daily	varies	0	n/a	0
								45,626,581
Investments-US Bank/Piper Jaffray								
2,000,000	Federal Home Loan Bks	n/a	0.500%	7/15/2016	4/15/2014	2,000,000		2,000,240
1,700,000	FHLMC Mtn	n/a	0.700%	12/30/2016	6/30/2014	1,700,000		1,704,097
2,000,000	Federal Home Loan Bks	n/a	1.050%	10/5/2018	10/5/2015	2,000,000		2,000,580
20,392,521	Money Market	n/a	0.010%	daily	varies	20,392,521	0	20,392,521
	US Bank/Piper Jaffray Average Rate=		0.172%					26,097,438

Average Rate All= 0.416%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on January 13, 2015. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 28 days and does not include Bond Reserve Fund Investments.

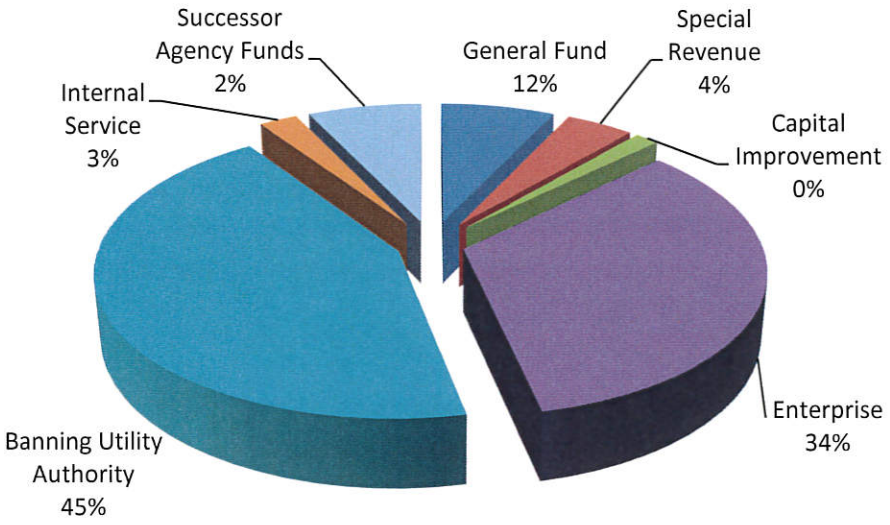
Individual Investments with Fiscal Agent

TRUSTEE Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Jun-16	6/30/2016 Market Value
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A							
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 5-Ct	0.100%	daily	188,024	18.89	223,096
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003							
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	1/29/2015	971,250		991,871
		US Bank Mmkt 5-Ct	0.100%	daily		1.78	21,041
		US Bank Mmkt 5-Ct	0.100%	daily		22.03	260,086
		US Bank Mmkt 5-Ct	0.090%	daily			34
Surplus Fund		US Bank Mmkt 5-Ct	0.080%	daily			12
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007							
Redevelop Fund	2037	US Bank Mmkt 5-Ct	0.100%	daily		645.95	7,627,050
Principal Fund		US Bank Mmkt 5-Ct	0.100%	daily		33.04	390,129
Reserve Fund		US Bank Mmkt 5-Ct	0.100%	daily	1,875,100	158.87	1,875,898
Special Fund		US Bank Mmkt 5-Ct	0.100%	daily		0.01	69
Surplus Fund		US Bank Mmkt 5-Ct	0.090%	daily			11
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES							
Interest Account		US Bank Mmkt 5-Ct	0.130%	daily		0.54	8
Principal Account		US Bank Mmkt 5-Ct	0.100%	daily		6.76	82,507
		US Bank Mmkt 5-Ct	0.100%	daily		276.78	3,268,139
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2015 SERIES							
Principal Account		First Amer Treas Oblig Fd Cl D	0.000%	daily			227,500
Project Fund		First Amer Treas Oblig Fd Cl D	0.000%	daily			3,007,573
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES							
BFA - ELECTRIC SYSTEM REVENUE BONDS 2015 SERIES							
Acquisition & Construction		First Amer Treas Oblig Fd CL D	0.000%	daily			11,158,619
*Paid Semi-Annually-Deposited into Money Mkt Account				**Total**		**1,164.65**	**29,133,643**

City of Banning
Investment Report Supplemental Information

Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of April 2015 to March 2016. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of Funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

Summary Schedule – Line item descriptions

Petty Cash –

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

Bank Accounts –

When reviewing the *Report of Investments,* please keep in mind that the balances shown on the *Summary Schedule of Cash and Investments* for bank accounts are "statement" balances. They reflect what the financial institution has on hand as of particular date and lists on their statement. They are not "general ledger" balances. General ledger balances reflect all activity through a particular date (i.e. all checks that have been written and all deposits that have been made) and is what we show on our books (the general ledger). The general ledger balance more accurately reflects the amount of cash we have available.

It should be noted that statement balances and general ledger balances can differ significantly. For example – on June 30th the statement balance for Wells Fargo Bank could show $1,000,000, however, staff may have prepared a check run in the amount of $750,000 on the same day. Our general ledger balance would show $250,000, as the Wells Fargo statement does not recognize the checks that have been issued until they clear the bank.

For investment decisions and cash handling purposes staff relies on the balance in the general ledger. Staff does not invest funds that are not available. Sufficient funds must be kept in the bank accounts to cover all checks issued.

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings. The Summary Schedule of Cash and Investments shows the rate of earnings allowance received from the bank. The amount earned reduces the total amount of bank fees charged.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds $3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds $3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds $3000, excess funds are transferred to the Wells Fargo Bank account.

Summary Schedule – Line item descriptions – Cont.

Government Pools –

- Local Agency investment Fund – Account #1
  - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to $50M.
- Local Agency investment Fund – Account #2
  - There is currently no balance in this account.
  - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

Restricted Operating Funds at California ISO-

The California ISO facilitates the purchase and sale of the City's electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security. A cash deposit in the amount of $100,000 was placed with Union bank in March, 2012 to meet the requirements. An additional $9,297 was deposited in May 2015 to meet revised requirements. The account is an interest bearing collateral account.

Restricted Operating Funds at PERMA-

The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City's worker's compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker's compensation claims. The City does not control the investments or earnings of this account.

Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank –

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.

CITY OF BANNING
CITY COUNCIL REPORT

TO:	**CITY COUNCIL**
FROM:	**Michael Rock, City Manager**
PREPARED BY:	**Michelle Green, Deputy Finance Director** **Maribel Munoz, Financial Service Specialist**
MEETING DATE:	**September 13, 2016**
SUBJECT:	**Approval of Accounts Payable and Payroll Warrants Month of May 2016**

RECOMMENDATION:

The City Council review and ratify the following reports per the California Government Code.

FISCAL DATA:

The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of May 2016.

The reports included for this month are:

Expenditure approval lists:

May 6, 2016		258,847.51
May 12, 2016		449,662.55
May 19, 2016		397,661.58
May 26, 2016		511,429.26
May 31, 2016		7,081.24
August 31, 2016	(May Month End)	4,642,419.67

Payroll check registers:

May 13, 2016	4,845.96
May 27, 2016	4,197.86
May 31, 2016	1,104.99

*Payroll direct deposits:**

May 13, 2016	289,276.22
May 27, 2016	277,001.02

**Included in Month End total*

As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

PREPARED BY:

Michelle M. Green
Deputy Finance Director

REVIEWED BY:

Rochelle Clayton
Administrative Services Director

APPROVED BY:

Michael Rock
City Manager

CITY of BANNING

Fund/Department Legend

Fund/Department Legend

001 General Fund Departments

0001 – General
1000 – City Council
1200 – City Manager
1300 – Human Resources
1400 – City Clerk
1500 – Elections
1800 – City Attorney
1900 – Fiscal Services
1910 – Purchasing & A/P
2060 – TV Government Access
2200 – Police
2210 – Dispatch
2279 – TASIN – SB621 (Police)
2300 – Animal Control
2400 – Fire
2479 – TASIN – SB621 (Fire)
2700 – Building Safety
2740 – Code Enforcement
2800 – Planning
3000 – Engineering
3200 – Building Maintenance
3600 – Parks
4000 – Recreation
4010 – Aquatics
4020 – Day Care
4050 – Senior Center
4060 – Sr. Center Advisory Board
4500 – Central Services
4800 – Debt Service
5400 – Community Enhancement

All Other Funds

002 – Developer Deposit Fund
003 – Riverside County MOU
005 – SA Admin Fund
100 – Gas Tax Street Fund
101 – Measure A Street Fund
103 – SB 300 Street Fund
104 – Article 3 Sidewalk Fund
110 – CDBG Fund
111 – Landscape Maintenance
132 – Air Quality Improvement Fund
140 – Asset Forfeiture/Police Fund
148 – Supplemental Law Enforcement
149 – Public Safety Sales Tax Fund
150 – State Park Bond Fund
190 – Housing Authority Fund
200 – Special Donation Fund
201 – Sr. Center Activities Fund
202 – Animal Control Reserve Fund
203 – Police Volunteer Fund
204 – D.A.R.E. Donation Fund
300 – City Administration COP Debt Service
360 – Sun Lakes CFD #86-1
365 – Wilson Street #91-1 Assessment Debt
370 – Area Police Computer Fund
375 – Fair Oaks #2004-01 Assessment Debt
376 – Cameo Homes
400 – Police Facilities Development
410 – Fire Facilities Development
420 – Traffic Control Facility Fund
421 – Ramsey/Highland Home Road Signal
430 – General Facilities Fund
441 – Sunset Grade Separation Fund
444 – Wilson Median Fund
451 – Park Development Fund
470 – Capital Improvement Fund
475 – Fair Oaks #2004-01 Assessment District
600 – Airport Fund
610 – Transit Fund
660 – Water Fund
661 – Water Capital Facilities
662 – Irrigation Water Fund
663 – BUA Water Capital Project Fund
669 – BUA Water Debt Service Fund
670 – Electric Fund
672 – Rate Stability Fund
673 – Electric Improvement Fund
674 – Electric Revenue Bond Project Fund
675 – Public Benefit Fund
678 – '07 Electric Revenue Bond Debt Service Fund
680 – Wastewater Fund
681 – Wastewater Capital Facility Fund
682 – Wastewater Tertiary
683 – BUA Wastewater Capital Project Fund
685 – State Revolving Loan Fund
689 – BUA Wastewater Debt Service Fund
690 – Refuse Fund
700 – Risk Management Fund
702 – Fleet Maintenance
703 – Information Systems Services
761 – Utility Billing Administration
805 – Redevelopment Obligation Retirement Fund
810 – Successor Housing Agency
830 – Debt Service Fund
850 – Successor Agency
855 – 2007 TABS Bond Proceeds
856 – 2003 TABS Bond Proceeds
857 – 2003 TABS Bond Proceeds Low/Mod

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CITY OF BANNING
CITY COUNCIL REPORT

TO:	**CITY COUNCIL**
FROM:	**Michael Rock, City Manager**
PREPARED BY:	**Michelle Green, Deputy Finance Director** **Maribel Munoz, Financial Service Specialist**
MEETING DATE:	**September 13, 2016**
SUBJECT:	**Approval of Accounts Payable and Payroll Warrants Month of June 2016**

RECOMMENDATION:

The City Council review and ratify the following reports per the California Government Code.

FISCAL DATA:

The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of June 2016.

The reports included for this month are:

Expenditure approval lists:

June 2, 2016		201,833.35
June 9, 2016		913,206.56
June 16, 2016		638,374.44
June 23, 2016		404,957.71
June 30, 2016		365,574.50
August 31, 2016	(June Month End)	2,513,586.88

Payroll check registers:

June 10, 2016	7,898.12
June 24, 2016	10,292.72

*Payroll direct deposits:**

June 10, 2016	362,637.90
June 24, 2016	267,070.70

**Included in Month End total*

As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

PREPARED BY:

Michelle M. Green
Deputy Finance Director

REVIEWED BY:

Rochelle Clayton
Administrative Services Director

APPROVED BY:

Michael Rock
City Manager

CITY of BANNING

Fund/Department Legend

Fund/Department Legend

001 General Fund Departments

0001 – General
1000 – City Council
1200 – City Manager
1300 – Human Resources
1400 – City Clerk
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2060 – TV Government Access
2200 – Police
2210 – Dispatch
2279 – TASIN – SB621 (Police)
2300 – Animal Control
2400 – Fire
2479 – TASIN – SB621 (Fire)
2700 – Building Safety
2740 – Code Enforcement
2800 – Planning
3000 – Engineering
3200 – Building Maintenance
3600 – Parks
4000 – Recreation
4010 – Aquatics
4020 – Day Care
4050 – Senior Center
4060 – Sr. Center Advisory Board
4500 – Central Services
4800 – Debt Service
5400 – Community Enhancement

All Other Funds

002 – Developer Deposit Fund
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370 – Area Police Computer Fund
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376 – Cameo Homes
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470 – Capital Improvement Fund
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610 – Transit Fund
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661 – Water Capital Facilities
662 – Irrigation Water Fund
663 – BUA Water Capital Project Fund
669 – BUA Water Debt Service Fund
670 – Electric Fund
672 – Rate Stability Fund
673 – Electric Improvement Fund
674 – Electric Revenue Bond Project Fund
675 – Public Benefit Fund
678 – '07 Electric Revenue Bond Debt Service Fund
680 – Wastewater Fund
681 – Wastewater Capital Facility Fund
682 – Wastewater Tertiary
683 – BUA Wastewater Capital Project Fund
685 – State Revolving Loan Fund
689 – BUA Wastewater Debt Service Fund
690 – Refuse Fund
700 – Risk Management Fund
702 – Fleet Maintenance
703 – Information Systems Services
761 – Utility Billing Administration
805 – Redevelopment Obligation Retirement Fund
810 – Successor Housing Agency
830 – Debt Service Fund
850 – Successor Agency
855 – 2007 TABS Bond Proceeds
856 – 2003 TABS Bond Proceeds
857 – 2003 TABS Bond Proceeds Low/Mod

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CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Art Vela, Director of Public Works/City Engineer**

MEETING DATE: **September 13, 2016**

SUBJECT: **Approve and Authorize the City Clerk to certify Parcel Map No. 37111**

RECOMMENDATION:

That the City Council approve final Parcel Map No. 37111 as presented and authorize the City Clerk to certify said map.

JUSTIFICATION:

The final Parcel Map No. 37111 has been examined and is found to be in substantial conformity with the Subdivision Map Act and the City's Municipal Code and is therefore being transmitted to City Council for final approval.

BACKGROUND:

Parcel Map No. 37111 represents property located within the Sun Lakes Village shopping center (300 S. Highland Springs Avenue). The property owner has submitted an application to subdivide an existing parcel into two, Parcel 1 being a 7.788 acre lot and Parcel 2 being a 1.000 acre lot.

The improvements for the new Big 5, Party City, Hobby Lobby and Marshalls lies within Parcel 1. A new retail/commercial building is anticipated to be developed within Parcel 2.

The City Engineer has determined that the Parcel Map is in substantial conformance with the Subdivision Map Act and the City's Municipal Code.

Waiver of Tentative Parcel Map: In accordance with Section 16.040.010(B) of the Subdivision Ordinance and Section 66428 of the Subdivision Map Act the Community Development Director along with the recommendation of the City Engineer finds that subject subdivision does not require the filing of a tentative map in that the public improvements are already in place and the required development impact fees shall be paid at the time of building permit application. The findings of fact are that full public improvements (streets, sidewalks, and parkway improvements) currently exist along Highland Springs Avenue and Sun Lakes Boulevard. Furthermore, the site is currently improved as the Sun Lakes Shopping Center with sanitary facilities, water service, concrete paving, landscaping, and other amenities as provided by the existing development plan and in accordance with the City's development regulations.

FISCAL IMPACT:

There is no direct fiscal impact, however the subdivision of land will accommodate commercial development which will provide future sales tax revenue to the City.

OPTIONS:

1. Approve Final Parcel Map No. 37111.
2. Reject Final Parcel Map No. 37111 and provide direction to staff.

ATTACMENTS:

1. Aerial Map
2. Parcel Map No. 37111

Reviewed by:

Art Vela,
Public Works Director/
City Engineer

Reviewed by:

Brian Guillot,
Community Development Director

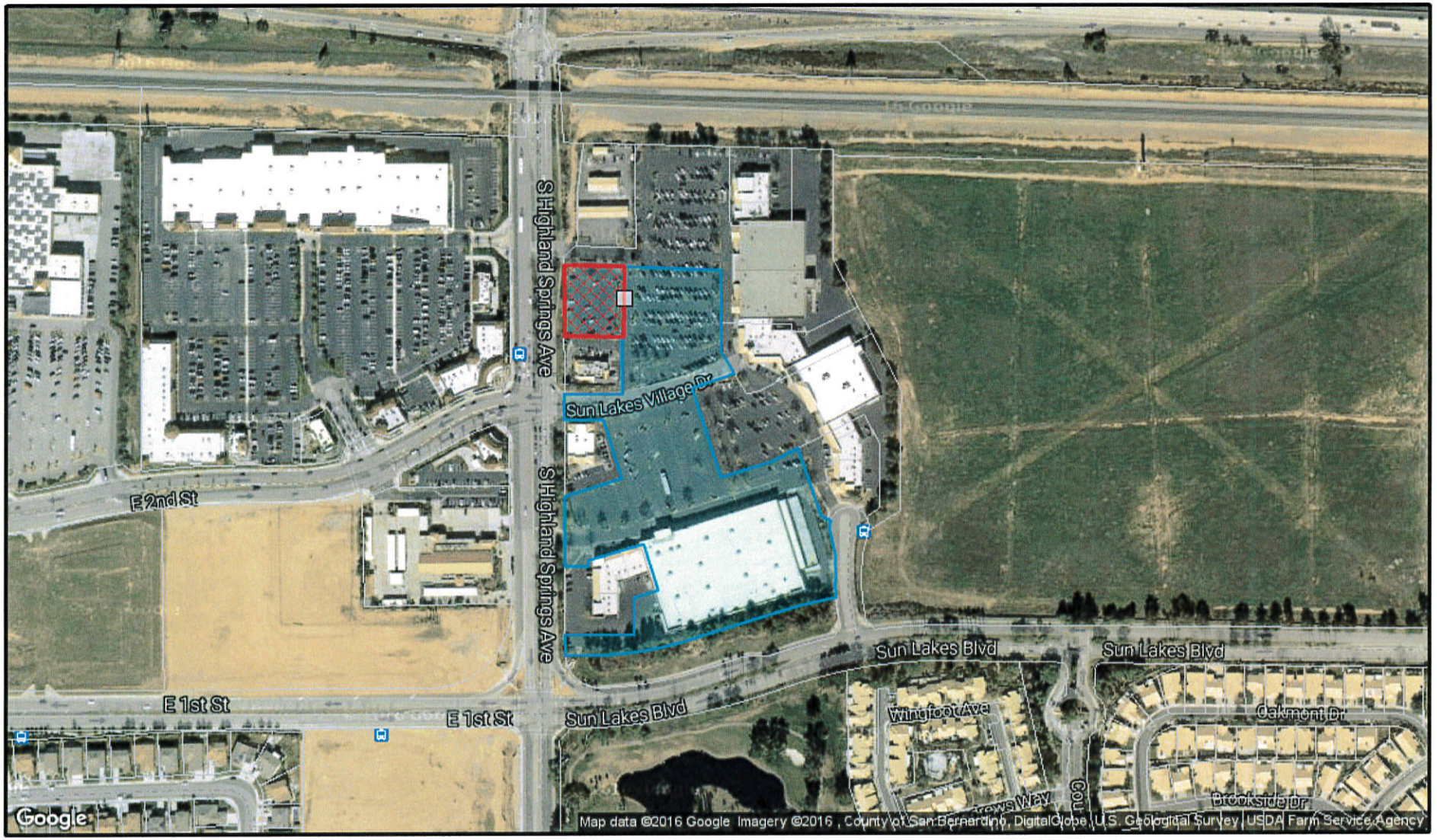
Approved by:

Michael Rock,
City Manager

ATTACHMENT 1

(Aerial Map)

Parcel Map No. 37111



1" = 376 ft		08/24/2016	N W E S	BANNING, CA Proud History Prosperous Tomorrow

This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.

ATTACHMENT 2

(Parcel Map No. 37111)

SHEET 1 OF 2
TOTAL NUMBER OF PARCELS: 2
NET AREA OF MAP: 8.786 ACRES
GROSS AREA OF MAP: 8.786 ACRES
DATE OF SURVEY: MARCH 2016

IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

PARCEL MAP NO. 37111

BEING A SUBDIVISION OF PARCEL 1 OF PARCEL MAP NO. 23921, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 159, PAGES 68 THROUGH 71 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN SECTION 12, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN

TAIT & ASSOCIATES, INC. MARCH 2016
DUSTIN BYRON WILTON PLS 8080

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID LAND; THAT WE CONSENT TO THE MAKING AND RECORDING OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

MARINITA-SAGE RANCHO, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY
BY: MARINITA-SAGE PARTNERS, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY
ITS: MANAGER

BY: _____
PATRICK CHARRIOU, CO-MANAGER

BY: MARINITA DEVELOPMENT CO., INC.,
A CALIFORNIA CORPORATION
ITS: CO-MANAGER

BY: _____
J. SCOTT FAWCETT, ITS PRESIDENT

BENEFICIARY

MIDCAP FINANCIAL TRUST, A DELAWARE STATUTORY TRUST, IT'S SUCCESSORS AND ASSIGNS AS BENEFICIARY UNDER DEED OF TRUST RECORDED DECEMBER 18, 2015 AS INSTRUMENT NO. 2015-547592 OF OFFICIAL RECORDS
By: Apollo Capital Management, L.P., its investment manager
By: Apollo Capital Management, GP, LLC, its general partner

NAME:
TITLE:

NAME: Maurice Amselem
TITLE: Authorized Signatory

NOTARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF Maryland)
COUNTY OF Montgomery)

ON July 27, 2016 BEFORE ME Hannah S. O'Connell, A NOTARY PUBLIC PERSONALLY APPEARED Maurice Amselem

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL

Hannah O'Connell
SIGNATURE

Hannah O'Connell
PRINT NAME

MY COMMISSION EXPIRES 3/14/18.

MY PRINCIPAL PLACE OF BUSINESS IS Montgomery COUNTY.

SIGNATURE OMISSIONS

THE SIGNATURES OF THE FOLLOWING PARTIES HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (a) (3) (A) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE GOVERNING BODY.

SOUTHERN CALIFORNIA GAS COMPANY AND SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, HOLDER OF AN EASEMENT FOR PIPELINES AND INCIDENTAL PURPOSES RECORDED MAY 24, 1947 IN BOOK 837, PAGE 151 OF OFFICIAL RECORDS.

NOTARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

ON July 23, 2016 BEFORE ME KIMIKO SIMPSON, A NOTARY PUBLIC PERSONALLY APPEARED PATRICK CHARRIOU, J. SCOTT FAWCETT WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL

Kimiko Simpson
SIGNATURE
KIMIKO SIMPSON
PRINT NAME

MY COMMISSION EXPIRES June 11, 2019 MY PRINCIPAL PLACE OF BUSINESS IS ORANGE COUNTY.

NOTARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF _____)
COUNTY OF _____)

ON _____ BEFORE ME _____, A NOTARY PUBLIC PERSONALLY APPEARED _____ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL

_____
SIGNATURE

_____
PRINT NAME

MY COMMISSION EXPIRES _____. MY PRINCIPAL PLACE OF BUSINESS IS _____ COUNTY.

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF $ _____ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE, AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATED: _____, 20____.

CASH OR SURETY TAX BOND
DON KENT
COUNTY TAX COLLECTOR

BY: _____, DEPUTY

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 20____,
AT _____ M. IN BOOK _____ OF PARCEL MAPS AT PAGES _____, AT THE REQUEST OF THE CITY CLERK OF THE CITY OF BANNING.
NO. _____.
FEE _____.

PETER ALDANA, ASSESSOR - COUNTY CLERK - RECORDER

BY: _____, DEPUTY

SUBDIVISION GUARANTEE: LAWYERS TITLE COMPANY

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF MARINTINA-SAGE RANCHO, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ON FEBRUARY 2016. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN ACCORDANCE WITH THE TERMS OF THE MONUMENT AGREEMENT FOR THE MAP AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY. THIS SURVEY IS TRUE AND COMPLETE AS SHOWN.

DATE: JUNE 16, 2016.

DUSTIN BYRON WILTON
P.L.S. 8080

PROFESSIONAL LAND SURVEYOR · DUSTIN BYRON WILTON · No. 8080 · EXP. 12-31-2017 · STATE OF CALIFORNIA

CITY ENGINEER'S STATEMENT

THIS MAP CONFORMS TO THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES. I HEREBY STATE THAT THIS MAP HAS BEEN EXAMINED UNDER MY SUPERVISION AND THAT IT IS TECHNICALLY CORRECT.

DATED: August 24, 2016.

BY: _____
ARTURO C. VELA, R.C.E. 75595
CITY ENGINEER, CITY OF BANNING

CITY SURVEYOR'S STATEMENT

I HEAREBY STATE THAT I HAVE EXAMINED THIS MAP, AND HAVE FOUND THAT IT CONFORMS TO THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND I AM SATISFIED SAID MAP IS TECHNICALLY CORRECT.

DATED: August, 22, 2016.

BY: _____
AMELIA PAULA PEREIRA, P.L.S. 8493
CITY SURVEYOR, CITY OF BANNING

LICENSED LAND SURVEYOR · AMELIA PAULA PEREIRA · L 8493 · STATE OF CALIFORNIA

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN, BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE $ _____.

DATED: _____, 20____.

DON KENT, COUNTY TAX COLLECTOR

BY: _____, DEPUTY

CITY CLERK CERTIFICATE

THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY ITS CITY COUNCIL HEREBY APPROVES PARCEL MAP 37111.

DATED _____, 20____

_____
CITY CLERK, CITY OF BANNING
RIVERSIDE COUNTY, CALIFORNIA

SEC. 12, T. 3 S., R. 1 W., S.B.M. SCH. __

SHEET 2 OF 2
TOTAL NUMBER OF PARCELS: 2
NET AREA OF MAP: 8.786 ACRES
GROSS AREA OF MAP: 8.786 ACRES
DATE OF SURVEY: MARCH 2016

IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

PARCEL MAP NO. 37111

BEING A SUBDIVISION OF PARCEL 1 OF PARCEL MAP NO. 23921, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 159, PAGES 68 THROUGH 71 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN SECTION 12, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN

TAIT & ASSOCIATES, INC. MARCH 2016
DUSTIN BYRON WILTON P.L.S. 8080

SCALE 1" = 80'

LINE TABLE		
NUMBER	BEARING	LENGTH
L1	N 71°04'29" W	24.26' (M&R1)
L2	N 12°30'31" W	50.00' (M&R1)
L3	N 1°08'09" E	41.06' (M&R1)
L4	N 89°55'26" W	49.45' (M&R1)
L5	N 71°04'29" W (R)	49.00' (M&R1)
L6	N 10°19'47" W	98.81' (M&R1)
L7	N 10°19'47" W	73.73' (M&R1)
L8	N 79°40'13" E	33.00' (M&R1)
L9	N 10°19'47" W	25.08' (M&R1)

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	31°26'02" (M&R1)	49.00'	26.88'
C2	13°38'40" (M&R1)	100.00'	23.81'
C3	5°43'16" (M&R1)	533.00'	53.22'
C4	11°27'56" (M&R1)	500.00'	100.06'
C5	5°44'40" (M&R1)	533.04'	53.44'
C6	3°30'05" (M&R1)	88.00'	5.38'

SURVEYOR' NOTES

AT EACH CORNER OF THE EXISTING PARCEL ONE OF 159 PM 68-71, AN EXHAUSTIVE SEARCH WAS PERFORMED WHERE NO MONUMENT WAS FOUND

BASIS OF BEARINGS

THE NORTH LINE OF PARCEL 1 AS SHOWN PARCEL MAP 23921, RECORDED IN BOOK 159 AT PAGES 68 THROUGH 71 INCLUSIVE, RIVERSIDE COUNTY RECORDERS OFFICE, STATE OF CALIFORNIA, BEING N 88° 10' 03" W

LEGEND

- ○ SET 1"IRON PIPE WITH PLASTIC PLUG STAMPED PLS8080, FLUSH
- ● INDICATES FOUND 1" I.P. WITH CEMENT CORE AND METAL DISK STAMPED L.S. 3018, FLUSH PER R1 UNLESS NOTED OTHERWISE.

EASEMENTS:

(1) AN EASEMENT(S) IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY AND SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA FOR PIPELINES PURPOSES IN A DOCUMENT RECORDED RECORDED MAY 24, 1947 IN BOOK 837, PAGE 151 OF OFFICIAL RECORDS.

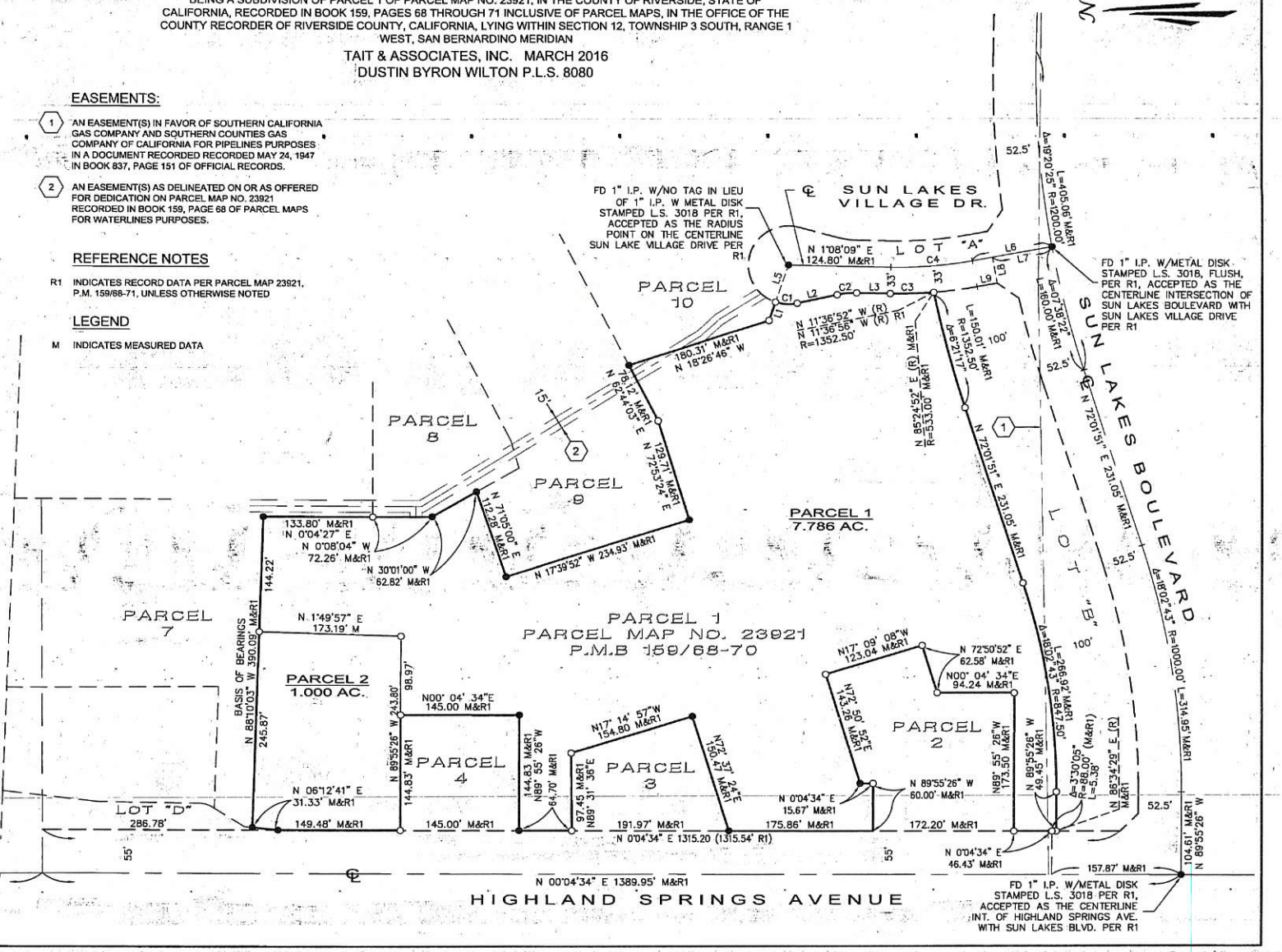
(2) AN EASEMENT(S) AS DELINEATED ON OR AS OFFERED FOR DEDICATION ON PARCEL MAP NO. 23921 RECORDED IN BOOK 159, PAGE 68 OF PARCEL MAPS FOR WATERLINES PURPOSES.

REFERENCE NOTES

R1 INDICATES RECORD DATA PER PARCEL MAP 23921, P.M. 159/68-71, UNLESS OTHERWISE NOTED

LEGEND

M INDICATES MEASURED DATA



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CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Fred Mason, Electric Utility Director**
Jim Steffens, Power Resource & Revenue Administrator

MEETING DATE: **September 13, 2016**

SUBJECT: **Discuss and Consider Resolution 2016-74, "Approving the City of Banning Electric Utility Power Content Label for Calendar Year 2015."**

RECOMMENDATION:

Adopt Resolution No. 2016-74, approving the City of Banning Electric Utility ("Utility") Power Content Label for Calendar Year 2015, attached herewith as Exhibit "A".

JUSTIFICATION:

California State Assembly Bill 162 (AB 162) requires that all load serving electric utilities develop and provide to its customers on an annual basis a Power Content Label ("Label"). The Label shows the percentages of each type of energy resources that are used to serve an electric utility's customers.

BACKGROUND:

On October 11, 2009 the Governor signed AB 162, which amended the Power Content Label reporting requirements originally set forth in Senate Bill 1305. The amendments changed the reporting requirements from quarterly to annual, and require that utilities report actual power content information instead of projected.

The information must be provided to the utility's customers through either printed or electronic means, including posting it on the City's website. The Utility will provide it by posting an electronic copy of the Label on the City's website.

The California Energy Commission (CEC), which has oversight authority for this requirement, has stated that the governing body of each locally owned public utility must approve the annual Power Content Label for the utility(s) under its jurisdiction. Therefore, Staff is requesting that the City Council approve Resolution 2016-74, accepting the Utility's Power Content Label, attached herewith as Exhibit "A".

FISCAL IMPACT:

There are no fiscal impacts.

OPTIONS:

1. Adopt Resolution 2016-74 approving the Utility's Power Content Label.

2. Do not approve the Utility's Power Content Label, which would put the Utility in violation of AB 162.

ATTACHMENTS

Exhibit A: 2015 Power Content Label

Reviewed by:

Fred Mason
Electric Utility Director

Approved by:

Michael Rock
City Manager

Prepared by:

Jim Steffens
Power Resource & Revenue Administrator

RESOLUTION NO. 2016-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE CITY OF BANNING ELECTRIC UTILITY POWER CONTENT LABEL FOR CALENDAR YEAR 2015

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, California State Senate Bill 1305 and Assembly Bill 162 have certain reporting requirements pertaining to electric utility Power Content Labels; and

WHEREAS, the Banning Electric Utility is subject to these reporting requirements; and

WHEREAS, the California Energy Commission, which has oversight authority for this requirement, has stated that the governing body of each locally owned public utility must approve the annual Power Content Label for the utility(s) under its jurisdiction;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2016-74, approving the City of Banning Electric Utility's Power Content Label for Calendar Year 2015, attached herewith as Exhibit "A".

SECTION 2. Authorize the Electric Utility Director, or his designee, to disseminate the information included on the Power Content Label to the Utility's customers in compliance with the requirements of Senate Bill 1305 and Assembly Bill 162.

PASSED, ADOPTED AND APPROVED this 13th day of September 2016.

_____
Arthur L. Welch, Mayor
City of Banning

ATTEST:

_____
Marie A. Calderon, City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT:

_____
John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

Exhibit “A”

2015 POWER CONTENT LABEL

ENERGY RESOURCES	Power Mix	2015 CA Total Mix**
Eligible Renewable	**19%**	**22%**
Biomass & biowaste	0%	3%
Geothermal	19%	4%
Eligible hydroelectric	0%	1%
Solar	0%	6%
Wind	0%	8%
Coal	**56%**	**6%**
Large Hydroelectric	**1%**	**5%**
Natural Gas	**0%**	**44%**
Nuclear	**6%**	**9%**
Other	**0%**	**0%**
Unspecified sources of power*	**18%**	**14%**
TOTAL	**100%**	**100%**

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.

** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact:	**City of Banning Electric Utility** 951-922-3260
For general information about the Power Content Label, consult:	California Energy Commission 1-844-217-4925 http://www.energy.ca.gov/pcl/

CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Brian Guillot, Community Development Director**
Sandra Calderon, Development Project Coordinator

MEETING DATE: **September 13, 2016**

SUBJECT: **Adopt Resolution No. 2016-71 Discussion and Consideration of Approval of Consultant Services Agreement with DUDEK to provide Professional Environmental Services in Connection with the Butterfield Specific Plan**

RECOMMENDATION:

That the City Council:

1. Adopt Resolution No. 2016-71 (Attachment 1) approving a Professional Services Agreement between the City of Banning and DUDEK to provide peer review services to the City of Banning for the review of the General Plan Amendment and Specific Plan Minor Modifications applications, technical studies and Addendum to the Butterfield Specific Plan Environmental Impact Report (EIR), as well as preparation of recommendations, staff reports and resolutions for Planning Commission and City Council hearings on the project.

JUSTIFICATION:

Section 17.24.070 of the City's Zoning Ordinance requires that development applications be reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA).

BACKGROUND:

On July 7, 2016 The Community Development Department (Planning Division) released a Request for Proposals (Attachment 2) seeking a professional consulting firm in accordance with the terms and conditions of the On-Call Environmental Services request for proposals adopted by City Council on May 10, 2016 (Attachment 3) to prepare either an addendum to the EIR or supplemental EIR depending on the substantial evidence findings in accordance with the California Environmental Quality Act (CEQA), and best professional practice.

On August 24, 2016, DUDEK provided a proposal to provide Consulting Services for the Modified Butterfield Specific Plan for Peer Review Services for technical studies and an Addendum to the previous certified Environmental Impact Report ("EIR") for the Butterfield Specific Plan as well as assistance with reviewing the General Plan Amendment and Specific Plan Minor Modification applications, preparing recommendations, staff reports, and resolutions for the modified Butterfield Specific Plan.

OPTIONS:

The Community Development Department recommends that the City Council approve a Professional Services Agreement between the City of Banning and DUDEK of Pasadena, California to provide the required professional environmental services. If the City Council determines that a different arrangement is necessary to provide the necessary services, the City Council may direct staff to go out again with an RFP or direct otherwise.

FISCAL IMPACT:

The Developer is responsible for the reimbursement of the proposed professional services (Attachment 4). The fee amount is $46,550. A deposit/reimbursement agreement will be executed in connection with this proposal.

ATTACHMENTS:

1. Resolution No. 2016-71 with Scope of Work
2. Request for Proposal (RFP)
3. Resolution No. 2016-38 (On-Call Environmental Services)
4. Deposit/Reimbursement Agreement

Prepared and Reviewed by:

Brian Guillot
Community Development Director

Approved by:

Michael Rock
City Manager

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ATTACHMENT 1

Resolution No. 2016-71 with Scope of Work

RESOLUTION NO. 2016-71

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO APPROVE THE SERVICES AGREEMENT IN CONNECTION WITH THE BUTTERFIELD SPECIFIC PLAN.

WHEREAS, on July 7, 2016 the Community Development Department released a Request for Proposals seeking a professional consulting firm in accordance with the terms and conditions of the On-Call Environmental Services request for proposals adopted by City Council on May 10, 2016 to prepare either an addendum to the EIR or supplemental EIR depending on the substantial evidence findings in accordance with the California Environmental Quality Act (CEQA), and best professional practice; and

WHEREAS, on August 24, 2016, DUDEK provided a proposal to provide Consulting Services for the Modified Butterfield Specific Plan for Peer Review Services for technical studies and an Addendum to the previous certified Environmental Impact Report ("EIR") for the Butterfield Specific Plan as well as assistance with reviewing the General Plan Amendment and Specific Plan Minor Modification applications, preparing recommendations, staff reports, and resolutions for the modified Butterfield Specific Plan; and

WHEREAS, the Developer is responsible for the reimbursement of the proposed professional services for the total contract amount "not to exceed" $46,550.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Council approves the Agreement for Professional Services with DUDEK to provide Consulting Services for the Modified Butterfield Specific Plan in the amount of $46,550 as provided in the scope of work shown in Exhibit "A".

SECTION 2. The City Manager is authorized to execute the agreement, make the necessary appropriations and account transfers to fund this agreement, and appropriate funds deposited by Pardee Homes for the purpose of funding the said Professional Services Agreement in a form approved by the City Attorney.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2016.

Arthur L. Welch, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

John C. Cotti
Interim City Attorney
City of Banning, California

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-71 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 13th day of September, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

EXIBIT "A"

DUDEK

August 24, 2016

SCOPE OF WORK

Task 1. Literature & Application Reviews

Upon receipt of the Notice to Proceed, Dudek will attend a project kickoff meeting with the project team, including representatives from the Project applicant and the City. The purpose of the kickoff meeting is to compile the relevant background data and reports; clearly define the proposed project for the purposes of the environmental analysis; discuss the project schedule and important assumptions for achieving the schedule; identify all anticipated discretionary actions; establish early communication among various project team members and the protocols for ongoing communication; and familiarize Dudek with the issues and concerns that the City determines to be important issues for analysis in the environmental document.

Following the kickoff meeting and upon receipt of project information, Dudek will complete a thorough review of the originally approved Butterfield Specific Plan and EIR as well as the Settlement Agreement and revised Butterfield Specific Plan to fully characterize the differences between the original project and the modified project under evaluation today. Additionally, Dudek will complete reviews of the General Plan Amendment and Specific Plan Minor Modification Applications to determine the thoroughness of each application. Understanding what was originally considered and the differences between the original proposal and the current proposal will be essential in determining the adequacy of the prepared Addendum to the EIR.

Task 2. Technical Study Reviews

Dudek understands that the Project Applicant and City will prepare separately, and provide to Dudek, the following technical studies to support the analysis within the Addendum to the previously certified EIR prepared for the modified Specific Plan:

- Aesthetics and Visual Analysis
- Air Quality and Greenhouse Gas (GHG) Emissions Technical Report
- Hydrology, Drainage and Water Quality Technical Report
- Noise Technical Report
- Traffic Report

Dudek will conduct peer reviews of the technical studies and information provided by the project team, including the above-listed information. For purposes of the air quality and greenhouse gas analysis, Dudek assumes that on-site and off-site construction criteria air pollutant and GHG emissions will be estimated for all construction phases including emissions associated with equipment operation, truck and vehicle trips, grading/dust emissions, and off-gassing VOC emissions. Dudek will assume that operational criteria air pollutant and GHG emissions that will be estimated will include mobile sources (vehicles), area sources (hearths, consumer product use, architectural coatings, and landscape maintenance equipment), energy sources (electrical generation and natural gas consumption), water supply and wastewater treatment, solid waste, and stationary sources. In addition, Dudek will assume that all modeling and supplementary emissions calculations files (both input and output files) will be provided as well as a write-up of the assumptions and estimation methodology applied. For the traffic analysis, Dudek will assume that backup and supporting documentation for the data included in the updated tables will be made available.

Task 3. Addendum Review

Dudek understands that the City will prepare separately, and provide to Dudek for review, an

Addendum to the previously certified EIR. Situations in which Addenda are appropriate, per CEQA Guidelines Section 15164, are when none of conditions under Section 15162 of the CEQA Guidelines occur. Therefore, as part of Task 3, Dudek will complete a peer review of the prepared Addendum to determine that the document adequately discusses the following thereby justifying that an Addendum is the most appropriate form of environmental review for the Specific Plan modifications:

- No substantial changes are proposed in the project which will require major revisions of the previous Subsequent EIR due to the involvements of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- No substantial changes have occurred with respect to the circumstances under which the project is undertaken which would require major revisions to the previous Subsequent EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significance effects.
- No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time of the Subsequent EIR shows: 1) that the project will have one or more significant effects not discussed in the Subsequent EIR; 2) significant effects previously examined will be substantially more severe than discussed in the Subsequent EIR; 3) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects; or 4) mitigation measures or alternatives which are considerably different from those analyzed in the Subsequent EIR would substantially reduce one or more significant effects on the environment.

Task 4. Summary & Recommendation Memoranda

Upon completing reviews of the General Plan Amendment Application, Specific Plan Minor

Modification Application, technical studies and Addendum to the EIR, Dudek will document any findings and recommendations, if any, in two separate comprehensive technical memorandums. One memorandum will focus on the findings and recommendations from review of the General Plan Amendment and Specific Plan minor Modification Applications; the second memorandum will be provided in electronic format. This scope and budget assumes one round of review, comment, and revision prior to finalizing each of the two memoranda. This scope and budget also includes four (4) telephone conversations with the City and project applicant team to discuss any findings and/or questions raised through Dudek's review of the applications and peer review of the technical studies and Addendum to the EIR.

Task 5. Resolutions and Ordinances

Dudek will assist the City in preparing the resolutions for review and approval by the City's attorney and City's project manager in preparation for public hearings with the Planning Commission and City Council. Dudek will also assist the City's project manager in preparing the staff report by delivering any needed information related to the project. Based on information provided by the City, Dudek will prepare resolutions for the approval of a General Plan Amendment, Development Agreement, and Minor Modifications to the Specific Plan and Project. In preparing the ordinances, Dudek will build off of previous ordinances prepared for the project (i.e., Ordinance No. 1450 and 1451) for continuity, to describe the background and events leading up to the Specific Plan, and important modifications to the Specific Plan based on the terms of the settlement agreement. Dudek assumes that no more than four (4) separate documents will be prepared as part of this task. This scope and budget does not assume attendance at the Planning Commission and/or City Council hearings; however, if the event the City would like Dudek to provide assistance at these hearings, Dedek will provide this additional support on a time and materials basis.

Proposed Fee Schedule

Employee	Nicole N Cobleigh	Stephanie Tang	Jennifer L Reed	Mike Greene	Anais Schenk Chard	Dylan J Duverge	Shannon Kimball Wages	Labor Hours	Labor @ Billing Rates	DIRECT COSTS	Total
Employee Type	Senior Project Manager/Specialist II	Enviro Specialist Planner III	Enviro Specialist / Planner IV	Enviro Specialist/ Planner VI	Enviro Specialist Planner II	Sr. Hydrogeologist I/Engineer I	Enviro Specialist Planner V				
Rate	225.00	155.00	165.00	195.00	135.00	180.00	175.00				
Task 1. Literature & Application Reviews	12	12					8	32	5,960		5,960.00
Task 2. Technical Study Reviews	6	8	30	22	22	22		110	18,760		18,760.00
Task 3. Addendum Review	12	32						44	7,660		7,660.00
Task 4. Summary & Recommendations Memoranda	8	4	2	2	2	2	4	24	4,470		4,470.00
Task 5. Staff Reports & Resolutions	12						40	52	9,700		9,700.00
								-	-		-
Total Hours	50	56	32	24	24	24	52	262			-
Total Billing	11,250	8,680	5,280	4,680	3,240	4,320	9,100		46,550		$ 46,550.00

ATTACHMENT 2

Request for Proposal (RFP)

CITY OF BANNING
COMMUNITY DEVELOPMENT DEPARTMENT

PROJECT SPECIFIC REQUEST FOR PROPOSAL (RFP)
BUTTERFIELD SPECIFIC PLAN MODIFICATIONS/AMENDMENTS

Today's Date: July 7, 2016

Reply Requested By: July 29, 2016 (by 4:00 p.m.)

Contact Person: Brian Guillot, Community Development Director
Phone: (951) 922-3131
E-mail: bguillot@ci.banning.ca.us

I. PROJECT SPECIFIC PROPOSAL

The City of Banning (City) is requesting a project specific proposal in accordance with the terms and conditions of the on-call environmental services request for proposals reviewed and approved by City Council on May 10, 2016, per Resolution No. 2016-38.

Pardee Homes proposes to develop a residential master planned community on a 1,543-acre property that is located at the northeast corner of Highland Springs Avenue and Wilson Street. The site is approximately 1,522 acres in the City with another 21-acres located on the northwest corner of the project site in the County of Riverside. The original specific plan with accompanying development agreement has a long history and was substantially amended by the applicant in 2012; and, then subsequently a lawsuit was filed opposing certain parts of the project.

A settlement agreement was accepted by the developer and City Council; and, the applicant now desires to modify the specific plan based on the terms of that agreement. The settlement agreement requires among other things a reduction in the number of units proposed by the project, not to extend Cherry Valley Boulevard, to amend the City's General Plan to delete the planned extensions of Brookside Avenue and Cherry Valley Boulevard, not to develop certain planning areas within the project, and the elimination of the golf course element of the project. Please review the attached settlement agreement and accompanying documents for additional details.

The proposed approvals associated with the project includes environmental documents, General Plan and Zoning Ordinance amendments to change the land use designations from the various zoning designations to what is requested by the applicant, and approval of a revised Tentative Map.

II. SUBMITTAL INSTRUCTIONS

The project specific proposal package shall include the described services, requirements, compensation, and schedule as organized in Exhibit's "A" through "D" of the City's standard professional services agreement. The services shall include among other things:

a. Proposal – The proposal shall be signed by the highest company executive who can bind the company in contractual services. The proposal shall include a list of key individuals involved in the firm with regard to the scope of work requested by the City.

b. Organization and Staffing – Provide information showing all proposed staff assignments and sub-consultants including their relationships with the proposed work. Identify the Project Leader who will be the day-to-day contact for the services; and, other personnel assigned to perform the required work for the preparation of the environmental documents. The Consultant will provide personnel to act independently in accomplishing work for the City.

c. Project Schedule – Provide a detailed project schedule for the Scope of Work requested from start to completion of the entitlement process including the filing of any notices.

d. Proposed Fee Schedule – Provide a statement of hourly rates for all proposed classifications, including rates for sub-consultants, if any, as well as any proposed percentage mark-up of reimbursable expenses. These items shall match those proposed in the submittal approved by City Council in Resolution No. 2016-38.

e. Service/Project Approach and Understanding – Discussion of how the Project Leader will manage and process the environmental documents for approval by the City including interaction with the City's Project Manager, Planning Commission, and City Council. Also, provide discussion on Consultant and sub-consultant team approach on preparing the environmental documents, issues involved, and plans to address them; the management approach and organization necessary to complete the process; and, outline quality control measures to ensure delivery of quality product on time and within budget.

III. SCOPE OF WORK

a. Preparation of environmental documents associated with Butterfield Specific Plan modifications and amendments.

The Consultant will prepare either an addendum to the EIR or a supplemental EIR depending on the substantial evidence findings in accordance with the California Environmental Quality Act (CEQA), and best professional practice. The Specific

Plan modifications and amendments to the City's General Plan are prepared by the applicant. The work requires intimate knowledge and familiarity with CEQA regulations, the previous project approvals, and the City of Banning General Plan and Zoning Ordinance.

b. Literature Review and Meetings

The City will provide the Consultant with access to the project application, approved Specific Plan documents and EIR, staff reports, approved ordinances and resolutions, the City's General Plan and Zoning Ordinance, General Plan Land Use and Zoning Maps, Development Agreement and Settlement Agreement and any other relevant documents and studies.

The City's Project Manager will assist the Consultant with scheduling any coordination meetings with the applicant, responsible/trustee agencies, and the residents to gather information to ensure that the environmental documents address issues of concern and project impacts as required by CEQA. The Consultant and/or consultant team will be required to attend at least three public meetings and at least four coordination meetings with the applicant.

c. Preparation of Environmental Documents

The environmental Consultant will complete an Initial Study for an addendum or supplement to the EIR as required by the CEQA. The City's Project Manager working in cooperation with the Consultant is responsible for coordinating with the general public and public agencies as part of the preparation of the project environmental documents. The Consultant shall prepare all ordinances and resolutions required for the entitlement subject to review and approval of the City Attorney. The City's project manager will prepare all staff reports for Planning Commission and City Council. The Consultant shall assist the City's Project Manager in preparing staff reports by providing the necessary information and communication.

The environmental Consultant must ensure that all technical studies provided by the project Applicant are accurate, and must be able to perform modeling related to items such as for air quality, traffic, and greenhouse gas analyses, etc. The consultant shall be responsible for review of the required technical studies. The Consultant must ensure that the environmental document that is prepared reflects the independent judgment of the City. The Consultant is responsible for printing and any distributing of the environmental documents to interested parties, the State Clearinghouse if necessary, responsible and trustee agencies, including filing of the Notice of Determination with the County Clerk of the County of Riverside and the State Clearinghouse. The Consultant shall be responsible for preparing all required notices including the publication of required notices.

The Consultant will be responsible for providing at least 15 bound copies of any environmental documents required for the project.

IV. SUBCONTRACTING

The Consultant may utilize the services of specialty subcontractors on those parts of the work which, under normal contracting practices, are performed by specialty subcontractors. Unless a specific subcontractor is listed by Consultant, Consultant is representing to City that Consultant has all appropriate licenses, certifications, and registrations to perform the work hereunder.

After submission of the project specific proposal, the Consultant shall not award work to any unlisted subcontractor(s) without prior written approval of the City. The Consultant shall be fully responsible to the City for the performance of his/her subcontractors, and of persons either directly or indirectly employed by them.

Nothing contained herein shall create any contractual relation between any subcontractor and the City.

V. CONSULTANT COMPENSATION

The selected Consultant will be asked to provide specific scope and a "not to exceed fixed fee" prior to the issuance of the notice to proceed. The budgets for both services identified under the Scope of Work are to be paid by the Applicant. Consultant payments will be made through a trust deposit with the City subject to reimbursement(s) made by the applicant.

VI. CITY DISCLAIMER

The City reserves the right to reject any or all proposals, to waive any informality in any proposal, and to select the qualifications that best meet the City needs. The City also reserves the right to reduce or revise elements of the scope of services, or to amend or modify the contractual requirements, or to negotiate with any qualified consultant.

No representation is made that any contract will be awarded pursuant to this RFP. In no way shall a contract be viewed as an exclusive contract in any way. The City reserves the right to retain additional consultants as necessary to satisfy the needs of the City. All costs incurred in the preparation of the proposal, in the submissions of additional information and/or in any other aspect of a proposal prior to the award of a written contract will be borne by the proposed firm. Information submitted to the City in response to this RFP will become the property of the City of Banning and will not be returned.

VII. STANDARD CONTRACT

The Consultant shall be willing to enter into a Professional Services Agreement (sample attached) with the City and comply with the City's insurance requirements as indicated in the agreement.

~~VIII. ATTACHMENTS:~~

~~1. Settlement Agreement~~
~~2. Application dated 1-12-16~~
~~3. Application dated 6-7-16~~
~~4. Incompleteness letter dated 2-9-16~~
~~5. Incompleteness letter dated 6-24-16~~

ATTACHMENT 3

Resolution No. 2016-38
(On-Call Environmental Services)

RESOLUTION NO. 2016-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDING CONTRACT SERVICES AGREEMENTS FOR ON-CALL ENVIRONMENTAL SERVICES AS A SHORT LIST CONSISTING OF DUDEK, ALBERT A WEBB ASSOCIATES, AND ASPEN ENVIRONMENTAL GROUP

WHEREAS, on March 4, 2016, the City released a request for qualifications seeking a professional consulting firm or firms to provide professional on-call consulting services for the preparation of environmental documents pursuant to the requirements of the California Environmental Quality Act (CEQA) for development and entitlement projects, including public works projects; and

WHEREAS, on April 4, 2016, the City received fourteen (14) responses to the Request for Qualifications from professional consulting firms; and

WHEREAS, the City desires to create a short list of consultants to provide On-Call Environmental Services for projects proposed in the City where thereafter the City may request project-specific services; and

WHEREAS, upon evaluation of the proposals in terms of experience and expertise in respective environmental service experience areas, reviewers rated the proposals with the top three (3) rated firms listed below:

Consultant Name	Location
1. Dudek	Riverside, CA
2. Albert A Webb Associates	Riverside, CA
3. Aspen Environmental Group	Agoura Hills, CA

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. Resolution No. 2016-38 is approved awarding Contract Service Agreements for On-Call Environmental Services as a short list consisting of Dudek, Albert A Webb Associates, and Aspen Environmental Group to provide On-Call Environmental Services for the City; and

SECTION 2. The City Council authorizes the City Manager for the City of Banning to execute Contract Service Agreements for project specific services with Dudek, Albert A Webb Associates, and Aspen Environmental Group in the form that is approved by the City Attorney; and, in accordance with the City's purchasing policies.

PASSED, APPROVED AND ADOPTED this 10th day of May, 2016.

Arthur L. Welch, Mayor
City of Banning, California

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

APPROVED AS TO FORM AND LEGAL CONTENT:

Anthony R. Taylor, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-38 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 10th day of May, 2016, by the following vote, to wit:

AYES: Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

NOES: None

ABSENT: None

ABSTAIN: None

Marie A. Calderon, City Clerk
City of Banning, California

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ATTACHMENT 4

Deposit/Reimbursement Agreement

DEPOSIT/REIMBURSEMENT AGREEMENT

CITY OF BANNING AND PARDEE HOMES RELATING TO GENERAL PLAN AMENDMENT TO THE BUTTERFIELD SPECIFIC PLAN

THIS DEPOSIT/REIMBURSEMENT AGREEMENT ("Agreement") is made this 13th day of September, 2016, by and between the CITY OF BANNING, a municipal corporation ("City"), and Pardee Homes("Developer") (collectively, the "Parties").

RECITALS:

WHEREAS, the City of Banning Municipal Code Chapter 3.36 provides for recovery of costs reasonable borne relating to providing products or services relating to the land development of approximately 1,543-acre property commonly known as "Butterfield Specific Plan" (the "Project") in the City;

WHEREAS, the City's policy provides that the City shall be the lead agency as defined by the California Environmental Quality Act, Public Resources Code § 21000 *et seq*. ("CEQA"), for the purpose of conducting environmental review of the Project, and shall prepare all CEQA reports and supporting documentation, distribute such reports and documentation to responsible agencies and others, hold public hearings and consider public comments, and consider certification of such environmental review report and other documentation through a City Council Resolution, as necessary and appropriate in accordance with CEQA;

WHEREAS, the Project contemplates preparing general plan amendments, land use approvals, development agreements, reclamation plans, and financing mechanisms (the "Entitlements");

WHEREAS, the Municipal Code Chapter 3.36 provides that Developer shall fund and be solely responsible for all third-party consulting costs and the City's legal costs associated with the development of such plans, studies and agreements as set forth in the MOU;

WHEREAS, the Parties now desire to specify the terms of such deposit/reimbursement, including a cash deposit to be made by Developer with on-going payments to City and deposit restoration provisions as provided herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

Section 1. Construction.

This Agreement shall be liberally constructed to accomplish its intent. In the event of any irresolvable conflict or inconsistency in the terms of the agreements, the City Manager shall make a final decision.

Section 2. Conflicts of Interest.

(a) No Financial Relationship. By law, the documents required by CEQA must be independently prepared by City. Accordingly (See Section 4), despite any funding mechanism, during the existence of the City's contract with the Environmental Consultant (as defined below), and for a period of one (1) year after final resolution of Developer's application for the Project, neither Developer, nor any of its representatives, agents or other persons acting in concert with Developer, shall enter into any financial relationship with the Environmental Consultant or with any City official, employee, or contractor. Nor, during such period, shall Developer propose to enter into any future relationship with the Environmental Consultant or with any City official, employee, or contractor. This shall not prevent Developer's consulting with Environmental Consultant as permitted by Section 5 of this Agreement.

(b) Developer's Representations and Warranties. Developer makes the following representations and warranties for the twelve (12) month period preceding the submission of its application for the Project. Developer represents and warrants that it has not entered into any arrangement to pay financial consideration to, and has not made any payment to, the Environmental Consultant or any of the Environmental Consultant's agents or employees. Developer further represents and warrants that it has not entered into any arrangement to pay financial consideration to, and has not made any payment to, any City official, agent or employee that would create a legally cognizable conflict of interest as defined in the Political Reform Act (California Government Code sections 87100 *et seq.*).

(c) Developer's Acknowledgments. Subject to the reimbursement requirements set forth below, Developer acknowledges and agrees as follows with respect to its application for the Project:

(1) The City has sole discretion to select which of its employees and contractors are assigned to work on the application.

(2) The City has sole discretion to direct the work and evaluate the performance of the employees and contractors assigned to work on the application, and the City retains the right to terminate or replace at any time any such person.

(3) The City has sole discretion to determine the amount of compensation paid to employees or contractors assigned to work on the application.

(4) The City, not Developer, shall pay employees and contractors assigned to work on the application from a City account.

(d) The Parties acknowledge and agree that the processing of Developer's application for the Project is not contingent on the hiring of any specific contractor.

Section 3. The Deposit; Additional Advances.

(a) Establishing and Supplementing Deposit. Within three (3) business days following execution of this Agreement, Developer shall provide to the City a full deposit of $46,550.00 for Peer Review Services for technical studies and an Addendum to the previous certified Environmental Impact Report ("**EIR**") for the Butterfield Specific Plan as well as assistance with reviewing the general plan amendment and specific plan minor modification applications, preparing recommendation reports, staff reports, and resolutions for the modified Butterfield Specific Plan.

(b) Eligible Expenses. The Deposit shall be used to pay for the costs incurred by the City in connection with the following (all of which shall be deemed "Eligible Expenses"): (i) preparing necessary CEQA reports and documents, and additional supporting documentation, as necessary and appropriate in accordance with CEQA; (ii) distributing such documentation to responsible agencies and others; (iii) noticing and holding public hearings and considering public comments on such CEQA documents and reports; (iv) considering certification of such CEQA documents and reports and other documentation through a City Council Resolution in accordance with CEQA; (v) preparing, negotiating, and approving the permits, Entitlements, and conditions of the Project, including without limitation, the environmental documents; (vi) preparing and negotiating all further legal documents in connection with the transaction, including without limitation, technical reports, reclamation plans, development agreements, owner participation agreements, leases, franchise agreements, waste hauling agreements, franchise ordinances, and similar agreements and instruments; (vii) litigation and other legal costs associated with the Project; (viii) the fees and expenses of any consultants employed by the City in connection with the Project, including without limitation, the Fiscal Impact Analysis for the Specific Plan; (ix) studies, reports and design services related to development of any Project-related infrastructure; and (x) any and all other actions reasonably taken by the City in connection with development of the Project.

(c) Administration of Deposit. The Deposit may be commingled with other funds of the City for purposes of investment and safekeeping. The Deposit shall not accrue interest. The City will administer the Deposit and shall use the Deposit to pay for Eligible Expenses. The City shall maintain satisfactory accounting records as to the expenditure of the Deposits at all times and shall provide Developer with monthly costs reports.

(d) Unexpended Funds. Upon approval of all necessary Entitlements, the expiration of all applicable appeal periods, and if a legal or administrative challenge is made to the Entitlements, then upon the resolution of such challenge in accordance with Section 8, the City shall return any then-unexpended portion of the Deposit to Developer, without interest, less an amount equal to any unpaid Eligible Expenses previously incurred by the City.

Section 4. Compliance with Guidelines: Independent Judgment.

The CEQA Guidelines at sections 15084 and 15090 require the lead agency to exercise its independent judgment in approving environmental documents. Payment of the cost of preparation of the environmental documents by Developer does not undermine the independent preparation of the environmental documents by the City so long as any consultant (the

"Consultant") hired to prepare the environmental documents is under contract to and directed by the City. (Public Resources Code Section 21082.1(a).) Accordingly, it is understood that any such consultant hired by the City to prepare environmental documents, including without limitation the consulting Planning Project Manager and consultant to prepare the Fiscal Impact Analysis for the project, shall be under contract to and directed by the City, and Developer shall not attempt to direct, influence, or otherwise control the consultant in the performance of the work. Any questions or concerns Developer may have will be directed to the City.

Section 5. Developer's Rights Concerning Expenses and Review of Documents.

(a) Statements of Account. The City shall provide Developer a summary of expenditures made from the Deposit, and the unexpended balance thereof, whenever requesting any Additional Advance and within ten (10) business days of receipt by the City of a written request therefore submitted by Developer. On a monthly basis, City shall provide Developer with a cost report, including copies of each statement or invoice received from any consultant whose costs are chargeable as Eligible Expenses.

(b) Review of Documents. City shall give Developer at least ten (10) days notice along with copies of any proposed contract with the Environmental Consultant, change orders or contract amendments, drafts, Project Description and Alternatives, comments to the environmental documents received from third parties and proposed responses to those comments, and related documents so that Developer shall have the opportunity to provide comments or objections thereto, prior to the City finalizing, filing, or otherwise releasing any of the foregoing. The City shall also provide Developer with draft copies of all other reports and studies funded through this Agreement. Developer may discuss issues with the City or its consultants and may make comments orally or in writing. The City shall also use reasonable efforts to permit Developer's review with respect to agendas and staff reports for all open City Council, Planning Commission and other public body meetings at which the Project or related matters are to be considered, and by providing Developer with draft copies thereof prior to or concurrently with the transmission of such documents to the appropriate body. It is expressly understood that City consultants retained by the City are under contract solely with the City, and the City is free to disregard the comments of Developer and exercise its independent judgment in making payments to the Consultants or revising or accepting the Consultant's work product, without any liability whatsoever to Developer therefor.

Section 6. No Obligation to Adopt environmental documents or to Approve Project.

The provisions of this Agreement shall in no way obligate the City to adopt the environmental documents or take any action approving the Project. The City shall use its independent judgment in determining whether to approve the Entitlements, and environmental documents. In the event that the City adopts the environmental documents, the City shall use its independent judgment in determining the significance of any impacts, approving any mitigation program, adopting a statement of overriding considerations, or taking any other action. The City

shall have no liability to Developer in any manner whatsoever therefor, other than providing the accounting of expenses as provided herein.

Section 7. Agreement Not Debt or Liability of City.

It is hereby acknowledged and agreed that this Agreement is not a debt or liability of the City. The City shall not in any event be liable hereunder other than to return the unexpended and uncommitted portions of the Deposit as provided in Sections 3(d) and 3(e) above, and to provide an accounting under Section 5(a) above. The City shall not be obligated to advance any of its own funds with respect to the environmental documents or for any of the other purposes listed in Section 2(b) hereof. No official, officer, employee or agent of the City shall be personally liable hereunder to any extent.

Section 8. Indemnification and Hold Harmless.

(a) Non-liability of City Concerning Entitlements. The Parties acknowledge that there may be challenges to the legality, validity and adequacy of the Entitlements and/or this Agreement in the future; and if successful, such challenges could delay or prevent the performance of this Agreement and the development of the Project. The City shall have no liability under this Agreement for the inability of Developer to develop the Project as the result of a judicial determination that the Entitlements, the reclamation plan, the general plan, the zoning, the land use regulations, or any portions thereof are invalid or inadequate or not in compliance with law.

(b) Participation in Litigation: Indemnity. Developer agrees to indemnify, protect, defend, and hold harmless the City and its officials, officers, employees, agents, elected boards, commissions, departments, agencies, and instrumentalities thereof, from any and all actions, suits, claims, demands, writs of mandamus, liabilities, losses, damages, penalties, obligations, expenses, and any other actions or proceedings (whether legal, equitable, declaratory, administrative, or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to, arbitrations, mediations, and other such procedures) arising from or related to the Entitlements (including, but not limited to, attorneys' fees and costs) (herein the "Claims and Liabilities") for any such Claims or Liabilities brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and/or instrumentalities thereof; and Developer shall be responsible for any monetary judgment arising therefrom, whether such Claims and Liabilities are brought under CEQA, planning and zoning laws, the Subdivision Map Act, Code of Civil Procedure section 1085 or 1094.5, or any other federal, state, or local statute, law, ordinance, rule, regulation, or any decision of a competent jurisdiction. Developer may be required to deposit funds to cover its indemnification obligation or to provide other security. If Developer fails to timely pay such funds, the City may abandon the action without liability to Developer and may recover from Developer any attorneys' fees and other costs for which the City may be liable for abandonment of the action. The City shall provide Developer with notice of the pendency of such action and request that Developer pay for the costs to defend such action. It is expressly agreed that the City shall have the right to utilize the City Attorney's office or use other legal counsel of its choosing, and Developer shall promptly pay or reimburse the City for any reasonable legal costs and fees incurred by City. If Developer fails to do so, the City may defend the action and Developer shall be liable to the City

for the cost thereof, but if the City chooses not to defend the action, the City shall have no liability to Developer. Developer's obligation to pay the defense costs of the City shall extend until final judgment, including any appeals. Notwithstanding Developer's indemnity for claims and litigation, the City retains its inherent right to abandon any litigation following an adverse judgment or to settle any litigation brought against it in its sole and absolute discretion, and Developer shall remain liable, other than in the case where judgment adverse to the City and Developer's position has been rendered, or where a settlement has been negotiated that is materially adverse to the Project. In the case of a settlement without an adverse judgment, the City may still settle the litigation contrary to the wishes of Developer, and shall then be responsible for its own litigation expense, but shall bear no other liability to Developer. If Developer chooses to reduce the scope of the Project or abandon the Entitlements in order to settle any such litigation, the City shall reasonably cooperate in effecting a settlement.

(c) Hold Harmless: Developer's Construction and Other Activities. Developer hereby agrees to, and shall defend, save and hold the City and each of its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, personal injury or death, that may arise, directly or indirectly, from Developer's or Developer's agents, contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations are conducted by Developer or by any of Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for Developer or any of Developer's agents, contractors or subcontractors. Nothing herein is intended to make Developer liable for the acts of the City's officers, employees, agents, contractors, or subcontractors.

(d) Exception. The obligations of Developer under this Section shall not apply to any claims, actions, or proceedings arising through the gross negligence or willful misconduct of the City, its members, officers, or employees.

(e) Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement.

Section 9. Notices.

Any notices, requests, demands, documents, approvals or disapprovals given or sent under this Agreement from one party to another (collectively, the "Notices") shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to Developer:

Pardee Homes
Corona Pointe Court, Suite 600
Corona, CA 92879
Attention: Mike Taylor, President of the Inland Empire 1250

If to the City:

City Manager
City of Banning
99 E. Ramsey Street
Banning, CA 92220

With a copy to:

Jenkins & Hogin LLC
John Cotti, Interim City Attorney
Manhattan Towers
1230 Rosecrans Avenue, Suite 110
Manhattan Beach, CA 90266

Each such Notice shall be deemed delivered to the party to whom it is addressed: (i) if personally served or delivered, upon delivery; (ii) if given by fax, upon the sender's receipt of an appropriate answerback or other written acknowledgement; (iii) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail; (iv) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier; or (v) if given by any other means, upon delivery at the address specified in this Section.

Section 10. California Law.

This Agreement shall be governed by, construed in accordance with, and interpreted under the laws of the State of California. The venue for any litigation regarding this Agreement shall be Riverside County, State of California.

Section 11. Severability.

If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 12. Attorneys' Fees.

In the event that any party shall commence any legal action or proceeding to enforce or interpret this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

Section 13. Ambiguities.

In the event of any asserted ambiguity in, or dispute regarding, the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of

interpretation providing for interpretation against the party who caused the uncertainty to exist or against the drafting party.

Section 14. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

Section 15. Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party; (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement; and (iv) the entering into of this Agreement does not violate any provision of any other agreement to which said party is bound.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement as of the day and year written alongside their respective signature line below.

Executed on: _____, 2016

DEVELOPER

PARDEE HOMES
a California corporation

By:_____

By:_____

Executed on: _____, 2016

CITY OF BANNING

ATTEST:

_____
Marie Calderon, City Clerk

_____
Arthur L. Welch, Mayor

APPROVED AS TO FORM:
JENKINS & HOGIN LLC

_____
John C. Cotti, Interim City Attorney

CITY OF BANNING

SUCCESSOR AGENCY REPORT

TO: **Successor Agency**

FROM: **Michael Rock, City Manager/Executive Director**

PREPARED BY: **Michelle M. Green, Deputy Finance Director**
Marshall Linn, Urban Futures, Inc.

MEETING DATE: **September 13, 2016**

SUBJECT: **Resolution 2016-06 SA of the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning "Approving a Form of Preliminary Official Statement, Bond Purchase Agreement, and a Continuing Disclosure Agreement and Authorizing Certain Actions Relating Thereto"**

RECOMMENDATION:

The Successor Agency adopt Resolution 2016-06 SA "Approving a Form of Preliminary Official Statement, Bond Purchase Agreement, and Continuing Disclosure Agreement and Authorizing Certain Actions Relating Thereto".

The Budget and Finance Committee reviewed the Preliminary Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Agreement (all attached) at their September 6 meeting and gave their recommendation to move forward.

JUSTIFICATION:

Approving the Resolution will enable the pricing and the ultimate closing of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds Series 2016A (Taxable) Transaction.

BACKGROUND:

The 2016 Bonds are being issued to redeem and defease the $14,095,000 original principal amount of the Banning Merged Downtown and Midway Redevelopment Project Tax Allocation Bonds, Series 2003 and the $29,965,000 original principal amount of the Banning Tax Allocation Parity Bonds, Series 2007 Merged Downtown and Midway Redevelopment Project Area.

On October 13, 2015, the Successor Agency adopted Resolution No. 2015-08 SA approving the issuance of the Bonds and approving other documents in connection therewith. On October 22, 2015 the Oversight Board for the Successor Agency adopted Resolution No. 2015-OB approving the issuance of the Bonds and approving certain documents in connection therewith.

On December 28, 2015 the Department of Finance provided a letter to the Successor Agency approving the issuance of the Bonds by the Successor Agency.

OPTIONS:

The option to reject this Resolution will result in the former Successor Agency and all other taxing entities that were a part of the old RDA project not sharing in a present value savings of $1,184,000 (approximate amount).

FISCAL IMPACT:

By the Successor Agency Board's approval of the Resolution, all of the taxing entities will share in the savings of approximately $1,184,295 of future debt service payments.

In addition, the City will be better able to keep its unspent Bond proceeds, if an IRS audit is conducted as the Bonds are being issued on a taxable basis.

Reviewed by:

Rochelle Clayton
Deputy City Manager

Approved by:

Michael Rock
City Manager/Executive Director

Prepared by:

Michelle M. Green
Deputy Finance Director

Marshall Linn
Urban Futures, Inc.

Attachments:

1. Successor Agency Resolution 2016-06 SA
2. Preliminary Official Statement
3. Bond Purchase Agreement
4. Continuing Disclosure Agreement

Attachment 1

RESOLUTION NO. 2016-06 SA

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING A FORM OF PRELIMINARY OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, AND CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO

WHEREAS, the Community Redevelopment Agency of the City of Banning (the "Predecessor Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California), and the powers of the Predecessor Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the redevelopment plan for the Merged Downtown and Midway Redevelopment Project was approved by the City Council of the City of Banning, California (the "City") on February 26, 2002, pursuant to Ordinance No. 1280 (the "Redevelopment Plan"); and

WHEREAS, the Predecessor Agency previously issued its $14,095,000 Community Redevelopment Agency of the City of Banning Merged Downtown and Midway Redevelopment Project Tax Allocation Bonds, Series 2003 (the "2003 Bonds"), for the purpose of funding certain redevelopment projects of the Predecessor Agency and refunding its outstanding Redevelopment Project Tax Allocation Bonds, Series 1992A, dated February 1, 1992; and

WHEREAS, the Predecessor Agency previously issued its $29,965,000 Community Redevelopment Agency of the City of Banning Tax Allocation Parity Bonds, Series 2007 (Merged Downtown and Midway Redevelopment Project) (the "2007 Bonds"), for the purpose of funding certain redevelopment projects of the Predecessor Agency; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 to, *inter alia*, dissolve existing redevelopment agencies, including the Predecessor Agency; and

WHEREAS, the California Supreme Court substantially upheld the provisions of ABx1 26 on December 29, 2011, resulting in the dissolution of the Predecessor Agency on February 1, 2012; and

WHEREAS, the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "Successor Agency") desires to achieve debt service savings in accordance with ABx1 26 and AB 1484 and therefor assist the local taxing entities by refunding the 2003 Bonds and the 2007 Bonds (collectively, the "Refunded Bonds") with

the proceeds of its Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016A (Taxable) (the "Bonds"); and

WHEREAS, on June 27, 2012, AB 1484 was adopted and specifically authorizes the issuance of refunding bonds by the Successor Agency under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California; and

WHEREAS, the Successor Agency desires to achieve debt service savings and therefor assist the local taxing entities by refunding all or a portion of the Refunded Bonds with the proceeds of its Bonds, as the Chair, Vice-Chair, Executive Director or any member of the Board, and their respective designees (each an "Authorized Representative") through a public sale; and

WHEREAS, on October 13, 2015, the Successor Agency adopted Resolution No. 2015-08 SA approving the issuance of the Bonds and approving certain documents in connection therewith; and

WHEREAS, on October 22, 2015, the Oversight Board for the Successor Agency adopted Resolution No. 2015-05 OB approving the issuance of the Bonds and approving certain documents in connection therewith; and

WHEREAS, On December 28, 2015, the Department of Finance provided a letter to the Successor Agency stating that based on the Department of Finance's review and application of the law, the Oversight Board Resolution approving the Bonds was approved by the Department of Finance; and

WHEREAS, the Successor Agency now desires to approve a Preliminary Official Statement relating to the Bonds, the form of which is on file with the Secretary and has been presented to this meeting along with the form of Continuing Disclosure Agreement of the Successor Agency related to the Bonds, contained as Appendix D to the Preliminary Official Statement, substantially in the form on file with the Secretary and presented to this meeting, and a Bond Purchase Agreement relating to the sale of the Bonds substantially in the forms on file with the Secretary and presented to this meeting; and

NOW THEREFORE, the Board resolves, determines and orders as follows:

Section 1. Findings. The Board hereby finds and determines that the recitals hereto are true and correct.

Section 2. Preliminary Official Statement. The Board hereby approves the Preliminary Official Statement substantially in the form on file with the Secretary, a copy of which has been made available to the Board, with such changes therein as an Authorized Representative, may determine necessary, to be furnished to the underwriters for the Bonds. The Board authorizes any Authorized Representative to deem the Preliminary Official Statement to be final within the meaning of U.S. Securities

and Exchange Commission Rule 15c2-12 (the "Rule"), subject to completion of those items permitted by such Rule. Any Authorized Representative is hereby authorized and directed to execute and deliver the final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by Norton Rose Fulbright US LLP, as Disclosure Counsel to the Successor Agency, and approved by an Authorized Representative, such approval to be conclusively evidenced by the execution and delivery thereof. If, in the opinion of the Authorized Representative, upon consultation with Disclosure Counsel, any revisions or updates to the information contained in the Preliminary Official Statement would require supplemental approval of such revised or updated Preliminary Official Statement by the Board, then such revised or updated Preliminary Official Statement shall be submitted to the Board for consideration and further approval.

Section 3. Bond Purchase Agreement. The form of the Bond Purchase Agreement, proposed to be executed and entered into by and between the Successor Agency, and Raymond James & Associates, Inc., acting for and behalf of itself and The Williams Capital Group, L.P. (collectively, the "Underwriters"), in substantially the form on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Bond Purchase Agreement in substantially such form, with such changes as may be approved by any Authorized Representative, acting on behalf of the Successor Agency, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Bond Purchase Agreement presented to this meeting.

Section 4. Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement proposed to be executed and entered into by and between the Successor Agency and a dissemination agent to be selected by the Successor Agency (the "Dissemination Agent") in connection with the Bonds, in substantially the form on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver to the Dissemination Agent the Continuing Disclosure Agreement in substantially such form, with such changes as may be approved by any Authorized Representative, acting on behalf of the Successor Agency, subject to advice of Disclosure Counsel, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Continuing Disclosure Agreement presented to this meeting.

Section 5. General Authorization. Each Authorized Representative and any other officer of the Successor Agency is hereby authorized to execute and deliver any and all agreements (including, but not limited to, investment agreements, bond insurance, reserve fund surety policies, guaranteed investment agreements, escrow agreements or escrow instructions), documents, certificates and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for

carrying out the transactions contemplated by this Resolution, including, revising series designations, and acquiring any necessary consent of municipal bond insurers insuring the Refunded Bonds. Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 13th day of September 2016.

_____
Arthur L. Welch, Chairman
Successor Agency

ATTEST:

_____
Marie A. Calderon, Secretary
Successor Agency

APPROVED AS TO FORM AND LEGAL CONTENT:

_____
John C. Cotti, Agency Counsel

CERTIFICATION

I, Marie A. Calderon, Secretary of the Successor Agency do hereby certify that the foregoing Resolution No. 2016-06 SA was duly adopted by the Successor Agency Board at a joint meeting thereof held on the 13th day of September 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Marie A. Calderon, Secretary
Successor Agency

Attachment 2

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2016

NEW ISSUE—BOOK-ENTRY ONLY

S&P Insured: "___"
S&P Underlying: "___"
See "Ratings" herein.

In the opinion of Norton Rose Fulbright US LLP, under existing law, interest on the 2016 Bonds is exempt from personal income taxes of the State of California. The Successor Agency has taken no action to cause, and does not intend, interest on the 2016 Bonds to be excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein.

$32,780,000*
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016 (Taxable)

Dated: Date of Delivery **Due: September 1, as shown on the inside cover**

The $32,780,000* aggregate principal amount of Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016 (Taxable) (the "2016 Bonds") are being issued by the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "Successor Agency") pursuant to an Indenture, dated as of October 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee").

The 2016 Bonds are being issued to (i) refund certain tax allocation bonds of the Successor Agency, as described herein; (ii) purchase a surety bond for the Reserve Fund for the 2016 Bonds; (iii) purchase a municipal bond insurance policy for all or a portion of the 2016 Bonds as described below; and (iv) pay costs of issuance of the 2016 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING" herein.

The 2016 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2016 Bonds. Principal on the 2016 Bonds is due annually on September 1 of each year, commencing September 1, 2017, and interest on the 2016 Bonds is due semiannually on March 1 and September 1 of each year, commencing March 1, 2017, payable by the Trustee, to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2016 Bonds. See "THE 2016 BONDS" herein.

The 2016 Bonds are subject to redemption prior to maturity as described herein. See "THE 2016 BONDS - Redemption" herein.

The 2016 Bonds are limited obligations of the Successor Agency, secured by a pledge of, and are payable as to principal, interest and premium, if any, from Pledged Tax Revenues (as defined herein), and other funds as provided in the Indenture. The 2016 Bonds are not a debt of the City of Banning (the "City"), the County of Riverside (the "County"), the State of California (the "State") or any of its political subdivisions (except the Successor Agency), and none of the City, the County, the State or any of its political subdivisions (except the Successor Agency) is liable thereon. The 2016 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The scheduled payment of principal of and interest on [all or certain maturities] of the 2016 Bonds (the "Insured Bonds") when due will be guaranteed under the municipal bond insurance policy for the Insured Bonds to be issued concurrently with the issuance of the Insured Bonds by _____ ("Bond Insurer"). See "BOND INSURANCE" herein.

[insurer logo]

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision with respect to the 2016 Bonds.

The 2016 Bonds are offered, when, as and if issued and accepted by the Underwriters, subject to the approval of validity by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by Jones Hall, a Professional Law

* Preliminary; subject to change.

Corporation, San Francisco, California, as Underwriters' Counsel. It is anticipated that the 2016 Bonds will be available for delivery through the book-entry facilities of DTC in New York, New York, on or about October __, 2016.

[Raymond James Logo] **[Williams Capital Logo]**

Dated: September __, 2016

[insert location and project area maps]

MATURITY SCHEDULES

$32,780,000*
SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION REFUNDING BONDS, SERIES 2016 (TAXABLE)

Maturity Date (September 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP† (Base _____)
2017	$ 960,000				
2018	1,190,000				
2019	1,210,000				
2020	1,235,000				
2021	1,265,000				
2022	1,295,000				
2023	1,330,000				
2024	1,370,000				
2025	1,410,000				
2026	1,455,000				
2027	1,500,000				
2028	1,555,000				
2029	1,610,000				
2030	1,665,000				
2031	1,730,000				
2032	1,795,000				
2033	1,875,000				
2034	1,955,000				
2035	2,035,000				
2036	2,125,000				
2037	2,215,000				

$_____ ____% Term 2016 Bonds due September 1, 20__ Yield: ___%; Price: ___% CUSIP†: _____

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of investors. None of the Successor Agency, the Underwriters, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2016 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2016 Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2016 Bonds.

SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING

BOARD OF DIRECTORS

Art Welch, *Chairman*
George Moyer, *Vice-Chairman*
Edward Miller, *Member*
Debbie Franklin, *Member*
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Orange, California

Bond Counsel & Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Trustee

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San Francisco, California

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information set forth herein has been obtained from the Successor Agency and other sources believed to be reliable. This Official Statement is not to be construed as a contract with the purchasers of the 2016 Bonds. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. No dealer, broker, salesperson or any other person has been authorized by the Successor Agency, the Municipal Advisor or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the Successor Agency or the Underwriters.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or any sale of the 2016 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the 2016 Bonds made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Successor Agency or in any other information contained herein, since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2016 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2016 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

[INSURER DISCLAIMER]

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") website.

The City of Banning maintains a website with information pertaining to the Successor Agency. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the 2016 Bonds.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Successor Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

OFFICIAL STATEMENT

$32,780,000*
Successor Agency of the Dissolved
Redevelopment Agency of the City of Banning
Tax Allocation Refunding Bonds,
Series 2016 (Taxable)

INTRODUCTION

General

This Official Statement, including the cover page and appendices hereto, sets forth certain information in connection with the sale of $32,780,000* aggregate principal amount of Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016 (Taxable) (the "2016 Bonds") that are being issued by the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "Successor Agency").

Authority for Issuance

The 2016 Bonds are being issued pursuant to the Constitution and laws of the State of California (the "State"), including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and the Community Redevelopment Law, Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Redevelopment Law") and the Dissolution Act (as defined herein). The 2016 Bonds are also being issued pursuant to an Indenture, dated as of October 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" or, if not defined therein, shall have the meanings assigned to such terms in the Indenture.

Purpose and Application of Proceeds

The 2016 Bonds are being issued to (i) refund (a) $14,095,000 original principal amount of Community Redevelopment Agency of the City of Banning Merged Downtown and Midway Redevelopment Project Tax Allocation Bonds, Series 2003, currently outstanding in the aggregate principal amount of $8,600,000; and (b) $29,965,000 original principal amount of Community Redevelopment Agency of the City of Banning Tax Allocation Parity Bonds, Series 2007 (Merged Downtown and Midway Redevelopment Project), currently outstanding in the aggregate principal amount of $25,345,000 (collectively, the "Prior Bonds") of the Community Redevelopment Agency of the City of Banning (the "Former Agency"); (ii) purchase a surety bond for the Reserve Fund for the 2016 Bonds, (iii) purchase a municipal bond insurance policy for the 2016 Bonds; and (iv) pay costs of issuance of the 2016 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING" herein.

Following delivery of the 2016 Bonds, there will be no other bonds outstanding secured by Pledged Tax Revenues (as defined herein).

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* Preliminary, subject to change.

The City and the Successor Agency

The City of Banning, California (the "City") was incorporated as a general law City in 1913. The City has a "city council/city manager" form of local government. The five members of the City Council are elected at-large from the community to serve four-year terms of office, and the City Council selects one of its members to serve as mayor. The City is located in the County of Riverside, California (the "County"), alongside Interstate 10 approximately 80 miles east of Los Angeles and 23 miles west of Palm Springs. The City covers approximately 27 square miles. The City has a population greater than 30,400 people.

The Former Agency was activated by the City Council of the City (the "City Council") in 1973 pursuant to City Ordinance No. 640. At the same time, the City Council declared itself to be the members of the Former Agency and appointed the City Manager to be the Executive Director of the Former Agency. On June 29, 2011, Assembly Bill No. 26 ("AB x1 26") was enacted as Chapter 5, Statutes of 2011, together with a companion bill, Assembly Bill No. 27 ("AB x1 27"). The provisions of AB x1 26 provided for the dissolution of all redevelopment agencies in the State. The provisions of AB x1 27 permitted redevelopment agencies to avoid dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB x1 26 and AB x1 27. The California Supreme Court largely upheld AB x1 26, invalidated AB x1 27, and held that AB x1 26 may be severed from AB x1 27 and enforced independently. As a result of AB x1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The primary provisions of AB x1 26 relating to the dissolution and winding down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health & Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 and as further amended on September 22, 2015 by Senate Bill 107 ("SB 107"), enacted as Chapter 325, Statutes of 2015 (collectively, as amended from time to time, the "Dissolution Act").

The City Council, pursuant to Resolution No. 2012-12 SA adopted on August 28, 2012, elected to serve as the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Health and Safety Code of the State of California (the "Health and Safety Code"), added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Successor Agency will not be transferred to the City nor will the assets of the Successor Agency become assets of the City.

The Merged Project Area

The redevelopment project area is a single merged project area, known as the Merged Downtown and Midway Redevelopment Project (the "Merged Project Area"), approved by the City Council of the City on February 26, 2002 pursuant to Ordinance No. 1280 and contains approximately 3,283 acres. The Merged Project Area contains a diverse mix of residential and commercial uses. For a description of the Merged Project Area, see "THE MERGED PROJECT AREA" herein.

The 2016 Bonds

The 2016 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to

receive delivery of bonds representing their ownership interest in the 2016 Bonds. Principal on the 2016 Bonds is due annually on September 1 of each year, commencing September 1, 2017, and interest on the 2016 Bonds is due semiannually on March 1 and September 1 of each year, commencing March 1, 2017, payable by the Trustee, to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2016 Bonds. See "THE 2016 BONDS" herein.

Security for the 2016 Bonds

The Dissolution Act requires the Riverside County Auditor-Controller (the "County Auditor-Controller") to determine the amount of property taxes that would have been allocated to the Former Agency had the Former Agency not been dissolved pursuant to the operation of AB x1 26, using current assessed values on the last equalized roll on August 20 of each year, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller (the "Redevelopment Property Tax Trust Fund" or "RPTTF").

The 2016 Bonds will be secured by a pledge of and lien on Pledged Tax Revenues pursuant to the Indenture, certain funds and account established under the Indenture, including the Reserve Fund (as defined herein) and by a lien created pursuant to Section 34177.5(g) of the Health and Safety Code (added by the Dissolution Act) on monies deposited from time to time in the Redevelopment Property Tax Trust Fund. "Pledged Tax Revenues" means Tax Revenues, but excluding therefrom Statutory Pass-Through Amounts. "Tax Revenues" means all taxes annually allocated and paid to the Successor Agency with respect to the Merged Project Area pursuant to Article 6 of Chapter 6 (commencing with section 33670) of the Health and Safety Code and section 16 of Article XVI of the Constitution of the State, including taxes resulting from a local agency's or public agency's property tax override, but excluding therefrom any amounts attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and interest on any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989, for the acquisition or improvement of real property, which portion shall be allocated to, and when collected, shall be paid into the fund of that taxing agency and as provided in the Redevelopment Plan (as defined herein). The 2016 Bonds will also be secured by a Reserve Fund.

Limited Obligations

The 2016 Bonds are limited obligations of the Successor Agency, secured by a pledge of, and are payable as to principal, interest and premium, if any, from Pledged Tax Revenues and other funds as provided in the Indenture. The 2016 Bonds are not a debt of the City, the County, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the County, the State or any of its political subdivisions (except the Successor Agency) is liable thereon. The 2016 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Reserve Fund

The Indenture establishes the Reserve Fund (the "Reserve Fund") for the 2016 Bonds in an amount equal to the Reserve Requirement.

"Reserve Requirement" means, with respect to the 2016 Bonds, as of each calculation date, an amount equal to Maximum Annual Debt Service on all Outstanding 2016 Bonds.

The Reserve Requirement may be satisfied by crediting to the Reserve Fund moneys or a Qualified Reserve Fund Credit Instrument or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement. "Qualified Reserve Fund Credit Instrument" is defined in the Indenture as an irrevocable standby or direct-pay letter of credit or

surety bond issued by a commercial bank or insurance company rated at the time of issuance in the two highest categories without regard to modification by one Rating Agency, deposited with the Trustee pursuant to the Indenture. If a Qualified Reserve Fund Credit Instrument provider is downgraded or a rating is withdrawn with respect to such provider for any reason, there shall be no obligation to replace or secure the Qualified Reserve Fund Credit Instrument .

The Successor Agency will satisfy the Reserve Requirement by depositing the Reserve Policy in the Reserve Fund in accordance with the Indenture. "Reserve Policy" means the municipal bond debt service reserve insurance policy relating to the 2016 Bonds issued by the Bond Insurer.

Statutory Pass-Through Payments

Prior to the enactment of AB 1290 (as defined herein), redevelopment project areas adopted between January 1, 1985, and January 1, 1994, were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenues payments set forth under Section 33676 of the Redevelopment Law ("Section 33676 Amounts"). Sections 33607.5 and 33607.7 of the Redevelopment Law require that a portion of the tax increment revenues in redevelopment project areas be distributed to the taxing agencies whose territory is located within a project area to alleviate the financial burden or detriment caused by the redevelopment project ("Section 33607 Amounts" and, together with Section 33676 Amounts, "Statutory Pass-Through Payments"). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – Statutory Pass-Through Payments" herein.

Pass-Through Agreements

The Former Agency entered into pass-through agreements (the "Pass-Through Agreements") with certain taxing agencies that provide for payments from tax revenue allocated to the Merged Project Area to such taxing agencies. The Successor Agency's obligations under the Pass-Through Agreements are senior to the Successor Agency's obligation to make payments on the 2016 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – Pass-Through Agreements" herein.

Judicial Validation Proceedings

On November 5, 2015, pursuant to authorization contained in Section 34177.5(d) of the Dissolution Act and State law, the Successor Agency filed a Complaint (Case No. 34-2015-00186453) initiating proceedings to confirm the validity of the 2016 Bonds, the Indenture and other matters relating thereto and the proceedings for the issuance of the 2016 Bonds (the "Complaint"). On June 17, 2016, the Superior Court, County of Sacramento, entered a default judgment (the "Validation Judgment"). The appeal period for the Validation Judgment concluded on July 18, 2016. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE BONDS – Judicial Validation Proceedings."

Further Information

Descriptions of the Redevelopment Law, the Refunding Law, the Dissolution Act, the 2016 Bonds, the Indenture, the Successor Agency, the Former Agency, the City, the County Auditor-Controller and the State of California Department of Finance (the "Department of Finance") are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Redevelopment Law, the Refunding Law, the Dissolution Act, the 2016 Bonds, the Indenture, and the laws of the State or the proceedings of the Former Agency, the Successor Agency, the City, the County Auditor-Controller and the Department of Finance are qualified in their entirety by reference to such documents and laws. References herein to the 2016 Bonds are qualified in their entirety by the form thereof included in the Indenture and the information with respect thereto included herein, copies of which are all available for inspection at the offices of the Successor Agency.

PLAN OF REFUNDING

General

Proceeds of the 2016 Bonds, together with certain funds made available through the refunding of the Prior Bonds, will be transferred to U.S. Bank National Association, as trustee for the Prior Bonds, and applied to redeem and defease the Prior Bonds pursuant to an Escrow Agreement(s), dated the Delivery Date (the "Escrow Agreement"), by and between the Successor Agency and U.S. Bank National Association, and trustee for the Prior Bonds ("U.S. Bank"). Amounts so deposited will be invested in Federal Securities, as defined in the Escrow Agreement and held by U.S. Bank and will be sufficient, together with other available amounts, to pay the outstanding principal amount of the Prior Bonds to be redeemed, together with accrued and unpaid interest thereon to redemption dates set forth below (the "Redemption Date"), without premium.

PRIOR BONDS TO BE REFUNDED*

Type of Bond	Maturity Date	Interest Rate	Principal Amount	Redemption Date	Redemption Price
Community Redevelopment Agency of the City of Banning Merged Downtown and Midway Redevelopment Project Tax Allocation Bonds, Series 2003					
SERIAL	8/1/2017	4.500%	$ 545,000.00	10/21/2016	100.000
	8/1/2018	4.600%	570,000.00	10/21/2016	100.000
TERM	8/1/2023	5.000%	3,290,000.00	10/21/2016	100.000
TERM	8/1/2028	5.000%	4,195,000.00	10/21/2016	100.000
			$8,600,000.00		
Community Redevelopment Agency of the City of Banning Tax Allocation Parity Bonds, Series 2007 (Merged Downtown and Midway Redevelopment Project)					
SERIAL	8/1/2017	3.700%	$ 805,000.00	11/5/2016	100.000
	8/1/2018	3.875%	835,000.00	11/5/2016	100.000
	8/1/2019	4.000%	865,000.00	11/5/2016	100.000
	8/1/2020	4.000%	900,000.00	11/5/2016	100.000
	8/1/2021	4.000%	940,000.00	11/5/2016	100.000
	8/1/2022	4.000%	975,000.00	11/5/2016	100.000
	8/1/2023	4.125%	1,015,000.00	11/5/2016	100.000
	8/1/2024	4.125%	1,055,000.00	11/5/2016	100.000
	8/1/2025	4.250%	1,100,000.00	11/5/2016	100.000
	8/1/2026	4.250%	1,150,000.00	11/5/2016	100.000
	8/1/2027	4.250%	1,195,000.00	11/5/2016	100.000
	8/1/2028	4.250%	1,245,000.00	11/5/2016	100.000
	8/1/2029	4.250%	1,960,000.00	11/5/2016	100.000
	8/1/2030	4.250%	1,805,000.00	11/5/2016	100.000
TERM	8/1/2037	4.375%	9,500,000.00	11/5/2016	100.000
			$25,345,000.00		

* Preliminary, subject to change.

The amounts held by the Escrow Agent pursuant to the Escrow Agreement are pledged solely to the payment of principal and interest on the Prior Bonds to and including the respective redemption dates thereof. Such amounts will not be available for the payment of debt service on the 2016 Bonds.

Verification

Grant Thornton LLP, as verification agent (the "Verification Agent"), upon delivery of the 2016 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to it by the Successor Agency, relating to the sufficiency of moneys and/or federal securities and the interest thereon to provide for the redemption and defeasance of the Prior Bonds. The report of the Verification Agent will include a statement to the effect that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or information coming to its attention, subsequent to the date of its report. See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are summarized as follows.

	2016 Bonds
Sources:	
Principal Amount	$
Net Premium/Discount	
Other Available Funds	$
Total Sources	
Uses:	
Deposit to Escrow Funds	$
Costs of Issuance Fund [(1)]	
Total Uses	$

[(1)] Costs of Issuance include Underwriters' discount, fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Redevelopment Consultant, Verification Agent, and Trustee, premiums for the surety bond and municipal bond insurance policy, printing expenses, rating fee and other costs related to the issuance of the 2016 Bonds.

DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements on the 2016 Bonds, assuming no optional redemptions.

Bond Year Ending (September 1)	2016 Bonds		
	Principal	Interest	Total
	$	$	$
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
TOTAL			

THE 2016 BONDS

Authority for Issuance

The 2016 Bonds were authorized for issuance pursuant to the Indenture, the Redevelopment Law, the Dissolution Act, and the Refunding Law. The issuance of the 2016 Bonds and the Indenture were authorized by the Successor Agency pursuant to Resolution No. 2015-08 SA adopted on October 13, 2015 (the "Successor Agency Resolution"), the Preliminary Official Statement was authorized by the Successor Agency pursuant to Resolution No. 2016-___ adopted on [**September 13**], 2016 (the "Disclosure Resolution") and the 2016 Bonds and the Indenture were approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 2015-05 OB adopted on October 22, 2015 (the "Oversight Board Resolution" and, together with the Successor Agency Resolution and the Disclosure Resolution, the "Resolutions").

Written notice of the Oversight Board Resolution was provided to the Department of Finance, pursuant to the Dissolution Act, on October 27, 2015. On December 28, 2015, the Department of Finance provided a letter to the Successor Agency stating that based on the Department of Finance's review and application of the law, the Oversight Board Resolution approving the 2016 Bonds was approved by the Department of Finance. See APPENDIX F – "STATE DEPARTMENT OF FINANCE APPROVAL LETTER."

Description of the 2016 Bonds

The 2016 Bonds will be issued and delivered as one fully-registered 2016 Bond in the denomination of $5,000 or any integral multiple thereof (each an "Authorized Denomination") for each maturity of the 2016 Bonds, initially in the name of Cede & Co., as nominee for DTC, as registered owner. See APPENDIX C – "BOOK-ENTRY SYSTEM."

The 2016 Bonds will be dated the date of their delivery (the "Delivery Date") and mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement. Interest on the 2016 Bonds will be payable on each March 1 and September 1, commencing March 1, 2017 (each an "Interest Payment Date") to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2016 Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. "Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day. Principal of and redemption premium (if any) on any 2016 Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2016 Bonds shall be payable in lawful money of the United States of America. Interest shall be calculated based upon a 360-day year of twelve 30-day months.

Redemption*

Optional Redemption of 2016 Bonds. The 2016 Bonds maturing on or before September 1, 20__ are not subject to redemption prior to maturity. The 2016 Bonds maturing after September 1, 20__ are subject to redemption prior to maturity in whole, or in part, by lot among maturities as determined by the Successor Agency, on any date on or after September 1, 20__, from any available source of funds, at 100% of the principal amount of the 2016 Bonds to be redeemed, together with accrued interest thereon to the redemption date.

Sinking Account Redemption of 2016 Bonds. The 2016 Bonds maturing on September 1, 20__ ("Term Bond") are subject to redemption in part by lot on September 1 in each year shown below until maturity, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the 2016 Bonds have been redeemed the total amount of all future sinking account payments will be reduced by an amount corresponding to the aggregate principal amount of 2016 Bonds so redeemed, to be allocated among such sinking account payments on a *pro rata* basis in integral multiples of $5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee):

Sinking Account Redemption Date (September 1)	Principal Amount to be Redeemed or Purchased

Purchase in Lieu of Redemption. In lieu of redemption of any 2016 Bond, amounts on deposit in the Sinking Account may also be used and withdrawn by the Trustee at any time prior to selection of Term Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Successor Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Successor Agency may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Term Bonds shall be paid from amounts held in the Revenue Fund for the payment of interest on the next following Interest Payment Date. Any Term Bonds so purchased shall be cancelled by the Trustee forthwith and shall not be reissued. The principal of any Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Sinking Account payment date in any year shall be credited towards and shall reduce the principal of such Term Bonds required to be redeemed on such Sinking Account payment date in such year.

Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid or other means acceptable to the recipient thereof) notice of any redemption at least twenty (20) days but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any 2016 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the Successor Agency filed with the Trustee at the time the Successor Agency notifies the Trustee of its intention to redeem 2016 Bonds; however, such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such 2016 Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will

* Preliminary, subject to change.

designate the CUSIP number of the 2016 Bonds to be redeemed, state the individual number of each 2016 Bond to be redeemed or state that all 2016 Bonds between two stated numbers (both inclusive) or all of the 2016 Bonds Outstanding (or all 2016 Bonds of a maturity) are to be redeemed, and will require that such 2016 Bonds be then surrendered at the Corporate Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such 2016 Bonds will not accrue from and after the redemption date. Neither the Successor Agency nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any 2016 Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Successor Agency nor the Trustee shall be liable for any inaccuracy in such numbers.

Right to Rescind Notice. The Successor Agency has the right to rescind any notice of optional redemption of the 2016 Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2016 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Partial Redemption of 2016 Bonds. If only a portion of any 2016 Bond is called for redemption, then upon surrender of such 2016 Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2016 Bond or 2016 Bonds of the same interest rate and maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the 2016 Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2016 Bonds so called for redemption shall have been duly deposited with the Trustee, such 2016 Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any 2016 Bonds or portions thereof are to be selected for redemption by lot within a maturity, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate.

No Additional Indebtedness; Against Encumbrances

The Successor Agency covenants in the Indenture that it will not issue any Obligations payable, either as to principal or interest, from the Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues on a parity with or superior to the lien under the Indenture for the 2016 Bonds; provided, that the Successor Agency may issue and sell refunding bonds payable from Pledged Tax Revenues on a parity with Outstanding Bonds, if (a) annual debt service on such refunding bonds is lower than annual debt service on the 2016 Bonds being refunded during every year the 2016 Bonds will be outstanding, (b) if less than all Outstanding Bonds are being refunded, the debt service payment dates with respect to such refunding bonds are the same as for the 2016 Bonds being refunded and (c) the final maturity of any such refunding bonds does not exceed the final maturity of the 2016 Bonds being refunded. Nothing in the Indenture prevents the Successor Agency from issuing subordinate Obligations.

BOND INSURANCE

The Policy

Concurrently with the issuance of the 2016 Bonds, _____ will deliver a municipal bond insurance policy (the "Policy") [for the _____ maturities of the 2016 Bonds] (collectively, the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as APPENDIX I – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

[TO COME]

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB x1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB x1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (as defined herein).

The Dissolution Act further provides that bonds authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2016 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Merged Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area are to be divided as follows:

(a) *To Taxing Agencies:* That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Merged Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project Area (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) *To the Former Agency/Successor Agency:* Except for that portion of the taxes in excess of the amount identified in (a) above that is attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year following the Delivery Date, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller and required pass-through payments, constitutes the amount required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS

Background

Prior to the enactment of the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never dropped below the base year level, the taxing agencies receiving property taxes thereafter would receive only that portion of the taxes produced by applying then current tax rates to the base year valuation; the redevelopment agency was allocated the remaining portion of property taxes (i.e., the portion measured by applying then current tax rates to the increase in valuation over the base year valuation). Such "incremental tax revenues" allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations, including the Prior Bonds.

The Dissolution Act

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB x1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB x1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules, as defined and described below.

The Dissolution Act further provides that bonds authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2016 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Recognized Obligation Payment Schedules

As amended by SB 107, enacted on September 22, 2015 and effective immediately upon its enactment, the Dissolution Act requires successor agencies to prepare and submit to the successor agency's oversight board and the DOF for approval a Recognized Obligation Payment Schedule (the "Recognized Obligation Payment Schedule" or "ROPS") before each annual fiscal period covered by such schedule (i.e., July 1 through June 30), commencing with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017. Distributions from the Redevelopment Property Tax Trust Fund are made by the County Auditor-Controller to successor agencies (and tax sharing entities) each January 2 and June 1, within each annual Recognized Obligation Payment Schedule period.

Pursuant to a Recognized Obligation Payment Schedule, "enforceable obligations" of the successor agency coming due and payable in the fiscal period covered by such schedule are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve setasides, debt service reserve fund replenishment, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the Low and Moderate Income Housing Fund. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year (see "THE INDENTURE — Covenants of the Successor Agency").

Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the Low and Moderate Income Housing Fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board). Other than amounts deposited in the Redevelopment Property Tax Trust Fund and amounts held in certain funds and accounts under the Indenture, the Successor Agency does not expect to have any other funds available to pay the 2016 Bonds.

The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule.

Commencing with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017, the Successor Agency is required to submit each annual Recognized Obligation Payment Schedule, after approval by the Oversight Board, to the County Auditor-Controller and the DOF

no later than February 1, 2016, and each February 1 thereafter for subsequent annual Recognized Obligation Payment Schedules. For example, on its February 1, 2017 Recognized Obligation Payment Schedule, the Successor Agency shall request debt service due on September 1, 2017 and on March 1, 2018. For each annual Recognized Obligation Payment Schedule, the DOF must make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15 (commencing April 15, 2016 with the Recognized Obligation Payment Schedule for the period from July 1, 2016 through June 30, 2017). Within five business days of the determination by the DOF, the Successor Agency may request additional review by the department and an opportunity to meet and confer on disputed items, if any, except those that are the subject of litigation disputing the department's previous or related determination. The DOF must notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least 15 days before the June 1 property tax distribution, with respect to items disputed on the originally submitted annual Recognized Obligation Payment Schedule.

The County Auditor-Controller may review a submitted Recognized Obligation Payment Schedule and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the County Auditor-Controller must provide notice of any such objections to the Successor Agency, the Oversight Board, and the DOF at least 60 days prior to the January 2 or June 1 date of property tax distribution, as applicable.

If the Successor Agency does not submit an annual Recognized Obligation Payment Schedule by the February 1 deadline, the City will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the Successor Agency's administrative cost allowance is reduced by 25% if the Successor Agency does not submit an annual Recognized Obligation Payment Schedule within 10 days after the February 1 deadline. The Successor Agency timely submitted to the DOF its Oversight Board-approved Recognized Obligation Payment Schedule for the first annual period of July 1, 2016 through June 30, 2017.

Once per Recognized Obligation Payment Schedule period, and no later than October 1 of the applicable year, the Successor Agency may submit one amendment to the annual Recognized Obligation Payment Schedule previously approved by the DOF, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second half of the Recognized Obligation Payment Schedule period (i.e., during January 1 through June 30), and the Successor Agency may only amend the amount requested for payment of approved enforceable obligations. The DOF must notify the Successor Agency and the County Auditor-Controller as to the outcome of its review of a requested amendment to an approved annual Recognized Obligation Payment Schedule at least 15 days before the applicable property tax distribution date.

In connection with the allocation and distribution by the County Auditor-Controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, under the Dissolution Act the County Auditor-Controller must prepare estimates of the amounts of (i) property tax to be allocated and distributed and (ii) the amounts of pass-through payments to be made in the upcoming six-month period, and provide those estimates to the entities receiving the distributions and the DOF no later than October 1 and April 1 of each year, as applicable.

If, after receiving such estimate from the County Auditor-Controller, the Successor Agency determines and reports to the County Auditor-Controller, no later than December 1 or May 1, as applicable (i.e., by December 1, 2016 with respect to the January 2, 2017 Redevelopment Property Tax Trust Fund distribution date), that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Prior Agency, and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, for Successor Agency enforceable obligations listed on the Recognized

Obligation Payment Schedule for the corresponding six-month fiscal period and for the Successor Agency's administrative cost allowance, the County Auditor-Controller must notify the State Controller and the DOF no later than 10 days from the date of the Successor Agency's notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – The Dissolution Act" and "PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule."

The Successor Agency covenants that it will duly and punctually pay or cause to be paid the principal of and interest on the 2016 Bonds on the date, at the place and in the manner provided in the 2016 Bonds, and that it will take all actions required under the Health and Safety Code to include debt service on the 2016 Bonds on the Recognized Obligation Payment Schedule.

Last and Final Recognized Obligation Payment Schedule. SB 107, which was signed into law on September 22, 2015, establishes an optional "Last and Final" Recognized Obligation Payment Schedule procedure. The Last and Final Recognized Obligation Payment Schedule procedure is available only to successor agencies that have a finding of completion under the Dissolution Act and Department of Finance concurrence as to the items that qualify for payment, among other conditions. The Last and Final Recognized Obligation Payment Schedule would be binding on all parties and the Successor Agency would no longer submit an annual Recognized Obligation Payment Schedule. The county auditor-controller would remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. SB 107 provides that a Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with Department of Finance and county auditor-controller approval. [The Successor Agency has covenanted in the Indenture not to submit a Last and Final Recognized Obligation Payment Schedule without the prior written consent of the Bond Insurer.]

See the caption "RISK FACTORS – Recognized Obligation Payment Schedule" for a discussion of certain risks associated with the Last and Final Recognized Obligation Payment Schedule.

Elimination of Housing Set-Aside

Pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, redevelopment agencies were required to set aside not less than twenty percent of all tax increment revenues allocated to redevelopment agencies from redevelopment project areas adopted after December 31, 1976, in a low- and moderate-income housing fund to be expended for authorized housing purposes. Amounts on deposit in the low- and moderate-income housing fund could be applied to pay debt service on bonds, loans, or advances of redevelopment agencies to finance low- and moderate-income housing projects.

The Dissolution Act eliminated the requirement that twenty percent of tax increment revenue be set aside and used exclusively for purposes of providing low and moderate income housing. As a result, and because the Successor Agency does not have any obligations that are payable from the low- and moderate-income housing set aside, the 2016 Bonds are payable from amounts of tax increment revenue that prior to the Dissolution Act were required to be set aside for low- and moderate-income housing.

The projections of Pledged Tax Revenues prepared by Urban Futures Inc., (the "Redevelopment Consultant") and set forth in the section of this Official Statement entitled "THE MERGED PROJECT AREA – Projected Taxable Valuation and Pledged Tax Revenues" assumes the availability of such revenues for this purpose.

Riverside County Auditor-Controller

The County Auditor-Controller is responsible for accounting, auditing, accounts payable, payroll and property tax services for all governments, individuals and businesses she serves, including the County. The Dissolution Act assigns county auditors numerous responsibilities, including the responsibility to deposit tax increment revenues attributable to each successor agency into a Redevelopment Property Tax Trust Fund held in the county treasury in the name of each successor agency. Pursuant to the Dissolution Act, county auditors disburse funds from each Redevelopment Property Tax Trust Fund twice annually, on January 2 and June 1. Such amounts include pass-through payments to affected taxing entities, payments that are required to be paid from tax increment as approved on a Recognized Obligation Payment Schedule, and various administrative fees and allowances. Remaining Redevelopment Property Tax Trust Fund balances are distributed to affected taxing entities under a prescribed method that accounts for pass-through payments. County auditors are also responsible for distributing other moneys received from successor agencies (from sale of assets etc.) to the affected taxing entities.

Security and Sources of Payment for the 2016 Bonds

The Successor Agency has established and holds the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Redevelopment Law. In accordance with the Validation Judgement, and, except as provided in the Indenture with respect to indemnification of the Trustee, the 2016 Bonds will be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues, including all of the Pledged Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Revenue Fund (including the Interest Account, the Principal Account, the Sinking Account and the Redemption Account).

The 2016 Bonds shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Fund established under the Indenture. The 2016 Bonds shall be also equally secured by the pledge and lien created with respect to the 2016 Bonds by Section 34177.5(g) of the Redevelopment Law on the Pledged Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the 2016 Bonds.

The Indenture shall constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the 2016 Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency and the Trustee shall be for the equal and proportionate benefit, security and protection of all Owners of the 2016 Bonds without preference, priority or distinction as to security or otherwise of any of the 2016 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Judicial Validation Proceedings

On November 5, 2015, pursuant to authorization contained in Section 34177.5(d) of the Dissolution Act and State law, the Successor Agency filed the Complaint. On Jun 17, 2016, the Superior Court, County of Sacramento, entered the Validation Judgment. In the Validation Judgment, the Superior Court made several determinations with respect to the 2016 Bonds, the Indenture, and the Pledged Tax Revenues including the following:

- The 2016 Bonds, the Resolutions, and the Indenture identified in the Complaint, including all proceedings leading thereto, were and are valid, legal, and binding obligations in accordance with their terms.

- Pursuant to California Health and Safety Code section 34177.5(a)(1), the Successor Agency may pledge to the 2016 Bonds the revenues pledged to the Prior Bonds, and that pledge, when made in connection with the issuance of the 2016 Bonds, shall have the same lien priority as the pledge of the Prior Bonds, and shall be valid, binding, and enforceable in accordance with its terms. Therefore, pursuant to California Health and Safety Code section 34177.5(a)(1), upon the issuance of the 2016 Bonds, the 2016 Bonds shall be secured by a first pledge of and charge and lien upon Pledged Tax Revenues.

- Pursuant to California Health and Safety Code section 34177.5(a)(1), the pledge of the 2016 Bonds has the same lien priority as the pledge of the Prior Bonds and is valid, binding and enforceable in accordance with its terms, and the pledge with respect to the Prior Bonds, and the pledge with respect to the 2016 Bonds also shall not be subject to any allocation or set aside to any Low and Moderate Income Housing Fund pursuant to California Health and Safety Code section 33334.2 *et seq*.

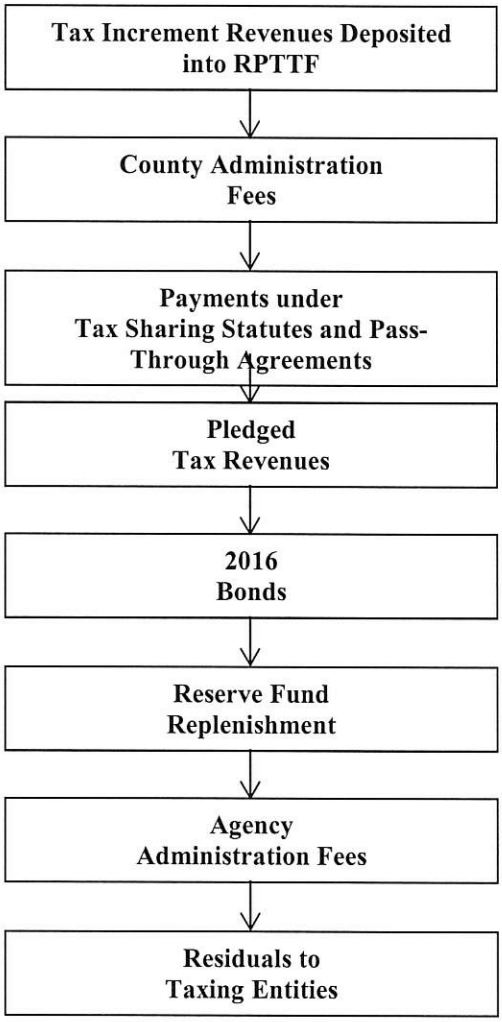
For the complete Complaint and Validation, see APPENDIX H-1 – "COMPLAINT" and APPENDIX H-2 – "VALIDATION JUDGMENT," respectively.

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Flow of Funds

Below is a schematic showing the flow of funds of tax increment revenues deposited in Redevelopment Property Tax Trust Fund.

Flow of Funds



There is established under the Indenture special trust funds to be known as the "Revenue Fund," and the "Reserve Fund" which will be held by the Trustee under the Indenture in trust for the Owners. The Trustee shall send the Successor Agency on each November 1 and April 1 a Written Request specifying the amount of Pledged Tax Revenues required to be deposited in the Revenue Fund and/or the Reserve Fund, as applicable. The Successor Agency shall remit the amount requested pursuant to such Written Request to the Trustee within two (2) Business Days of receipt of distributions of Pledged Tax Revenues on January 2 and June 1 of each year (as adjusted for weekends and holidays). Upon receiving Pledged Tax Revenues from the Successor Agency, the Trustee shall deposit all amounts received into the Revenue Fund or the Reserve Fund, as applicable, until such time as the amounts so deposited equal the aggregate amounts required to be transferred to the Trustee in such Bond Year (i) for deposit into the Interest Account, the Principal Account and the Redemption Account of the Revenue Fund and (ii) for deposit into the Reserve Fund, if necessary. Such deposits shall be in the following order of priority:

Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on the Outstanding 2016 Bonds on such Interest Payment Date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest to become due and payable on all Outstanding 2016 Bonds on the Interest Payment Dates in such Bond Year. Subject to the Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2016 Bonds as it becomes due and payable (including accrued interest on any 2016 Bonds redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before each Principal Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal becoming due and payable on the Outstanding 2016 Bonds on such Principal Payment Date. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the principal to become due and payable on all Outstanding 2016 Bonds of the related Series on the upcoming Principal Payment Date. Subject to the Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments on the Outstanding 2016 Bonds as they become due and payable.

On or before each Principal Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Sinking Account an amount of money equal to the Sinking Account Installment, if any, payable on the Sinking Account Payment Date in such Bond Year. The Trustee shall use moneys in the applicable Sinking Account to redeem 2016 Bonds of the applicable Series pursuant to the Indenture.

If there shall be insufficient money in the Revenue Fund to make in full all such principal payments and Sinking Account payments required to be made in such Bond Year, then the money available in the Revenue Fund shall be applied *pro rata* with respect to such principal payments and Sinking Account payments in the proportion that all such principal payments and sinking account payments bear to each other.

Reserve Fund. The Reserve Requirement for the 2016 Bonds will be satisfied by the delivery of the Reserve Policy by the Bond Insurer on the date of delivery of the 2016 Bonds. The Successor Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Fund with cash if, at any time that the 2016 Bonds are Outstanding, amounts are not available under the Reserve Policy or if any rating with respect to the Bond Insurer is downgraded or withdrawn. The Reserve Policy is a Qualified Reserve Fund Credit Instrument under the Indenture.

All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account, in such order

of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the 2016 Bonds then Outstanding. The Trustee shall value the balance in the Reserve Fund on each September 1. If the balance in the Reserve Fund is less than the Reserve Requirement, the Trustee will, under the Indenture, indicate the amount of such deficiency in a Written Request to the Successor Agency. Upon receipt of such Written Request, the Successor Agency will immediately take all necessary action to cure such deficiency, including using best efforts to place the amount of such deficiency on a Recognized Obligation Payment Schedule.

Redemption Account. On or before the 5th Business Day preceding any date on which 2016 Bonds are to be redeemed, the Successor Agency will deliver or cause to be delivered funds to the Trustee for deposit in the Redemption Account an amount required to pay the principal of, interest and premium, if any, on the 2016 Bonds (other than 2016 Bonds redeemed from sinking account payments) to be redeemed on such date. Subject to the Indenture, all moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest or redemption premium (if any) on the 2016 Bonds to be redeemed on the date set for such redemption.

Statutory Pass-Through Payments

Prior to the enactment of AB 1290 (as defined below), redevelopment project areas adopted between January 1, 1985, and January 1, 1994, were subject to payments to schools and to other affected taxing agencies that elected to receive Section 33676 Amounts.

The Successor Agency is obligated under Health & Safety Code Section 33607.5 (the "AB 1290 Pass-Through Formula") to make Section 33607 Amount payments to affected taxing entities. Generally, the AB 1290 Pass-Through Formula payment amounts are calculated as follows:

	Pass Through[(1)]
Tier A (Years 1-10)	25%
Tier B (Years 11-30)	21% + Tier A
Tier C (Years 31-40)	14% + Tiers A & B

[(1)] Percentage of entity's share of tax increment reduced by pro-rata share of Agency's former Housing Set-Aside.

The Riverside County Auditor-Controller will deduct administration charges from the tax increment distributed to the Successor Agency's RPTTF. The estimated administration charges (1.27% of gross tax increment based on actual charges for Fiscal Year 2015-16) have been deducted from the projected Pledged Tax Revenues.

All of the Statutory Pass-Through Payments (Section 33676 Amounts and Section 33607 Amounts) are senior to the Successor Agency's obligation to pay debt service on the 2016 Bonds and total approximately $708,845 million for Fiscal Year 2015-16.

Pass-Through Agreements

The Former Agency entered into agreements for the allocation and distribution of tax increment revenues from the Merged Project Area. The effect of those agreements is briefly described below. Any payments made by the Successor Agency to satisfy the Pass-Through Agreements are senior to the Pledged Tax Revenues available to pay debt service on the 2016 Bonds. See the caption "THE MERGED PROJECT AREA – Projected Taxable Valuation and Pledged Tax Revenues."

Downtown Project Area and Amendments

1. Banning Unified School District dated August 11, 1992 – three year rolling fixed annual payment amounts; $30,000 in Fiscal Year 2006-07, $25,000 in Fiscal Year 2007-08, & $25,000 in Fiscal Year 2008-09 – pattern repeats at same fixed dollar amounts every three years thereafter.

2. Riverside County Superintendent of Schools dated May 19, 1993 – pass through equal to 100% of Superintendent's share of inflationary tax increment revenues.

3. Mt. San Jacinto Community College District dated May 19, 1993 – 100% of District's 3.17% share.

4. Riverside County Flood Control and Water Conservation District dated June 22, 1993 - 100% of District's share (net of housing set-aside amounts), commencing when accumulated revenues received by Agency exceed $25 million.

5. County of Riverside dated July 13, 1993 – County receives 20% of its share, increasing to a 40% share once annual tax increment exceeds $2 million.

Midway Project Area and Amendments

1. San Gorgonio Pass Water Agency - by Resolution No. 12 dated May 12, 1986 elected to receive its share of inflationary tax increment revenues.

2. Riverside County Superintendent of Schools dated August 12, 1986 - 25% of its share, increasing to 50% when annual tax increment exceeds $1 million. Once the allocation retained by the Successor Agency reaches $1 million, 100% of the Superintendent of Schools share is allocated to the Superintendent of Schools.

3. County of Riverside dated July 21, 1986 – County receives its share of inflationary tax increment revenues, plus 25% of its share of annual tax increment revenues, increasing to 50% when annual tax increment exceeds $1 million. The total County's share allocated to the Successor Agency shall not exceed $8 million.

4. Riverside County Flood Control and Water Conservation District dated May 13, 1986 – 100% of District's share of inflationary tax increment revenues.

Certain Covenants of the Successor Agency

As long as the 2016 Bonds are outstanding, the Successor Agency will (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture, including the following covenants and agreements for the benefit of the Owners which are necessary, convenient, and desirable to secure the 2016 Bonds; provided, however, that the covenants do not require the Successor Agency to expend funds other than the Pledged Tax Revenues:

Compliance with Health and Safety Code. The Successor Agency covenants that it will comply with all applicable requirements of the Health and Safety Code.

Regarding Recognized Obligation Payment Schedule. Pursuant to Section 34177 of the Health and Safety Code, by each February 1, commencing on February 1 following the Delivery Date (or such other dates as are specified in the Health and Safety Code or other applicable law), for so long as any 2016 Bonds are outstanding, the Successor Agency shall prepare and submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County

Auditor-Controller, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations of the Successor Agency are listed, including debt service with respect to the 2016 Bonds. Such Recognized Obligation Payment Schedule shall include (i) all scheduled principal of and interest payments on the 2016 Bonds that are due and payable during the period applicable for such Recognized Obligation Payment Schedule and the Bond Year commencing during the period applicable for such Recognized Obligation Payment Schedule, (ii) any amount required to replenish the Reserve Fund, and (iii) any other fees coming due under the Indenture, including Bond Insurer reimbursements. If the provisions set forth in the Dissolution Act as of the Delivery Date of the 2016 Bonds that relate to the filing of Recognized Obligation Payment Schedules are further amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2016 Bonds that are not inconsistent with the Indenture.

Punctual Payment. The Successor Agency covenants that it will duly and punctually pay or cause to be paid the principal of and interest on the 2016 Bonds on the date, at the place and in the manner provided in the 2016 Bonds, and that it will take all actions required under the Health and Safety Code to include debt service on the 2016 Bonds on the applicable Recognized Obligation Payment Schedule, including any amounts required to replenish the Reserve Fund to the full amount of the Reserve Requirement.

No Priority; No Additional Parity Bonds; Refunding Bonds; Other Obligations. The Successor Agency covenants that it will not issue any Obligations payable, either as to principal or interest, from the Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues on a parity with or superior to the lien under the Indenture for the 2016 Bonds; provided, that the Successor Agency may issue and sell refunding bonds payable from Pledged Tax Revenues on a parity with Outstanding 2016 Bonds, if (a) annual debt service on such refunding bonds is lower than annual debt service on the 2016 Bonds being refunded during every year the 2016 Bonds will be outstanding, (b) if less than all Outstanding Bonds are being refunded, the debt service payment dates with respect to such refunding bonds are the same as for the 2016 Bonds being refunded and (c) the final maturity of any such refunding bonds does not exceed the final maturity of the 2016 Bonds being refunded.

Payment of Taxes and Other Charges. The Successor Agency covenants that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Merged Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the 2016 Bonds or the use of Pledged Tax Revenues or other legally available funds to pay the principal of and interest and redemption premium (if any) on the 2016 Bonds, all to the end that the priority and security of the 2016 Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

Books and Accounts: Financial Transactions and Records. The Successor Agency covenants that it will at all times keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries are made of the financial transactions and records of the Successor Agency. Within two hundred seventy (270) days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. Upon written request, the Successor Agency shall, as soon practicable, furnish a copy of each audit to any Owner. The Trustee shall have no duty to review such audits.

Protection of Security and Rights of Owners. The Successor Agency covenants to preserve and protect the security of the 2016 Bonds and the rights of the Owners and to contest by court action or otherwise (a) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that the Pledged Tax Revenues pledged under the Indenture cannot be used to pay debt service on the 2016 Bonds or (b) any other action affecting the validity of the 2016 Bonds or diluting the security therefor.

SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING

The Successor Agency is a public entity, existing under and by virtue of the Redevelopment Law as amended by the Dissolution Act and is governed by a five-member board (the "Board") which consists of all members of the City Council. The Former Agency was activated in 1973.

On June 29, 2011, AB x1 26 was enacted as Chapter 5, Statutes of 2011, together with a companion bill, AB x1 27. AB x1 26 provided for the dissolution of all redevelopment agencies, but also permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), challenging the constitutionality of AB x1 26 and AB x1 27. In its December 29, 2011 decision, the California Supreme Court largely upheld AB x1 26, invalidated AB x1 27, and held that AB x1 26 may be severed from AB x1 27 and enforced independently. As a result of AB x1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The Department of Finance conducted a review of the Successor Agency's documentation and issued its Finding of Completion on April 26, 2013.

The City Council elected to serve as the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Health and Safety Code, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Successor Agency will not be transferred to the City nor will the assets of the Successor Agency become assets of the City.

Members and Officers

The members of the Successor Agency Board and the expiration dates of their terms are as follows:

Name and Office	Expiration of Term
Art Welch, *Chairman*	December 2016
George Moyer, *Vice-Chairman*	December 2018
Edward Miller, *Member*	December 2016
Debbie Franklin, *Member*	December 2018
Don M. Peterson, *Member*	December 2016

Successor Agency Powers

All powers of the Successor Agency are vested in the Board. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to

complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Successor Agency actions are subject to approval by the Oversight Board, as well as review by the Department of Finance. The State has strict laws regarding public meetings (known as the Ralph M. Brown Act) which generally make all Successor Agency and Oversight Board meetings open to the public in similar manner as City Council meetings.

Previously, Section 33675 of the Redevelopment Law required the Former Agency to file not later than the first day of October of each year with the County Auditor-Controller a statement of indebtedness certified by the chief fiscal officer of the Former Agency for each redevelopment plan which provides for the allocation of taxes (i.e., the Redevelopment Plans). The statement of indebtedness was required to contain the date on which the bonds were delivered, the principal amount, term, purposes and interest rate of the bonds and the outstanding balance and amount due on the bonds. Similar information was required to be given for each loan, advance or indebtedness that the Former Agency had incurred or entered into which is payable from tax increment. Section 33675 also provided that payments of tax increment revenues from the County Auditor-Controller to the Former Agency could not exceed the amounts shown on the Former Agency's statement of indebtedness. The Dissolution Act eliminated this requirement and provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, the Recognized Obligation Payment Schedule supersedes the statement of indebtedness previously required under the Redevelopment Law, and commencing from such date, the statement of indebtedness will no longer be prepared nor have any effect under the Redevelopment Law. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – Recognized Obligation Payment Schedule."

THE MERGED PROJECT AREA

The Redevelopment Plan

Under the Redevelopment Law, the City Council was required to adopt, by ordinance, a redevelopment plan for each redevelopment project. A redevelopment agency may only undertake those activities within a redevelopment project specifically authorized in the adopted redevelopment plan. A redevelopment plan was a legal document, the content of which is largely prescribed in the Redevelopment Law rather than a "plan" in the customary sense of the word.

The general objectives of the Former Agency's Redevelopment Plan were to encourage investment in the redevelopment projects by the private sector. The Redevelopment Plan provided for the acquisition of property, the demolition of buildings and improvements, the relocation of any displaced occupants, and the construction of streets, parking facilities, utilities and other public improvements. The Redevelopment Plan also allowed the redevelopment of land by private enterprise, the rehabilitation of structures, the rehabilitation or construction of low and moderate income housing, and participation by owners and the tenants of properties in redevelopment projects.

The City Council approved and adopted the Redevelopment Plan for the Downtown Redevelopment Project on June 12, 1978 (the "Downtown Redevelopment Plan"), pursuant to Ordinance No. 709. It was amended on July 17, 1979 by Ordinance No. 736 and again on June 9, 1980 by Ordinance No. 753 to add territory. The Downtown Redevelopment Project was again amended on April 27, 1993, by Ordinance No. 1115 in order to add limitations prescribed by AB 1290 (see "No Redevelopment Plan Limitations" below), and to increase the limitations on the time to incur debt and maximum Tax Revenues to be allocated to the Former Agency.

The City Council approved and adopted the Redevelopment Plan for the Midway Redevelopment Project on June 10, 1986 (the "Midway Redevelopment Plan" and, together with the Downtown Redevelopment Plan, the "Redevelopment Plan"), by Ordinance No. 906. It was amended in December

1993 by Ordinance No. 1143 for the purpose of adding territory and again in December 1994 by Ordinance No. 1164 to comply with the limitations imposed by AB 1290 (see "No Redevelopment Plan Limitations" below).

In February 2002, the City Council merged the Downtown Redevelopment Project with the Midway Redevelopment Project pursuant to Ordinance No. 1280. The City Council also added territory to the Merged Project Area and established limits with respect to the issuance of debt and the receipt of tax increment (see "No Redevelopment Plan Limitations" below).

Pursuant to the Redevelopment Plan, the Former Agency undertook redevelopment activities in the Merged Project Area.

The Merged Project Area

The Merged Project Area currently consists of 3,283 acres of primarily residential and commercial uses.

Total Fiscal Year 2015-16 taxable secured assessed value within the Merged Project Area equals $502,495,654 and primary land uses are diversified among residential (36.65 %) and commercial (60.41%). The ten largest taxpayers within the Merged Project Area comprise 12.32% of total assessed value and the leading taxpayers include commercial and manufacturing facilities. For the last five Fiscal Years through Fiscal Year 2015-16, the rate of growth in Merged Project Area total assessed value has averaged 2.5% per year.

The following table sets forth the assessed values and incremental value for the Merged Project Area.

Table 1
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Assessed Values and Incremental Value
Fiscal Years 2011-12 through 2016-17

Fiscal Year	Secured	SBE	Unsecured	Total Assessed Valuation	Less: Base Year Assessed Valuation	Incremental Assessed Valuation
2011-12	$447,236,449	$ -	$45,180,703	$492,417,152	$(160,006,123)	$332,411,029
2012-13	451,331,312	45,000	38,797,921	490,174,233	(160,006,123)	330,168,110
2013-14	470,495,985	45,000	44,989,093	515,530,078	(160,006,123)	355,523,955
2014-15	485,309,548	45,000	41,909,114	527,263,662	(160,006,123)	367,257,539
2015-16	502,640,423	45,000	36,765,601	539,451,024	(160,006,123)	379,444,901
2016-17[(1)]	526,257,123	-	29,635,994	555,893,117	(160,006,123)	395,886,994

[(1)] Preliminary assessed valuation; excludes SBE valuation.
Source: *Urban Futures, Inc.*

No Redevelopment Plan Limitations

The Redevelopment Plan sets forth various limitations that are no longer operative with the passage of SB 107. SB 107, which became effective September 22, 2015, amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Successor Agency set forth in the Redevelopment Plan are not effective for purposes of paying the Successor Agency's enforceable

obligations. Accordingly, the projections set forth in this Official Statement were prepared without regard to the time and financial limitations set forth in the Redevelopment Plan for the Merged Project Area.

Land Use

There are various land uses within the Merged Project Area. The following table shows the assessed valuation for different categories of land uses within the Merged Project Area.

Table 2
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Assessed Values by Land Use
Fiscal Year 2015-16

Land Use	Number of Parcels	Secured Assessed Valuation	Percent of Secured Assessed Valuation [1]
Commercial	820	$303,568,895	60.41%
Single Family Residential	1,825	169,603,737	33.75
Multifamily Residential	197	14,596,476	2.90
Vacant Agricultural	19	5,459,107	1.09
Vacant Residential	216	5,034,467	1.00
Vacant Other	156	3,772,176	0.75
Institutional	38	463,797	0.09
Vacant Governmental	20	0	0.00
Governmental	64	0	0.00
Vacant Institutional	10	0	0.00
Miscellaneous	21	0	0.00
Total All Secured	**3,386**	**$502,498,654**	**100.00%**

[1] Based on Fiscal Year 2015-16 secured assessed valuation of $502,498,654.
Source: *Urban Futures, Inc.*, with information from the Riverside County Fiscal Year 2015-16 Secured Property Tax Roll.

Largest Taxpayers

The following table shows the ten largest taxpayers in the Merged Project Area based on the assessment roll for the 2015-16 tax year.

Table 3
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Largest Local Secured Taxpayers/Property Owners
Fiscal Year 2015-16

No.	Property Owner	Taxable Secured Assessed Valuation	Primary Land Use	Percent of Secured AV[1]
1	Osi Partnership 1	$7,767,084	Commercial	1.55%
2	Beaver Kirkmulon	6,900,000	Commercial	1.37
3	Omkar Inv	6,830,717	Commercial	1.36
4	Sagemont Banning	6,580,000	Commercial	1.31
5	Banning Rad LLC	6,348,549	Commercial	1.26
6	Aware Self Storage Inc	6,014,489	Commercial	1.20
7	Banning Storage	5,856,770	Commercial	1.17
8	Lennar Homes Of Calif Inc	5,221,665	Commercial	1.04
9	Sidney Family Ltd Partnership	5,219,138	Commercial	1.04
10	Green Thumb Produce Inc	5,171,115	Commercial	1.03
	Total	**$61,909,527**		**12.32%**

[1] Based on Fiscal Year 2015-16 secured assessed valuation of $502,498,654.
Source: *Urban Futures, Inc.* with information from the Riverside County Fiscal Year 2015-16 Secured Property Tax Roll.

Assessed Values and the Real Estate Market

Assessed values are impacted, at least indirectly, by the general economy and real estate market conditions. Because of the peculiarities of property tax assessment in the State, only properties that sell or undergo new construction are subject to an increased assessment beyond the 2 percent increase allowed under Proposition 13 for property tax purposes. The real estate market in California experienced some unprecedented declines in the values for residential, commercial and other types of property starting in 2007. By 2009, the median sales prices for single family homes in the County had declined by 63 percent from sales prices that were achieved in 2006. The assessed values for a number of properties in the City were reduced by the County Assessor commencing in Fiscal Year 2008-09 to reflect reduced market values for real estate. These reductions were offset, at least in part, by increases in other types of property transactions. The impacts of these reductions by the County were greatest for residential properties, but commercial and industrial properties also experienced market declines and assessed value reductions.

Since 2011, real estate prices for single family homes have been increasing each year with the median sales prices in 2015 representing a 53 percent increase above 2011 levels. The 2015 median value of $183,000 is still below the 2006 median price of $300,000. The median value as of August, 2016 is

$227,500, representing a 24.3% increase from the annual 2015 level. A forecast of future economic and real estate conditions within the Merged Project Area was not conducted. However, widespread additional valuation reductions for residential properties are not anticipated by the Redevelopment Consultant.

Tax Rates

In Fiscal Year 2006-07 through Fiscal Year 2014-15 the tax rate for the Merged Project Area was 1.185%, which included the 1.0% rate, and a tax override rate by the San Gorgonio Pass Water Agency at 0.185%, which will expire after fiscal year 2034-35, and no other eligible debt service rates.

Starting with Fiscal Year 2015-16, the County is depositing property tax revenues for the Successor Agency into the Redevelopment Property Tax Trust Fund based on a 1.0% tax rate, in accordance with SB 107, which was enacted in 2015. SB 107, among other things, amended Section 34183(a)(1)(B) to provide that "[n]otwithstanding subdivision (b) of Section 33670, that portion of the taxes in excess of the identified in subdivision (a) of Section 33670, which are attributable to a property tax approved by the voters of a city . . . to make payments in support of pension programs or . . . , and levied in addition to the property tax rate limited by [Proposition 13] shall be allocated to and when collected shall be paid into the fund of that taxing entity, unless the amounts in question are pledged as security for the payment of any indebtedness obligation, as defined in subdivision (e) of Section 34171, and needed for payment thereof."

Appeals; Proposition 8 Reductions

In California, taxpayers may appeal their property tax assessments. There are two basic types of appeals: a Proposition 8 appeal and a base year appeal. A Proposition 8 appeal is based on Section 51 of the Revenue and Taxation Code of the State and allows for temporary reductions in the taxes paid on properties because the assessed value of a property somehow becomes higher than its actual market value. This can be the result of the damage or removal of property, or general reduction in real estate values. Once the property damage is restored, or the real estate market improves, an assessment subject to Proposition 8 reduction can be returned to its pre-appeal value. The second type of appeal is a base year assessment appeal where owners may challenge the original or base year valuation assigned by the Assessor. Any reduction resulting from a base year assessment appeal is permanent and can only increase above the allowable inflationary adjustment if the property is sold or experiences new construction.

There are also two primary methods for achieving a reduction in the valuation of property. One way is for the applicant to file a formal or informal assessment appeal application; the other way is for the Assessor's office to process an "automatic" assessment reduction. Any automatic reduction would almost always be a Proposition 8 appeal, although filed appeals can be either Proposition 8 or base year appeals.

Filed Assessment Appeals. When a taxpayer believes that the assessed value of his or her property is in excess of market value, he or she may informally request that the County Assessor's office review the value of such property. If the County Assessor's office believes the taxpayer is correct, it can reduce the value without the taxpayer needing to file a formal appeal. If however, the County Assessor's office believes that the assessed value assigned to the property is not above market value, a formal appeal application must be filed and the dispute is heard before an assessment appeals board, which board determines the appropriate value for a property. Depending on the outcome of the appeal, taxes paid in the current year may be either higher or lower than the initial assessment. When an appeal results in a reduced tax liability after the disputed taxes have already been paid, a refund is subsequently issued to the taxpayer by the County, together with interest, as appropriate. Future allocations of taxes to the taxing entities, including the Successor Agency, are then reduced by the County to reflect the refund and interest paid, but only on a countywide basis. The Successor Agency does not feel the direct impact from

successful appeals until the following fiscal year when assessed values and related taxes are reduced within the project area.

As of August 31, 2016, there are 43 appeals outstanding for properties in the Merged Project Area, representing $56,692,669 of taxable assessed valuation. Based on the owners' opinion of value for these properties of $28,405,815, the total requested assessed valuation reduction is $28,286,854.

The table below shows a summary of the historical and outstanding assessment appeals in the Merged Project Area.

Table 4
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Closed Appeals Reviewed from September 1, 2011 through August 31, 2016

Number of Appeals Filed	Number of Successful Appeals	Assessed Value of Property	Owner's Opinion of Value	Total Requested AV Reduction	Reduction Allowed by Board	Allowed Reductions as % of Requested
148	29	$168,659,205	$88,593,568	$80,065,637	$13,602,600	16.99%

Outstanding Appeals as of August 31, 2016

Roll Year Appealed	Number of Appeals Outstanding	Assessed Value of Property	Owner's Opinion of Value	Potential Loss of Assessed Value	Historical Success Rate [1]	Estimated Reduction (based on Historical success)
2011	3	$1,029,997	$360,000	$669,997	16.99%	$113,828
2012	10	3,501,900	1,400,000	2,101,900	16.99	357,098
2013	8	13,474,407	6,532,918	6,941,489	16.99	1,179,311
2014	7	13,133,950	6,441,997	6,691,953	16.99	1,136,917
2015	12	24,488,075	13,080,900	11,407,175	16.99	1,938,000
2016	3	1,064,340	590,000	474,340	16.99	80,587
TOTALS	**44**	**$56,692,669**	**$28,405,815**	**$28,286,854**		**$4,805,742**

[1] "Success Rate" means the amount of allowed reductions where appellants prevailed, expressed as a percentage of the total requested reduction amount from September 1, 2011 through August 31, 2016.
Source: *Urban Futures, Inc.* and Riverside County.

See "PROPERTY TAXATION IN CALIFORNIA – Appeals of Assessed Values, and – Proposition 8."

Historical Taxable Values for the Merged Project Area

[TO BE CONFIRMED AND UPDATED BY URBAN FUTURES]

Fiscal Year 2008-09 represented the peak assessed values for the Merged Project Area. Values declined for several years thereafter and then beginning in Fiscal Year 2013-14 began to increase. The declines were largely a result of reductions for existing residential properties, reduced values for commercial properties (through formal or informal assessment appeals), and some lesser declines in unsecured fixtures and personal property.

Growth is expected to continue in Fiscal Year 2016-17 with expected gains of approximately 4.33%. With the exception of aircraft values, the assessed values reported for 2016-17 are near the "peak" 2008-09 Fiscal Year. This assessed value growth is the largely the result of the return of values reduced temporarily under Proposition 8, some new industrial and residential construction and the acquisition of new equipment and personal property by existing industrial businesses.

The following table provides a summary of the historical taxable valuation and resulting incremental value over the base year in the Merged Project Area for the years past eight fiscal years shown, current assessed values and projected values for Fiscal Year 2016-17. This summary is not intended to aid in the prediction of future Pledged Tax Revenues.

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Table 5
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Historical Taxable Values

Year Ending June 30[1]	Secured Value	Unsecured Value	State Assessed	Total Assessed Value	Percentage Change	Base Year Value	Incremental Value Over Base Year	Percentage Change
2010	$487,196,140	$71,198,236	-	558,394,376		$160,006,123	$398,388,253	
2011	450,232,376	74,590,738	-	524,823,114	-6.01%	160,006,123	364,816,991	-8.43%
2012	447,236,449	45,180,703	-	492,417,152	-6.17	160,006,123	332,411,029	-8.88
2013	451,331,312	38,797,921	$45,000	490,174,233	-0.46	160,006,123	330,168,110	-0.67
2014	470,495,985	44,989,093	45,000	515,530,078	5.17	160,006,123	355,523,955	7.68
2015	485,309,548	41,909,114	45,000	527,263,662	2.28	160,006,123	367,257,539	3.30
2016	502,640,423	36,765,601	45,000	539,451,024	2.31	160,006,123	379,444,901	3.32
2017[2]	526,257,123	29,635,994	45,000	$555,893,117	3.05	160,006,123	395,886,994	4.33

[1] Incremental assessed values form the basis of tax increment revenues eligible for allocation to the Successor Agency in a given fiscal year. Pledged Tax Revenues received on a fiscal year basis are used to pay debt service on a Bond Year basis.
[2] Preliminary Fiscal Year 2016-17 valuation data provided by Riverside County Auditor-Controller.
Source: *Urban Futures, Inc.* and Office of the Riverside County Auditor-Controller.

Historical Redevelopment Property Tax Trust Fund Revenues

The following table provides a summary of the actual receipts in the Redevelopment Property Tax Trust Fund for the Fiscal Years shown.

Table 6
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Historical Redevelopment Property Tax Trust Fund Revenues

Fiscal Year Ending June 30[1]	2012	2013	2014	2015	2016[2]
Actual Receipts in the RPTTF[3]					
Tax Increment Revenue	$3,887,613	$3,935,803	$5,029,526	$4,354,369	$4,530,938
Supplemental and Other Revenues	60,740	84,609	219,623	275,756	73,135
Total RPTTF Deposits	**3,948,353**	**4,020,412**	**5,249,149**	**4,630,125**	**4,604,073**
Actual Adjustments					
County Administrative Fees	47,379	48,917	48,458	48,553	58,516
Pass Through Payments [4]	538,785	592,165	1,501,790	725,886	695,371
Pledged Tax Revenue	**$3,362,189**	**$3,379,330**	**$3,698,901**	**$3,855,686**	**$3,850,186**

[1] Pledged Tax Revenues received on a Fiscal Year basis are used to pay debt service on a Bond Year basis.
[2] Amounts shown for Fiscal Year 2015-16 include only one of the two payments due prior to June 30th.
[3] Not all tax revenues deposited in the Redevelopment Property Tax Trust Fund are distributed to the Successor Agency, only amounts required to pay approved enforceable obligations, such as the 2016 Bonds.
[4] Represents payments to taxing entities pursuant to AB 1290, 33676, and Pass-Through Agreements.
Source: The County and *Urban Futures, Inc.*

Projected Taxable Valuation and Pledged Tax Revenues

The following table shows projected Pledged Tax Revenues and debt service coverage on the 2016 Bonds for the Fiscal Years set forth therein.

Table 7
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning
Merged Project Area
Projected Taxable Valuation and Pledged Tax Revenues

Fiscal Year	Assessed Valuation [1]	Incremental Value [2]	Gross Tax Revenues [3]	County Admin. Fees [4]	Pass Through Payments	Pledged Tax Revenues [5]	Estimated Debt Service [6]	Debt Service Coverage [6]
2017	$555,893,117	$395,886,994	$4,691,261	$(59,579)	$(708,845)	$3,922,837	$2,286,703	1.7x
2018	567,010,979	407,004,856	4,823,008	(61,252)	(725,148)	4,036,607	2,332,317	1.7x
2019	578,351,199	418,345,076	4,957,389	(62,959)	(741,827)	4,152,603	2,334,661	1.8x
2020	589,918,223	429,912,100	5,094,458	(64,700)	(758,889)	4,270,870	2,334,356	1.8x
2021	601,716,587	441,710,464	5,234,269	(66,475)	(776,343)	4,391,450	2,335,943	1.9x
2022	613,750,919	453,744,796	5,376,876	(68,286)	(794,199)	4,514,390	2,334,317	1.9x
2023	626,025,937	466,019,814	5,522,335	(70,134)	(812,466)	4,639,735	2,334,229	2.0x
2024	638,546,456	478,540,333	5,670,703	(72,018)	(831,153)	4,767,533	2,336,202	2.0x
2025	651,317,385	491,311,262	5,822,038	(73,940)	(850,269)	4,897,830	2,335,252	2.1x
2026	664,343,733	504,337,610	5,976,401	(75,900)	(869,825)	5,030,675	2,333,887	2.2x
2027	677,630,608	517,624,485	6,133,850	(77,900)	(889,831)	5,166,119	2,333,862	2.2x
2028	691,183,220	531,177,097	6,294,449	(79,939)	(910,297)	5,304,212	2,332,112	2.3x
2029	705,006,884	545,000,761	6,458,259	(82,618)	(931,234)	5,444,407	2,331,312	2.3x
2030	719,107,022	559,100,899	6,625,346	(84,834)	(952,652)	5,587,860	2,336,124	2.4x
2031	733,489,162	573,483,039	6,795,774	(89,191)	(974,563)	5,732,020	2,331,829	2.5x
2032	748,158,946	588,152,823	6,969,611	(91,399)	(996,978)	5,881,234	2,333,494	2.5x
2033	763,122,125	603,116,002	7,146,925	(93,651)	(1,019,909)	6,033,365	2,333,934	2.6x
2034	778,384,567	618,378,444	7,327,785	(95,948)	(1,043,367)	6,188,470	2,335,838	2.6x
2035	793,952,258	633,946,135	7,512,262	(98,290)	(1,067,364)	6,346,607	2,333,985	2.7x
2036	809,831,304	649,825,181	6,498,252	(84,962)	(947,575)	5,465,715	2,333,375	2.3x
2037	826,027,930	666,021,807	6,660,218	(87,720)	(971,193)	5,601,305	2,333,787	2.4x

[1] Based on assumed 2% annual assessed valuation growth over preliminary FY 2016-17 Assessed Valuation.
[2] Incremental Valuation is Assessed Valuation minus the base year assessed value of $160,006,123.
[3] Tax increment revenue is based on a tax rate of 1.185% through FY 34-35, then 1.00% thereafter.
[4] County Administrative Fees are estimated based on 1.27% of Gross Tax Revenues.
[5] Net of County Admin. Fees and Pass Through Payments.
[6] Preliminary; subject to change.
Source: *Urban Futures, Inc.*, Underwriters for bond debt service.

County Administration Fees

The County Auditor-Controller deducts administration charges from the tax increment distributed to the Successor Agency's Redevelopment Property Tax Trust Fund for the Merged Project Area. For the purposes of the projection of Pledged Tax Revenue, the administration charges are estimated to be 1.27% of gross tax increment. The administrative charges are assumed to continue to be collected by the County Auditor Controller and will increase proportionally with the increases in revenues. County collection fees have been deducted from the projected tax increment revenues.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2016 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2016 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the 2016 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Reduction in Taxable Value

Pledged Tax Revenues available to pay principal and interest on the 2016 Bonds are determined by the amount of incremental taxable value in the Merged Project Area and the current rate or rates at which property in the Merged Project Area is taxed. The reduction of taxable values of property in the Merged Project Area caused by economic factors beyond the Successor Agency's control, such as relocation out of the Merged Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Pledged Tax Revenues that provide for the repayment of and security for the 2016 Bonds. Such reduction of Pledged Tax Revenues could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the 2016 Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution," Article XIIIA provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2016 Bonds could reduce Pledged Tax Revenues available to pay principal and interest on the 2016 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of, Pledged Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, described herein under the heading "RISK FACTORS," the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate

or Legislature will not at some future time approve additional limitations that could reduce the Pledged Tax Revenues and adversely affect the source of repayment and security of the 2016 Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the 2016 Bonds will be dependent upon the economic strength of the Merged Project Area. The general economy of the Merged Project Area will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Merged Project Area could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a decline in the general economy of the Merged Project Area, the owners of property within such Merged Project Area may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Pledged Tax Revenues by the Successor Agency from the Merged Project Area. In addition, the insolvency or bankruptcy of one or more large owners of property within the Merged Project Area could delay or impair the receipt of Pledged Tax Revenues by the Successor Agency.

Reduction in Inflationary Rate

As described in greater detail below, Article XIIIA of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Merged Project Area, whether an increase or a reduction, will be realized in the future.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Successor Agency to repay the 2016 Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Merged Project Area, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2016 Bonds. Any reduction in Pledged Tax Revenues, whether for any of these reasons or any other reasons, could have an adverse effect on the Successor Agency's ability to pay the principal of and interest on the 2016 Bonds.

Estimated Revenues

In estimating that Pledged Tax Revenues will be sufficient to pay debt service on the 2016 Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Merged Project Area, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized

and to the extent that the assessed valuation and the tax rates are less than expected, the Pledged Tax Revenues available to pay debt service on the 2016 Bonds will be less than those projected and such reduced Pledged Tax Revenues may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2016 Bonds.

Recognized Obligation Payment Schedules

The Dissolution Act provides that, commencing on the date that the first Recognized Obligation Payment Schedule is valid thereunder, only those obligations listed in the Recognized Obligation Payment Schedule may be paid by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. Before each June 1 property tax distribute date, with respect to each fiscal year, the Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency's oversight board and the Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to each June 1 property tax distribution date. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – Recognized Obligation Payment Schedule" and "PROPERTY TAXATION IN CALIFORNIA – Property Tax Collection Procedures – Recognized Obligation Payment Schedule." If the Successor Agency was to fail to file a Recognized Obligation Payment Schedule with respect to a period, the availability of Pledged Tax Revenues to the Successor Agency could be adversely affected for such period.

If a successor agency fails to submit to the Department of Finance an oversight board-approved Recognized Obligation Payment Schedule complying with the provisions of the Dissolution Act within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the Department of Finance may determine if any amount should be withheld by the applicable county auditor-controller for payments for enforceable obligations from distribution to taxing entities pursuant to clause (iv) in the following paragraph, pending approval of a Recognized Obligation Payment Schedule. Upon notice provided by the Department of Finance to the county auditor-controller of an amount to be withheld from allocations to taxing entities, the county auditor-controller must distribute to taxing entities any monies in the Redevelopment Property Tax Trust Fund in excess of the withholding amount set forth in the notice, and the county auditor-controller must distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule when and as approved by the Department of Finance.

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, the county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act: (i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act and no later than each January 2 and June 1, to each local Successor Agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including pursuant to the Pass-Through Agreements and Statutory Pass-Through Payments; (ii) second, on each January 2 and June 1, to the Successor Agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule; (iii) third, on each January 2 and June 1, to the Successor Agency for the administrative cost allowance, as defined in the Dissolution Act; and (iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment

Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

If the successor agency does not submit an Oversight Board-approved Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the Department of Finance does not provide a notice to the county auditor-controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such six-month period would be distributed to taxing entities pursuant to clause (iv) above. However, the Successor Agency has covenanted to take all actions required under the Dissolution Act to include (a) scheduled debt service on the 2016 Bonds as well as any amount required under the Indenture to replenish the Reserve Fund established thereunder, and (b) amounts due to any bond insurer (including the Bond Insurer) in connection with an insurance or surety bond agreement, in Recognized Obligation Payment Schedules for each annual period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year, or such other period as provided in the Dissolution Act (a "ROPS Period"), so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund by each June 1 amounts required for the Successor Agency to pay principal of, and interest on, the 2016 Bonds coming due on the next two Interest Payment Dates and to pay amounts owed to any bond insurer (including the Bond Insurer), as well as the other amounts set forth above. (see "THE INDENTURE — Covenants of the Successor Agency").

To accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as any 2016 Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Auditor-Controller of the County of Riverside that shall include a request that the Successor Agency receive on the following June 1 ROPS distribution date (i) all debt service due on the 2016 Bonds coming due during the subsequent ROPS Period as well as all amounts due and owing to any bond insurer, and (ii) any amount required to cure any deficiency in the Reserve Fund pursuant to the Indenture (including any amounts due and owing to the Bond Insurer under the Indenture).

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2016 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees in the Indenture to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2016 Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of all debt service due during each calendar year on all Outstanding Bonds on or prior to June 1 of such calendar year.

The Dissolution Act, as amended by AB 1484, also provides for certain penalties in the event the Successor Agency does not timely submit a Recognized Obligation Payment Schedule for an annual period. Specifically, a Recognized Obligation Payment Schedule is required to be submitted by the Successor Agency, after approval by the Oversight Board, to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the State Controller no later than each February 1. If the Successor Agency does not submit a Recognized Obligation Payment Schedule by such deadline, the City will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the State Department of Finance. Additionally, the Dissolution Act provides that the

Successor Agency's administrative cost allowance is reduced by 25% if the Successor Agency does not submit an annual Recognized Obligation Payment Schedule within 10 days after the February 1 deadline.

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit certain successor agencies with limited remaining obligations to submit a voluntary and optional Last and Final ROPS for approval by the oversight board and DOF. The Last and Final ROPS must list the remaining enforceable obligations of the successor agency, including the total outstanding obligation amount and a schedule of remaining payments for each enforceable obligation to be funded from the Redevelopment Property Tax Trust Fund, bond proceeds, or other legally or contractually dedicated or restricted funding sources. The Last and Final ROPS will also establish the maximum amount of Redevelopment Property Tax Trust Fund to be distributed to the successor agency for each remaining fiscal year until all obligations have been fully paid.

Any revenues, interest, and earnings of the successor agency that are not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the county auditor-controller for distribution to the affected taxing entities. Notwithstanding provisions in the Dissolution Act concerning disposition of real property pursuant to a successor agency's long-range property management plan, proceeds from the disposition of real property subsequent to the approval of the Last and Final ROPS that are not necessary for the payment of an enforceable obligation shall be remitted to the county auditor controller for distribution to the affected taxing entities. A successor agency may not expend more than the amount approved for each enforceable obligation listed on the approved Last and Final ROPS, and once the successor agency has received Redevelopment Property Tax Trust Fund moneys equal to the amount of the total outstanding obligations approved in the Last and Final ROPS, the county auditor controller will not allocate further Redevelopment Property Tax Trust Fund moneys to the successor agency's Redevelopment Property Tax Trust Fund.

Successor agencies may only amend an approved Last and Final ROPS twice. If the Successor Agency receives insufficient funds in any given period after a Last and Final ROPS has been approved, the Dissolution Act provides that the County treasurer may loan, and the City may loan or grant, funds to the Successor Agency for the payment of enforceable obligations. Any such loans may not include an interest component and must be repaid from the source of funds approved for payment of the underlying enforceable obligation once sufficient funds become available. The Dissolution Act further provides that any such loan may not increase the total amount of Redevelopment Property Tax Trust Fund received by the Successor Agency as approved on the Last and Final ROPS. In any event, if the Successor Agency prepares and obtains DOF approval of a Last and Final ROPS and subsequently amends the Last and Final ROPS two times, the Successor Agency may be unable to make unexpected or unscheduled reserve deposits or payments due to the Bond Insurer. [The Successor Agency has covenanted in the Indenture not to submit a Last and Final Recognized Obligation Payment Schedule without the prior written consent of the Bond Insurer.] [There can be no assurance that the Successor Agency would elect to submit a Last and Final Recognized Obligation Payment Schedule.] Further, there can be no assurance that additional legislation will not be enacted in the future that may affect successor agencies or tax increment revenues, including Pledged Tax Revenues.

Future Implementation of Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by *Syncora Guarantee Inc. and Syncora Capital Assurance Inc.* (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State

(Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the 2016 Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from Pledged Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the 2016 Bonds.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the 2016 Bonds when all or some becomes due, any Owner of the 2016 Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the 2016 Bonds by the Successor Agency that is

recovered by the Successor Agency from the bond owner as a voidable preference under applicable bankruptcy law is covered by each Policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the Successor Agency unless Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

If the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the 2016 Bonds are payable solely from the moneys received pursuant to the applicable bond documents. If the Bond Insurer becomes obligated to make payments with respect to the 2016 Bonds, no assurance is given that such event will not adversely affect the market price of the 2016 Bonds or the marketability (liquidity) for the 2016 Bonds.

The long-term ratings on the 2016 Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the 2016 Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the 2016 Bonds or the marketability (liquidity) for the 2016 Bonds.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Successor Agency nor the Underwriters have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the 2016 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Merged Project Area. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Merged Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Merged Project Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. If one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Merged Project Area could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

The Merged Project Area is located in a seismically active region of the State and faults are located near the Merged Project Area. In the event of property damage caused by an earthquake, the assessed valuation of affected property could be reduced. Such a reduction of assessed valuations could result in a reduction of the Pledged Tax Revenues that secure the 2016 Bonds, which in turn could impair the ability of the Successor Agency to make payments of principal of and interest on the 2016 Bonds when due.

Changes in Law

There can be no assurance that the State electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the State Constitution resulting in a reduction of Pledged Tax Revenues, which could have an adverse effect on the Successor Agency's ability to pay debt service on the 2016 Bonds and such an effect could be material.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2016 Bonds, or, if a secondary market exists, that the 2016 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." Secured and unsecured properties are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, *ad valorem* taxes are collected by a county (the "Taxing Authority") for the benefit of the various entities (cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Fund.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31. Although the County has not formally adopted the Alternative Method of Distribution of Tax Levies and Collections of Tax Sale Proceeds (known as a Teeter Plan), as provided in Section 4701 *et seq.* of the Revenue and Taxation code of the State, under longstanding County policy, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each redevelopment successor agency in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the Successor Agency receives no adjustments for redemption payments on delinquent collections. The Successor Agency does receive supplemental taxes and refunds, if any, are deducted from amounts available for deposit to the Redevelopment Property Tax Trust Fund There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.

The County does not publish delinquency data for redevelopment project areas, redevelopment agencies, or cities. The property tax collection rate within the County as a whole was 98.2% for Fiscal Year 2013-14 and [___]% for Fiscal Year 2014-15.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects

subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Merged Project Area, Pledged Tax Revenues may increase.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the Redevelopment Property Tax Trust Fund. For fiscal year 2015-16, the County's administrative charge to the Former Agency and Successor Agency, together with certain charges relating to the dissolution of the Former Agency, was $58,516, and for fiscal year 2016-17 and future years, the County's administrative charge to the Successor Agency is estimated to be 1.27% of gross revenues.

Statutory Pass-Through Payments. The payment of Statutory Pass-Through Payments results from (i) elections by schools and to other affected taxing agencies to receive tax increment on redevelopment project areas adopted between January 1, 1985, and January 1, 1994; (ii) plan amendments which add territory in existing project areas on or after January 1, 1994; and (iii) from plan amendments which eliminates one or more limitations within a redevelopment plan (such as the removal of the time limit on the establishment of loans, advances and indebtedness). The calculation of the amount due affected taxing entities is described in Sections 33607.5, 33607.7, and 33676 of the Redevelopment Law. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS – Statutory Pass-Through Payments" for further information regarding the applicability of the statutory pass-through provisions of the Redevelopment Law and the Dissolution Act to the Merged Project Area.

Recognized Obligation Payment Schedule. The Dissolution Act provides that, commencing on the date the first Recognized Obligation Payment Schedule is valid thereunder, only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. The Dissolution Act requires successor agencies annually to prepare and approve, and submit to the Successor Agency's oversight board and the Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the Successor Agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Pledged Tax Revenues will not be distributed from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund without a duly approved and effective Recognized Obligation Payment Schedule obtained in sufficient time prior to the January 2 or June 1 distribution dates, as applicable.

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated county-wide as follows: (i) each tax rate area will receive that same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro-rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro-rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modifies chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

Article XIIIA of the State Constitution

Article XIIIA limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIIIA (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIIIA has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIIIA. Proposition 58 amended Article XIIIA to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. This amendment to Article XIIIA may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIIIA to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Appropriations Limitation – Article XIIIB

Article XIIIB limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The "base year" for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment Successor Agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by an Successor Agency of proceeds of taxes levied by or on behalf of an Successor Agency within the meaning of Article XIIIB, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including Section 33678 of the Redevelopment Law. The constitutionality of Section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Articles XIIIC and XIIID of the State Constitution

At the election held on November 5, 1996, Proposition 218 was passed by the voters of California. The initiative added Articles XIIIC and XIIID to the State Constitution. Provisions in the two articles affect the ability of local government to raise revenues. The 2016 Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218. See also "– Propositions 218 and 26" below.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies. SB 107 amended Section 34183(a)(1) of the Dissolution Act to provide that such debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project that are not pledged to or not needed for debt service on successor agency obligations will be allocated and paid to the entity that levies the override.

Redevelopment Time Limits

In 1993, the State legislature passed Assembly Bill 1290 ("AB 1290"), which, among other things, required redevelopment agencies to adopt time limits in each redevelopment plan specifying: (a) the last date to incur debt for a redevelopment project; (b) the last date to undertake redevelopment activity within a project area; and (c) the last date to collect tax increment revenue from a project area to repay debt.

SB 107 amended the Dissolution Act to provide that the time limits for receiving property tax revenues and the limitation on the maximum amount of property tax revenues that may be received by the Successor Agency for the Merged Project Area are not effective for purposes of paying the Successor Agency's enforceable obligations. As a result, the time and amount limits with respect to property tax revenues described under the caption "THE MERGED PROJECT AREA" will be disregarded to the extent that property tax revenues are required to pay debt service on the 2016 Bonds.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Pledged Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See "THE MERGED PROJECT AREA" for information regarding the assessed valuations of the largest taxpayers within the Merged Project Area.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market

value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

The Successor Agency cannot guarantee that reductions undertaken by the County Assessor or requested by a property owner pursuant to Proposition 8 will not in the future reduce the assessed valuation of property in the Merged Project Area and, therefore, Pledged Tax Revenues that secure the 2016 Bonds.

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. Pledged Tax Revenues securing the 2016 Bonds are derived from property taxes which are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and outside of the scope of taxes which are limited by Proposition 26.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to State's initiative process. From time to time other initiative measures could be adopted, further affecting Pledged Tax Revenues.

TAX MATTERS

Tax Matters – 2016 Bonds

State Tax Exemption. In the opinion of Bond Counsel, under existing law interest on the 2016 Bonds is exempt from personal income taxes of the State of California. Except as set forth in the preceding sentence, Bond Counsel will provide no opinion in connection with the issuance or offering of the 2016 Bonds with regard to any federal, state or local tax consequence of the ownership or disposition of or the receipt of interest on any 2016 Bond. A copy of the form of opinion of Bond Counsel relating to the 2016 Bonds is included in Appendix B.

Federal Income Tax Considerations. The following is a general summary of certain United States federal income tax consequences of the purchase and ownership of the 2016 Bonds. The discussion is based upon the Code, United States Treasury Regulations, rulings and decisions now in

effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretations. No assurance can be given that future changes in the law will not alter the conclusions reached herein.

The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a 2016 Bond by the owner thereof for federal income tax purposes. Further, the discussion below does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the 2016 Bonds in light of the investor's particular circumstances or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax exempt organizations and other entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the 2016 Bonds, traders in securities that elect to use a mark to market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass through entities, certain hybrid entities and owners of interests therein, persons who acquire 2016 Bonds in connection with the performance of services, or persons deemed to sell 2016 Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or United States federal tax laws other than United States federal income tax law. The discussion below is limited to certain issues relating to initial investors who will hold the 2016 Bonds as "capital assets" within the meaning of section 1221 of the Code, and acquire such 2016 Bonds for investment and not as a dealer or for resale. The discussion below addresses certain federal income tax consequences applicable to owners of the 2016 Bonds who are United States persons within the meaning of section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Service with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

Prospective investors should note that no rulings have been or will be sought from the Service with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE 2016 BONDS.

Interest on the 2016 Bonds. Bond Counsel has rendered no opinion regarding the exclusion pursuant to section 103(a) of the Code of interest on the 2016 Bonds from gross income for federal income tax purposes. The Successor Agency has taken no action to cause, and does not intend, interest on the 2016 Bonds to be excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. The Successor Agency intends to treat the 2016 Bonds as debt instruments for all federal income tax purposes, including any applicable reporting requirements under the Code. THE SUCCESSOR AGENCY EXPECTS THAT THE INTEREST PAID ON A 2016 BOND GENERALLY WILL BE INCLUDED IN THE GROSS INCOME OF THE OWNER THEREOF FOR FEDERAL INCOME TAX PURPOSES WHEN RECEIVED OR ACCRUED, DEPENDING UPON THE TAX ACCOUNTING METHOD OF THAT OWNER.

Disposition of 2016 Bonds, Inclusion of Acquisition Discount and Treatment of Market Discount. An owner of 2016 Bonds will generally recognize gain or loss on the sale or exchange of the 2016 Bonds equal to the difference between the sales price (exclusive of the amount paid for accrued interest) and the owner's adjusted tax basis in 2016 Bonds. Generally, the owner's adjusted tax basis in

the 2016 Bonds will be the owner's initial cost, increased by original issue discount (if any) previously included in the owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the owner's holding period for the 2016 Bonds.

Under current law, a purchaser of a 2016 Bond who did not purchase that 2016 Bond in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition (or earlier partial principal payment) of such 2016 Bond, to recognize as ordinary income a portion of the gain (or partial principal payment), if any, to the extent of the accrued "market discount." In general, market discount is the amount by which the price paid for such 2016 Bond by such a subsequent purchaser is less than the stated redemption price at maturity of that 2016 Bond (or, in the case of a 2016 Bond bearing original issue discount, is less than the "revised issue price" of that 2016 Bond (as defined below) upon such purchase), except that market discount is considered to be zero if it is less than one quarter of one percent of the principal amount times the number of complete remaining years to maturity. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire 2016 Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The recharacterization of gain as ordinary income on a subsequent disposition of such 2016 Bonds could have a material effect on the market value of such 2016 Bonds.

Stated Interest and Reporting of Interest Payments. The stated interest on the 2016 Bonds will be included in the gross income, as defined in section 61 of the Code, of the owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the owners thereof. Subject to certain exceptions, the stated interest on the 2016 Bonds will be reported to the Service. Such information will be filed each year with the Service on Form 1099-INT (or other appropriate reporting form) which will reflect the name, address, and taxpayer identification number of the owner. A copy of such Form 1099-INT will be sent to each owner of a 2016 Bond for federal income tax purposes.

Original Issue Discount. If the first price at which a substantial amount of the 2016 Bonds of any stated maturity is sold (the "Issue Price") is less than the stated redemption price at maturity of those 2016 Bonds, the excess of the stated redemption price at maturity of each 2016 Bond of that maturity over the Issue Price of that maturity is "original issue discount." If the original issue discount on a 2016 Bond is less than the product of one quarter of one percent of its face amount times the number of complete years to its maturity, the original issue discount on that 2016 Bond will be treated as zero. Original issue discount on a 2016 Bond will be amortized over the life of the 2016 Bond using the "constant yield method" provided in the Treasury Regulations. As original issue discount on a 2016 Bond would accrue under the constant yield method, the owner of a 2016 Bond issued with original issue discount generally will be required to include such accrued amount in its gross income as interest, regardless of its regular method of accounting. This can result in taxable income to the beneficial owner of such a 2016 Bond that exceeds actual cash distributions to that owner in a taxable year. To the extent that a 2016 Bond is purchased at a price that exceeds the sum of the Issue Price of that 2016 Bond and all original issue discount on that 2016 Bond previously includible by any holder in gross income (the "revised issue price" of that 2016 Bond), the subsequent inclusion of original issue discount by that purchaser must be reduced to reflect that excess.

The amount of the original issue discount that accrues on the 2016 Bonds each taxable year will be reported annually to the Service and to the owners. The portion of the original issue discount included in each owner's gross income while the owner holds the 2016 Bonds will increase the adjusted tax basis of the 2016 Bonds in the hands of such owner.

Amortizable Bond Premium. An owner that purchases a 2016 Bond for an amount that is greater than its stated redemption price at maturity will be considered to have purchased the 2016 Bond with "amortizable bond premium" equal in amount to such excess. The owner may elect to amortize such premium using a constant yield method over the remaining term of the 2016 Bond and may offset interest otherwise required to be included in respect of the 2016 Bond during any taxable year by the amortized amount of such excess for the taxable year. 2016 Bond premium on a 2016 Bond held by an owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a 2016 Bond. However, if the 2016 Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the 2016 Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the Service.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Owners of the 2016 Bonds should consult with their own tax advisor concerning this additional tax, as it may apply to interest earned on the 2016 Bonds as well as gain on the sale of a 2016 Bond.

Defeasance. Persons considering the purchase of a 2016 Bond should be aware that the bond documents permit the Successor Agency under certain circumstances to deposit monies or securities with the Trustee, resulting in the release of the lien of the Indenture (a "defeasance"). A defeasance could be a taxable event resulting in the realization of gain or loss by the owner of a defeased 2016 Bond for federal income tax purposes, without any corresponding receipt of monies by the owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange; in addition, the defeased instrument may be treated as having been reissued with original issue discount or bond issuance premium with the consequences described above. Owners of 2016 Bonds are advised to consult their own tax advisers with respect to the tax consequences resulting from such events.

Backup Withholding. Under section 3406 of the Code, an owner of a 2016 Bond who is a United States person may, under certain circumstances, be subject to "backup withholding" of current or accrued interest on a 2016 Bond or with respect to proceeds received from a disposition of the 2016 Bond. This withholding applies if such owner of a 2016 Bond: (i) fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain owners of the 2016 Bonds. Owners of the 2016 Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (subject to change) on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business.

Assuming the interest income of such an owner of the 2016 Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the owner provides a statement to the payor certifying, under penalties of perjury, that such owner is not a United States person and providing the name and address of such owner; (ii) such interest is treated as not effectively connected with the owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country that the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the 2016 Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such owner is not a bank receiving interest on the 2016 Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the 2016 Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge or reason to know that such person is a United States person.

The preceding discussion of certain United States federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the 2016 Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

UNDERWRITING

Raymond James & Associates, Inc. and The Williams Capital Group, L.P. (collectively, the "Underwriters") have agreed to purchase the 2016 Bonds at a price of $_____ (being the principal amount of the 2016 Bonds [plus/minus] a [net] original issue [premium/discount] of $_____ and less an underwriters' discount of $_____). The purchase contract for the 2016 Bonds provides that the Underwriters will purchase all of the 2016 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by counsel and certain other conditions.

MUNICIPAL ADVISOR

The Successor Agency has retained Urban Futures, Inc. (the "Municipal Advisor") in connection with the authorization, issuance, sale and delivery of the 2016 Bonds. The Municipal Advisor is a registered municipal advisor. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2016 Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the 2016 Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them that were prepared by the Successor Agency, relating to the sufficiency of monies to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements with respect to the Prior Bonds. The report of the Verification Agent will include the statement to the effect that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

LITIGATION

[There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the 2016 Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.] [CONFIRM]

LEGALITY FOR INVESTMENT IN CALIFORNIA

The Redevelopment Law provides that obligations authorized and issued under the Redevelopment Law will be legal investments for all banks, trust companies and savings banks, insurance companies, and various other financial institutions, as well as for trust funds. The 2016 Bonds are also authorized security for public deposits under the Redevelopment Law.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), is expected to assign a rating of "__" to the Insured Bonds with the understanding that upon delivery of the Insured Bonds, the Policy guarantying the payment of principal of and interest on the Insured Bonds when due will be issued by the Bond Insurer. See "BOND INSURANCE." In addition, S&P has assigned its underlying rating of "__" to the 2016 Bonds.

Such ratings reflect only the views of S&P and any desired explanation of the significance of such ratings should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2016 Bonds. Investors should not make an investment decision based solely on the ratings of S&P. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision with respect to the 2016 Bonds.

CONTINUING DISCLOSURE

The Successor Agency has covenanted for the benefit of the holders and beneficial owners of the 2016 Bonds pursuant to a Continuing Disclosure Agreement, dated the date of issuance of the 2016 Bonds (the "Continuing Disclosure Agreement"), to provide certain financial information and operating data relating to the Successor Agency (the "Annual Report") no later than March 31 following the end of each fiscal year, commencing with the report for Fiscal Year 2015-16, and to provide notices of the

occurrence of certain enumerated events through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at *http://emma.msrb.org*. The specific nature of the information to be contained in the Annual Report and the enumerated events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12, as amended (the "Rule") promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

As of the date hereof, the Successor Agency is in compliance in all material respects with its continuing disclosure undertakings for the last five years; however, due to an administrative oversight, the audited financial statements of the Successor Agency for Fiscal Years 2011-12 and 2012-13 and annual operating data for Fiscal Years 2010-11, 2012-13, and 2013-14 were not timely filed. The Successor Agency has established procedures to ensure it will continue to timely file complete annual reports and listed event notices in the future.

APPROVAL OF LEGAL PROCEEDINGS

The issuance of the 2016 Bonds is subject to the approving opinion of Bond Counsel, to be delivered in substantially the form set forth in APPENDIX B. Certain legal matters will be passed on for the Successor Agency by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by Jones Hall, a Professional Law Corporation, San Francisco, California, as Underwriters' Counsel.

EXECUTION AND DELIVERY

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING

By: _____
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX B

FORM OF BOND COUNSEL OPINION

APPENDIX C

BOOK-ENTRY SYSTEM

The information in this APPENDIX C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2016 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2016 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2016 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the 2016 Bonds. The 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing Successor Agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*. The information set forth on such website is not incorporated herein by reference.

Purchases of 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2016 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant

through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2016 Bonds, except in the event that use of the book-entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2016 Bonds may wish to ascertain that the nominee holding the 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2016 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the 2016 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2016 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the 2016 Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the 2016 Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

APPENDIX F

STATE DEPARTMENT OF FINANCE APPROVAL LETTER

APPENDIX G

SUPPLEMENTAL INFORMATION – THE CITY OF BANNING

The following information relating to the City of Banning, California (the "City") is provided for informational purposes only. The 2016 Bonds (as defined in the front part of this Official Statement) are payable solely as described in this Official Statement and are not payable or secured by a pledge of the faith and credit or taxing power of the City.

General Information

The City is located alongside Interstate 10 approximately 80 miles east of Los Angeles and 23 miles west of Palm Springs. The City covers approximately 27 square miles. The City is nestled between the majestic San Gorgonio and San Jacinto Mountains, the two tallest peaks in Southern California. The community enjoys a rural lifestyle and nearby outdoor recreation opportunities.

Government Organization

The City was incorporated as a general law City in 1913. The City has a "city council/city manager" form of local government. The five members of the City Council are elected at-large from the community to serve four-year terms of office and the City Council selects one of its members to serve as mayor. The City has 156 full-time employees.

Governmental Services

The City maintains its own police department which consists of 29 sworn offices and 14 civilian personnel. The City contracts with the California Department of Forestry in cooperation with the Riverside County Fire Department for fire protection services within the City. The City provides general government services such as plan checking, building permit processing and code enforcement. Electricity, water and wastewater services are provided by the City. Students in the City attend Banning Unified School District for K-12 schools.

Transportation

The City is located along Interstate 10, a major traffic route. The City is also located alongside the Union Pacific Railroad. The City owns a municipal airport which also provides hangar and tie down service. Locally, the City provides both fixed route bus and dial-a-ride services.

Population

The table on the following page provides a comparison of population growth for the City, surrounding cities and the County of Riverside (the "County") between 2012 and 2016.

CHANGE IN POPULATION
CITY OF BANNING AND RIVERSIDE COUNTY
2012-2016

	CITY OF BANNING		RIVERSIDE COUNTY	
Year (January 1)	Population	Percentage Change	Population	Percentage Change
2012	30,133	-	2,239,715	-
2013	30,332	.7	2,266,549	1.2
2014	30,483	.5	2,291,093	1.1
2015	30,659	.6	2,317,924	1.2
2016	30,834	.6	2,347,828	1.3

Source: State of California Department of Finance, Population Research Unit, "Population Estimates for California Cities and Counties."

Employment and Industry

The City is located in the Riverside Area Metropolitan Statistical Area ("MSA") which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the following table.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
ANNUAL AVERAGE EMPLOYMENT[(1)]
2011-2015

INDUSTRY	2011	2012	2013	2014	2015
Construction	59,100	62,600	70,000	77,600	85,200
Durable Goods	55,800	56,900	57,300	60,200	62,800
Educational and Health Services	165,400	173,600	187,600	194,800	205,000
Farm	14,900	15,000	14,500	14,400	15,100
Financial Activities	39,500	40,200	41,300	42,300	43,200
Goods Producing	145,200	150,500	158,600	170,200	182,100
Government	227,500	224,600	225,200	228,800	233,400
Information	12,200	11,700	11,500	11,300	11,300
Leisure and Hospitality	124,000	129,400	135,900	144,800	151,500
Manufacturing	85,100	86,700	87,300	91,300	95,600
Nondurable Goods	29,300	29,800	30,100	31,100	32,800
Other Services	39,100	40,100	41,100	43,000	44,000
Professional and Business Services	126,000	127,500	132,400	139,300	144,400
Real Estate and Rental	14,600	14,900	15,600	16,300	17,100
Retail Trade	158,500	162,400	164,800	169,400	173,500
Service Providing	1,009,300	1,034,700	1,074,700	1,119,100	1,165,200
Transportation, Warehousing and Utilities	67,900	73,000	78,400	86,600	97,300
Wholesale Trade	49,200	52,200	56,400	58,900	61,700
Total, All Industries	**1,169,400**	**1,200,200**	**1,247,800**	**1,303,700**	**1,362,400**

(1) The employment figures by industry which are shown above are not directly comparable to the "Total, All Industries" employment figures due to rounded data.
Source: State Employment Development Department, Labor Market Information Division.

The major employers operating within the City and their respective number of employees as of June 30, 2014 are as follows: [2015 Available?]

CITY OF BANNING
TOP EMPLOYERS

Name of Company	Employment	Type of Business/Product
County of Riverside	939	Government
San Gorgonio Hospital	575	Hospital
Banning Unified School District	570	Education
City of Banning	177	Government
Green Thumb Produce	172	Retail
Beaver Medical Group	130	Hospital
Sizzler	56	Food
McDonalds	54	Food
Albertson's	52	Food
Diamond Hills Auto Group	48	Automotive

Source: City of Banning.

Commercial Activity

The following table summarizes the volume of retail sales and taxable transactions for the City for 2010 through 2014, the latest year for which annual data is available.

CITY OF BANNING
TOTAL TAXABLE TRANSACTIONS
2010-2014

Year	Retail Sales ($000's)	% Change	Retail Sales Permits	Total Taxable Transactions ($000's)	% Change	Issued Sales Permits
2010	133,218	-	340	146,742	-	471
2011	143,230	7.5%	323	157,071	7.0%	448
2012	146,600	2.3	340	165,579	5.4	466
2013	154,595	5.5	332	175,386	5.9	460
2014	158,551	2.56	334	181,922	3.73	450

Source: State Board of Equalization, "Taxable Sales in California (Sales & Use Tax)." 2015 data not available.

APPENDIX H-1

COMPLAINT

APPENDIX H-2

VALIDATION JUDGMENT

APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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Attachment 3

$_____
SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION REFUNDING BONDS, SERIES 2016 (TAXABLE)

BOND PURCHASE AGREEMENT

_____, 2016

Successor Agency of the Dissolved
Redevelopment Agency of the City of Banning
c/o City of Banning
99 East Ramsey Street
City of Banning, California 92220

Ladies and Gentlemen:

The undersigned, Raymond James & Company, Inc. (the "**Representative**"), acting for and on behalf of itself and The Williams Capital Group (collectively, the "**Underwriters**"), offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "**Successor Agency**") which will be binding upon the Successor Agency and the Underwriters upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Purchase Agreement and its delivery to the Underwriters on or before 11:59 p.m., California time, on the date hereof.

The Successor Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Purchase Agreement is an arm's-length commercial transaction among the Successor Agency and the Underwriters; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as Municipal Advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")); (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Successor Agency on other matters); (iv) the Successor Agency has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; and (v) the Underwriters have financial interests that may differ from and be adverse to those of the Successor Agency.

The Successor Agency hereby acknowledges receipt from the Underwriters of disclosures required by the Municipal Securities Rule Making Board ("**MSRB**") Rule G-17, relating to disclosures concerning the Underwriters' role in the transaction, disclosures concerning the Underwriters' compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Successor Agency for offering to the public, and the Successor Agency hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the $_____ aggregate principal amount of the captioned bonds (the "**Bonds**") at a purchase price equal to $_____ (being the aggregate principal amount thereof, less an Underwriters' discount of $_____and plus/less an original issue premium/discount of $_____). The payment for and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "**Closing**." At the request of the Successor Agency, on the Closing Date (as defined herein), the Underwriters will wire to _____ (the "**Insurer**") an amount equal to $_____ representing the sum of the premium (i) for the bond insurance policy, as described below (the "**Bond Insurance Policy**") and (ii) for the municipal debt service reserve policy with respect to the Bonds (the "**Reserve Policy**"), in each case to be issued by the Insurer simultaneously with the issuance of the Bonds. As a result, the net amount to be wired to the Successor Agency by the Underwriters in connection with the purchase of the Bonds will be $_____.

2. The Bonds and Related Documents. The Bonds shall be issued pursuant to an Indenture, dated as of October 1, 2016 (the "**Indenture**"), by and between the Successor Agency and U.S. Bank National Association, as trustee, and Parts 1, 1.8 and 1.85 of Division 24 of the California Health and Safety Code (the "**Law**") and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Refunding Law**"). The issuance of the Bonds was approved by the Successor Agency by Resolution No. 2015-08 SA adopted on October 13, 2015 (the "**Successor Agency Bond Resolution**") and by the Oversight Board of the Successor Agency by Resolution No. 2015-05 OB adopted on October 22, 2015 (the "**Oversight Board Resolution**"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriters, is hereinafter called the "**Official Statement**").

The net proceeds of the Bonds will be used to refund and defease all of the outstanding (i) Community Redevelopment Agency of the City of Banning Merged Downtown and Midway Redevelopment Project Tax Allocation Bonds, Series 2003, issued by the Community Redevelopment Agency of the City of Banning (the "**Former Agency**") in the original principal amount of $14,095,000, and (ii) Community Redevelopment Agency of the City of Banning Tax Allocation Parity Bonds, Series 2007 (Merged Downtown and Midway Redevelopment Project), issued by the Former Agency in the original principal amount of $29,965,000 (collectively, the "**Refunded Bonds**").

The payment of principal and interest on the Bonds maturing on September 1, 20__ and on September 1 of each year thereafter up to and including September 1, 20__ when due will be guaranteed by the Bond Insurance Policy. The Reserve Policy will be deposited in the Reserve Account established under the Indenture.

The Successor Agency will undertake pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the "**Disclosure Certificate**") and executed by the Successor Agency, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

Certain proceeds of the Bonds will be transferred by the Trustee to U.S. Bank National Association, in its capacity as escrow agent (the "**Escrow Agent**") under that certain Escrow Agreement, dated as of _____, 2016, by and between the Successor Agency and the Escrow Agent (the "**Escrow Agreement**") for deposit and application pursuant to the Escrow Agreement.

The Indenture, the Disclosure Certificate, the Escrow Agreement and this Purchase Agreement are sometimes collectively referred to herein as the "**Successor Agency Legal Documents**."

3. Offering. It shall be a condition to the Successor Agency's obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Successor Agency and purchased, accepted and paid for by the Underwriters at the Closing. The Underwriters agree to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Underwriters reserve the right to change, subsequent to the initial public offering, such initial offering prices as it shall deem necessary in connection with the marketing of the Bonds.

4. Use and Preparation of Documents. The Successor Agency has caused to be prepared and delivered to the Underwriters prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement dated _____, 2016, relating to the Bonds (the "**Preliminary Official Statement**"). The Successor Agency authorized distribution of the Preliminary Official Statement and preparation and distribution of a final Official Statement pursuant to a resolution adopted on _____, 2016 (the "**Disclosure Resolution**," together with the Successor Agency Bond Resolution, the "**Successor Agency Resolutions**"). The Successor Agency ratifies, confirms and approves the use by the Underwriters prior to the date hereof of the Preliminary Official Statement. The Successor Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Successor Agency shall have executed and delivered to the Underwriters a certification to such effect in the form attached hereto as Exhibit B. The Successor Agency hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Agreement: (A) the form of the Official Statement relating to the Bonds in "designated electronic format" (as defined in MSRB Rule G-32); and (B) copies of the Official Statement, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriters, in such quantity as the Underwriters shall reasonably request. The Successor Agency hereby approves of the distribution and use by the Underwriters of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed

by the Successor Agency and the Underwriters. If the Official Statement is prepared for distribution in electronic form, the Successor Agency hereby confirms that it does not object to distributions of the Official Statement in electronic form. The Underwriters agree that they will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement (which may be in electronic form).

5. Representations, Warranties and Agreements of the Successor Agency. The Successor Agency hereby represents, warrants and agrees as follows:

(a) The Successor Agency is a public entity existing under the Constitution and laws of the State of California, including the Law;

(b) The Successor Agency has full legal right, power and authority to enter into the Successor Agency Legal Documents and carry out and consummate the transactions contemplated by the Successor Agency Legal Documents;

(c) By all necessary official action of the Successor Agency prior to or concurrently with the acceptance hereof, the Successor Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Successor Agency Legal Documents, and the performance by the Successor Agency of all transactions contemplated by the Successor Agency Legal Documents; and the Successor Agency Legal Documents will constitute legal, valid and binding obligations of the Successor Agency, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California;

(d) The Successor Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, which breach or default has or may have an adverse effect on the ability of the Successor Agency to perform its obligations under the Successor Agency Legal Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Successor Agency Legal Documents, and compliance with the provisions on the Successor Agency's part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Successor Agency or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture;

(e) Except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority,

board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Successor Agency of its obligations under the Successor Agency Legal Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds, as to which no representations or warranties are made;

(f) Between the date of this Purchase Agreement and the date of the Closing, the Successor Agency will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Pledged Tax Revenues (as defined in the Indenture), nor will there by any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Successor Agency in any manner affecting the Successor Agency's performance of its obligations under the Successor Agency Legal Documents;

(g) To the best knowledge of the officer of the Successor Agency executing this Purchase Agreement, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending and notice of which has been received by the Successor Agency or threatened against the Successor Agency, affecting the existence of the Successor Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Pledged Tax Revenues or contesting or affecting, as to the Successor Agency, the validity or enforceability of the Successor Agency Resolutions or the Successor Agency Legal Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Successor Agency, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Successor Agency or which might materially adversely affect the Pledged Tax Revenues; nor, to the best knowledge of the Successor Agency, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Successor Agency of the Successor Agency Legal Documents;

(h) As of the date of the Closing, the Successor Agency will not have outstanding any indebtedness which indebtedness is secured by a lien on the Pledged Tax Revenues of the Successor Agency on a parity with the lien provided for in the Indenture on the Pledged Tax Revenues;

(i) As of the time of acceptance hereof and as of the date of the Closing, the Successor Agency has complied with the filing requirements of the Law the failure to comply with which could materially adversely affect the availability of Pledged Tax Revenues to repay the Bonds, including, without limitation, the filing of all Recognized Obligation Payment Schedules (as such term is defined in the Indenture), as required by the Dissolution Act;

(j) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading, excluding therefrom information therein relating to DTC (as defined in the Indenture) and the

book-entry system, the Insurer, the Bond Insurance Policy, the prices or yields of the Bonds, information under the captions "BOND INSURANCE," "UNDERWRITING," "TAX MATTERS" and Appendices C, G and I;

(k) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined below) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading, excluding therefrom information therein relating to DTC and the book-entry system, the Insurer, the Bond Insurance Policy, the prices or yields of the Bonds, information under the captions "BOND INSURANCE," "UNDERWRITING," "TAX MATTERS" and Appendices C, G and I;

(l) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Successor Agency will notify the Underwriters, and, if in the opinion of the Underwriters or the Successor Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriters, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Successor Agency will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "**End of the Underwriting Period**" means the later of such time as: (i) the Successor Agency delivers the Bonds to the Underwriters; or (ii) the Underwriters do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Representative gives written notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing;

(m) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading;

(n) Any certificate signed by any officer of the Successor Agency and delivered to the Underwriters shall be deemed a representation by the Successor Agency to the Underwriters as to the statements made therein;

(o) The Successor Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement;

(p) The Successor Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that neither the Successor Agency nor the City of Banning is a bond issuer whose arbitrage certifications may not be relied upon;

(q) The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, at the expense of the Underwriters, as they may reasonably request in order to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate; provided, however, that the Successor Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(r) The Successor Agency will refrain from taking any action with regard to which the Successor Agency may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State of California income tax purposes of the interest on the Bonds;

(s) Except as disclosed in the Official Statement, the Successor Agency has not failed to comply in any material respect with its obligation under a continuing disclosure undertaking during the past five years.

(t) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds;

(u) The Department of Finance of the State (the "**Department of Finance**") has issued a letter (the "**DOF Letter**"), dated December 28, 2015, approving the Oversight Board Resolution approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Successor Agency is not aware of the Department of Finance directing or having, in the reasonable determination of the Successor Agency, any reasonable basis to direct the Riverside County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency pursuant to Section 34183 of the Dissolution Act;

(v) No consent is required from the Successor Agency's auditor for the audited financial statements of the Successor Agency to be appended to the Preliminary Official Statement and the final Official Statement; and

(w) To the best knowledge of the officer of the Successor Agency executing this Purchase Agreement, after due inquiry, as of the date hereof, the judgment entered on June 17, 2016, in the action filed by the Successor Agency in the Superior Court of the State of California, County of Sacramento, bearing case number 34-2015-00186453-CU-MC-GDS, has not been appealed and is binding and conclusive, as to all matters therein adjudicated or which at that time could have been adjudicated, against the defendants named in such action.

6. Closing. At 8:00 A.M., California time, on _____, 2016, or on such other date as may be mutually agreed upon by the Successor Agency and the Underwriters, the Successor Agency will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriters, duly executed and authenticated, together with the other documents hereinafter

mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof. Sale, delivery and payment as aforesaid shall be made at the offices of Norton Rose Fulbright US LLP, Los Angeles, California ("**Bond Counsel**"), or such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriters, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriters through the book-entry system of The Depository Trust Company ("**DTC**"). Unless the DTC Fast Automated Securities Transfer ("**FAST**") is utilized, the Bonds will be made available for inspection by DTC at least one (1) business day prior to the Closing.

7. Closing Conditions. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Successor Agency contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Successor Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Successor Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriters shall receive, within seven (7) business days of the date hereof, but in no event less than one (1) day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters), in such reasonable quantity as the Underwriters shall have requested;

(b) The representations and warranties of the Successor Agency contained herein shall be true and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Successor Agency and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Successor Agency Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Successor Agency, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Successor Agency as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Successor Agency relating to the Official Statement and the Successor Agency Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) Bond Counsel Opinion. The approving opinion of Bond Counsel to the Successor Agency, dated the date of the Closing and substantially in the form included as Appendix B to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriters, in form and substance acceptable to the Underwriters, and dated the date of the Closing, stating that the Underwriters may rely on the opinion of Bond Counsel described in paragraph (1) above as if such opinion were addressed to the Underwriters and to the following effect:

(i) the Successor Agency Legal Documents have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Successor Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought; ;

(ii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE 2016 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE 2016 BONDS," "TAX MATTERS," and in Appendices A and B insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture or the opinion of Bond Counsel, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) Municipal Advisor Certificate. A certificate, dated the date of Closing, signed by an authorized officer of Urban Futures, Inc., the Successor Agency's Municipal Advisor (the "**Municipal Advisor**"), addressed to the Underwriters and the Successor Agency to the effect that: (i) in connection with its participation in the preparation of the Official Statement and without undertaking any independent investigation and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Official Statement as of the date thereof and the Closing Date contains an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (ii) with respect to the Refunded Bonds, the savings test set forth in Section 34177.5(a) of the Dissolution Act has been met;

(4) Successor Agency Counsel Opinion. An opinion of Aleshire & Wynder, LLP, Irvine, California, as Counsel to the Successor Agency, dated the date of the Closing and addressed to the Underwriters, in form and substance acceptable to the Underwriters to the following effect:

(i) the Successor Agency is a public entity duly existing under the laws of the State, including the Law, with full right, power and authority to execute, deliver and perform its obligations under the Indenture;

(ii) the Successor Agency Resolutions (a) were duly adopted at meetings of the Successor Agency, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout and (b) are in full force and effect and have not been modified amended or rescinded since their respective adoption dates;

(iii) the execution and delivery of the Successor Agency Legal Documents and the Official Statement and compliance with the provisions of the Successor Agency Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Successor Agency a breach of or default under any agreement or other instrument to which the Successor Agency is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Successor Agency a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Successor Agency is subject; and

(iv) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Successor Agency, or the validity of the Bonds, the Successor Agency Resolutions or the Successor Agency Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the financial condition or the revenues of the Successor Agency, or which, in any manner, questions the right of the Successor Agency to issue, sell and deliver the Bonds, to enter into the Indenture or to use the Pledged Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Successor Agency to collect or pledge the Pledged Tax Revenues.

(5) Trustee/Escrow Agent Counsel Opinion. The opinion of counsel to U.S. Bank National Association, as Trustee and Escrow Agent, dated the date of the Closing, addressed to the Underwriters, to the effect that:

(i) U.S. Bank National Association is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture and the Escrow Agreement and to act in accordance therewith;

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by U.S. Bank National Association and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligation of U.S. Bank National Association, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights

generally and by the application of equitable principles, if equitable remedies are sought;

(iii) U.S. Bank National Association has accepted its responsibilities under the Indenture and the Escrow Agreement, and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligation of U.S. Bank National Association, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iv) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank National Association that has not been obtained is or will be required for the execution and delivery of the Indenture and the Escrow Agreement or the acceptance by U.S. Bank National Association of its duties under the Indenture and the Escrow Agreement, or the consummation of the transactions contemplated by the Indenture and the Escrow Agreement.

(6) Successor Agency Certificate. A certificate of the Successor Agency, dated the date of the Closing, signed on behalf of the Successor Agency by a duly authorized officer of the Successor Agency, to the effect that:

(i) the representations and warranties of the Successor Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; and

(ii) no event affecting the Successor Agency has occurred and come to the attention of the Successor Agency since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) Certificate of Trustee/Escrow Agent. A certificate of U.S. Bank National Association, dated the date of Closing, to the effect that:

(i) U.S. Bank National Association is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by U.S. Bank National Association and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligation of U.S. Bank National Association, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iii) U.S. Bank National Association has accepted its responsibilities under the Indenture and the Escrow Agreement, and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligation of U.S. Bank National Association enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(8) Legal Documents. Executed copies of this Purchase Agreement and the other Successor Agency Legal Documents.

(9) Rating Letter. Letters from S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC to the effect that the Bonds have been assigned the ratings identified in the Official Statement, which ratings shall be in effect as of the Closing.

(10) Disclosure Letter. A letter of Norton Rose Fulbright US LLP, Los Angeles, California ("**Disclosure Counsel**"), dated the date of the Closing, addressed to the Underwriters, to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto and information relating to DTC and the Insurer, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(11) Fiscal Consultant Certificate. A certificate of Urban Futures, Inc., as fiscal consultant to the Successor Agency (the "**Fiscal Consultant**"), dated the date of the Closing, addressed to the Successor Agency and the Underwriters, in form and substance acceptable to the Underwriters, certifying as to the accuracy of the information in the Official Statement attributed to the Fiscal Consultant and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report.

(12) Successor Agency Resolutions. A certified copy of each of the Successor Agency Resolutions.

(13) Oversight Board Resolution. A certified copy of the Oversight Board Resolution.

(14) Oversight Board Certificate. A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

(15) DOF Letter. A copy of the DOF Letter.

(16) Defeasance Opinion. An opinion of Bond Counsel, dated the date of Closing, to the effect that the Successor Agency has taken all actions required to defease the Refunded Bonds, and that such Refunded Bonds are no longer outstanding for purposes of the trust indentures pursuant to which the Refunded Bonds were issued.

(17) [Verification Report. A verification report from _____ relating to the defeasance of the Refunded Bonds, in form and substance satisfactory to the Underwriters.]

(18) Tax Certificate. A tax certificate or certificates with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Successor Agency.

(19) [Bond Insurance and Reserve Policy Documents. A copy of the Bond Insurance Policy and the Reserve Policy, together with such certificates and opinions as required by Bond Counsel and the Underwriters.]

(20) Underwriters' Counsel Opinion. An opinion of Jones Hall, A Professional Law Corporation, as counsel to the Underwriters, in form and substance acceptable to the Underwriters.

(21) Municipal Advisor Report. Copies of all reports or other work product prepared by the Municipal Advisor in connection with the Bonds as required pursuant to Section 34177.5(h) of the Dissolution Act.

(22) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Successor Agency or the Underwriters may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Successor Agency, the Trustee or the Escrow Agent shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, if the Successor Agency shall determine in good faith (and provide written notice to the Underwriters) that legislation has been introduced or proposals made by the Governor of the State of California which if enacted and effective would impose additional limitations or burdens on the Successor Agency by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Successor Agency shall be under any further obligation hereunder.

8. Termination. The Underwriters shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the Successor Agency if at any time between the date hereof and prior to the Closing:

(a) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriters, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Successor Agency, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriters' ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or State authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriters, would affect materially and adversely the ability of the Underwriters to market the Bonds; or

(h) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriters' reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding described in Section 5(g) hereof which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Bonds; or

(j) there shall exist any event which in the reasonable opinion of the Underwriters that either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect; or

(k) there shall be in force a general suspension of trading on the New York Stock Exchange.

9. Expenses. (a) Subject to Section 9(b), the Underwriters shall be under no obligation to pay, and the Successor Agency shall pay, any expenses incident to the performance of the Successor Agency's obligations hereunder including, but not limited to: (i) the cost of preparation, printing and distribution of the Indenture and word processing, reproduction, printing and distribution costs relating to the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto (incurred by Disclosure Counsel or an independent printer); (ii) the cost of preparation of the Bonds; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel and the fees and expenses of counsel to the Successor Agency; (iv) the fees and disbursements of the Municipal Advisor and the Fiscal Consultant and any other experts, consultants or advisors retained by the Successor Agency; (v) the fees of the rating agencies; (vi) [the fees of the verification agent and] the costs of verifying compliance with Rule 15c2-12; and (vii) any out-of-pocket disbursements of the Successor Agency incurred in connection with the issuance and sale of the Bonds (included in the expense component of the Underwriters' compensation) incurred on behalf of the Successor Agency's employees which are incidental to implementing this Purchase Agreement including, but not limited to, meals, transportation and lodging of those employees.

(b) The Underwriters shall pay: (i) the fees and expenses of its underwriters' counsel; (ii) fees, if any, payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds; (iii) any costs associated with qualifying the Bonds for offer and sale under Blue Sky or other securities laws of any state or jurisdiction designated by the Underwriters; (iv) the fees charged by DTC, the CUSIP Service Bureau, the MSRB and any securities association; and (v) all other expenses incurred by it in connection with the public

offering of the Bonds (provided, as such expenses may be reimbursed through the expense portion of the Underwriters' discount, upon the Successor Agency's agreement).

10. Notices. Any notice or other communication to be given to the Successor Agency under this Purchase Agreement may be given by delivering the same in writing at the Successor Agency's address set forth above, Attention: Executive Director; and to the Underwriters under this Purchase Agreement by delivering the same in writing to: Raymond James & Associates, Inc., One Embarcadero Center, Suite 650, San Francisco, California 94111, Attention: Robert Larkins, Managing Director.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Successor Agency contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

12. Effectiveness and Counterpart Signatures. This Purchase Agreement shall become effective upon the execution of the acceptance by an authorized officer of the Successor Agency and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Agreement may be executed by the parties hereto by facsimile or electronic mail transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

14. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Managing Director

Accepted:

SUCCESSOR AGENCY OF THE
DISSOLVED REDEVELOPMENT AGENCY
OF THE CITY OF BANNING

By: _____
Executive Director

Time of execution: _____
California Time

EXHIBIT A

$_____
SUCCESSOR AGENCY OF THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF BANNING
TAX ALLOCATION REFUNDING BONDS,
SERIES 2016 (TAXABLE)

Uninsured Bonds

Maturity Date September 1	***Amount***	***Coupon***	***Yield***	***Price***

$_____ ____% Term Bond due September 1, 20__ Yield: ___%; Price: ___

Insured Bonds

Maturity Date September 1	***Amount***	***Coupon***	***Yield***	***Price***

$_____ ____% Term Bond due September 1, 20__ Yield: ___%; Price: ___

_____
C = Priced to first optional par call date of September 1, 20__.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before September 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing after September 1, 20__ are subject to redemption prior to maturity in whole, or in part among maturities as determined by the Successor Agency on any date on or after September 1, 20__, from any available source of funds, at 100% of the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the redemption date.

Sinking Account Redemption. The Bonds maturing on September 1, 20__ are subject to redemption in part by lot on September 1, 20__ and on September 1 in each year shown below until maturity, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Bonds have been redeemed the total amount of all future sinking

account payments will be reduced by an amount corresponding to the aggregate principal amount of Bonds so redeemed, to be allocated among such sinking account payments on a *pro rata* basis in integral multiples of $5,000 as determined by the Successor Agency:

Sinking Account Redemption Date (September 1)	Principal Amount to be Redeemed or Purchased

EXHIBIT B

SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION REFUNDING BONDS, SERIES 2016 (TAXABLE)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that [he] is the [Executive Director] of the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "Successor Agency"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Successor Agency as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above-referenced bonds (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds and the Successor Agency (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for Permitted Omissions, deemed final within the meaning of the Rule.

(5) The Successor Agency hereby approves of the use and distribution by the Underwriter of the Preliminary Official Statement.

Dated: _____, 2016

SUCCESSOR AGENCY OF THE
DISSOLVED REDEVELOPMENT AGENCY
OF THE CITY OF BANNING

By: _____
Executive Director

Attachment 4

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of October 1, 2016, is by and between the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning (the "Successor Agency") and [Willdan Financial Services], as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Successor Agency of its $_____ aggregate principal amount of the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016 (Taxable) (the "Bonds").

WITNESSETH:

WHEREAS, this Disclosure Agreement is being executed and delivered by the Successor Agency and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds and in order to assist the purchaser of the Bonds in complying with the Rule (as defined herein);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture of Trust, dated as of October 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as Trustee. In addition, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 2 and 3 hereof.

"Annual Report Date" means each March 31 after the end of the Fiscal Year.

"Disclosure Representative" means the Administrative Services Director of the Successor Agency or his or her designee, or such other officer or employee as the Successor Agency shall designate in writing to the Dissemination Agent and the Trustee from time to time.

"Dissemination Agent" means [Willdan Financial Services], acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Trustee a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system, maintained on the internet at http://emma.msrb.org by the MSRB.

"Fiscal Year" shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the Successor Agency, with notice of such selection or change in fiscal year to be provided as set forth herein.

"Listed Events" means any of the events listed in Section 4 hereof and any other event legally required to be reported pursuant to the Rule.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through EMMA.

"Official Statement" means the Official Statement, dated _____, 2016, relating to the Bonds.

"Participating Underwriter" means any of the original purchaser(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" means, until otherwise designated by the SEC, EMMA.

"Rule" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same has been or may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

Section 2. Provision of Annual Reports.

(a) The Successor Agency shall provide, or shall cause the Dissemination Agent to provide, to MSRB, through EMMA, not later than the Annual Report Date, an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Agreement. The Annual Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent. If the Fiscal Year changes for the Successor Agency, the Successor Agency shall give notice of such change in the manner provided under Section 4(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, through EMMA, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with subsection (a). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Successor Agency and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice in a timely manner to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) (if the Dissemination Agent is other than the Trustee), to the extent appropriate information is available to it, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

Section 3. **Content of Annual Reports**. The Successor Agency's Annual Report shall contain or incorporate by reference the following:

(a) A postaudit of the financial transactions and records of the Successor Agency for the immediately prior Fiscal Year. If the Successor Agency's postaudit is not available by the time such postaudit is required to be filed hereunder, an unaudited statement of financial transactions and records of the Successor Agency in a format required by Section 34177(n) of the Health and Safety Code of the State of California shall be provided to the Dissemination Agent, and the postaudit shall be filed when it becomes available. The Annual Report may be contained in the City of Banning's comprehensive annual financial report ("CAFR") and submission of such CAFR to the MSRB through EMMA shall constitute compliance for submission of the postaudit required hereunder.

(b) Each Annual Report shall also contain the following information for the immediately prior Fiscal Year:

(i) The aggregate assessed values of the Merged Project Area included in the Official Statement in a similar format as provided in the Official Statement;

(ii) The list of top ten taxpayers in the Merged Project Area included in a similar format as provided in the Official Statement;

(iii) Information on appeals by top ten taxpayers in the Merged Project Area; and

(iv) For the most recent Fiscal Year completed, the aggregate annual debt service for the Bonds and the actual amount of Pledged Tax Revenues.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Successor Agency is an "obligated person" (as defined by the Rule), which are available to the public on EMMA or filed with the SEC. The Successor Agency shall clearly identify each such document to be included by reference.

Section 4. **Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 4, the Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not more than ten (10) Business Days after the event:

(1) principal and interest payment delinquencies;

(2) defeasances;

(3) tender offers;

(4) rating changes;

(5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-status of the Bonds;

(6) unscheduled draws on the debt service reserves reflecting financial difficulties;

(7) unscheduled draws on credit enhancements reflecting financial difficulties;

(8) substitution of credit or liquidity providers or their failure to perform; or

(9) bankruptcy, insolvency, receivership or similar proceedings.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

(b) Pursuant to the provisions of this Section 4, the Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the Successor Agency or their termination;

(2) appointment of a successor or additional Trustee or the change of the name of a Trustee;

(3) nonpayment related defaults;

(4) modifications to the rights of Owners;

(5) notices of redemption; or

(6) release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 4, the Successor Agency shall as soon as possible determine if such event is material under applicable federal securities law.

(d) If the Successor Agency determines that the occurrence of a Listed Event described in subsection (b) of this Section 4 is material under applicable federal securities law, the Successor Agency shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the Repository in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by the Successor Agency to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 5. **Filings with the MSRB**. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. **Termination of Reporting Obligation**. The Successor Agency's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 4 hereof.

Section 7. **Dissemination Agent**. The Successor Agency may, from time to time, appoint or engage another Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the Successor Agency may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of such party, and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Successor Agency and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. **Additional Information**. Nothing in this Disclosure Agreement shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Successor Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. **Default**. In the event of a failure of the Successor Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal evidenced by Outstanding Bonds and upon being indemnified to its reasonable satisfaction, shall, or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency, Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Successor Agency, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. **Duties, Immunities and Liabilities of Trustee and Dissemination Agent**. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall not

be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the Successor Agency, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. **Counterparts**. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

SUCCESSOR AGENCY OF THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF BANNING

By:_____
Responsible Officer

[WILLDAN FINANCIAL SERVICES], as Dissemination Agent

By:_____
Authorized Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Successor Agency of the Dissolved Redevelopment Agency of the City of Banning

Name of Issue: Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Refunding Bonds, Series 2016 (Taxable)

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-captioned Bonds as required by the Continuing Disclosure Agreement, dated as of October 1, 2016, by and among the Successor Agency and [Willdan Financial Services]. [The Successor Agency anticipates that the Annual Report will be filed by _____.]

Dated: _____, 20__

[_____], on behalf of the Successor Agency

cc: Successor Agency of the Dissolved Redevelopment Agency of the City of Banning

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CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Fred Mason, Electric Utility Director**
Jim Steffens, Power Resource & Revenue Administrator

MEETING DATE: **September 13, 2016**

SUBJECT: **Discuss and Consider Resolution 2016-69, "Approving the Contracts Extending the Hoover Dam Uprating Project Power Agreements."**

RECOMMENDATION:

Adopt City Council Resolution 2016-69:

I. Approving the fifty-year extension of the Hoover Dam Uprating Project power agreements, through September 30, 2067.

II. Authorizing the City Manager to execute the applicable agreements for the extension.

JUSTIFICATION:

Approval of this resolution would allow the City of Banning Electric Utility ("Utility") to retain its entitlements to capacity and continue to receive economical and clean power from Hoover Dam for an additional fifty years, through September 30, 2067.

BACKGROUND:

In 1987, the Utility participated in the Hoover Dam Uprating Project ("Project"), which was approved by the U.S. Congress through the Hoover Power Plant Act of 1984. The Project consisted principally of the uprating of the capacity of 17 generating units at the hydroelectric power plant of the Hoover Dam, which is located approximately 25 miles from Las Vegas, Nevada. Modern insulation technology made it possible to "uprate" the

nameplate capacity of existing generators. The Utility and certain other members of the Southern California Public Power Authority ("SCPPA") obtained entitlements to capacity and associated firm energy from the Project. The entitlements of the Utility and these SCPPA members currently total 94 MW of capacity and approximately 107,000 MWh of associated energy annually from the Project. The Utility has an entitlement of approximately 2 MW, which represents approximately 1% of the Utility's resource needs. In Fiscal Year 2016, the Project provided 1,587 MWh of energy to the Utility at an average cost of delivered energy of $31.41 per MWh.

The United States Department of Energy ("DOE") owns the Hoover Dam, and the Western Area Power Association ("WAPA") markets the power from the facility. The United States Department of the Interior, Bureau of Reclamation (the "Bureau") operates the Hoover Dam facility. In order to participate in the Project, the Utility entered into contracts with WAPA and the Bureau in 1987. These contracts were for a term of thirty years, and will expire on September 30, 2017.

In anticipation of the impending expiration of the agreements, the Project participants (including SCPPA and SCPPA members) began working with Congress, the DOE, and the Bureau to implement an extension of the power agreements. These meetings resulted in Congress passing the Hoover Power Allocation Act of 2011, which authorized fifty-year extensions of the power agreements. The Utility wishes to take advantage of this opportunity to extend its contracts with WAPA and the Bureau for fifty years.

FISCAL IMPACT:

No change to fiscal impact. The Project has historically supplied 1% of the Utilities resources, or approximately 1,600 MWh annually for which the Utility has paid about $50,000 per year. These figures are not projected to change appreciably in the foreseeable future. Funds are available in the FY 17 and FY 18 budgets to cover these expenditures.

OPTIONS:

1. Adopt Resolution 2016-69 approving the contracts extending the Hoover Dam Uprating Project power agreements.

2. Do not approve the extension of the Hoover Dam Uprating Project power agreements, which would result in the Utility not being able to participate in the Project after September 30, 2017.

ATTACHMENTS (Due to size are available to view at the City Clerk's office)

Exhibit A: Contract No. 16-DSR-12640

Exhibit B: Amended and Restated Implementation Agreement

Reviewed by:

Fred Mason
Electric Utility Director

Approved by:

Michael Rock
City Manager

Prepared by:

Jim Steffens
Power Resource & Revenue Administrator

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RESOLUTION NO. 2016-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE CONTRACTS EXTENDING THE HOOVER DAM UPRATING PROJECT POWER AGREEMENTS

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, the Electric Utility has benefitted from participation in the Hoover Dam Uprating Project since 1987; and

WHEREAS, the contracts for the Electric Utility's participation in the Hoover Dam Uprating Project are set to expire on September 30, 2017; and

WHEREAS, the Hoover Power Allocation Act of 2011 was passed by the Congress of the United States, authorizing the extension of the Hoover Dam Uprating Project contracts for fifty years, through September 30, 2067; and

WHEREAS, the Electric Utility wishes to continue participating in the Hoover Dam Uprating Project through the extended contract dates of September 30, 2067; and

WHEREAS, funds are available in the FY 17 and FY 18 budgets to cover the expenditures associated with these contracts;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution 2016-69 approving the contracts extending the Hoover Dam Uprating Project power agreements. This extension would be accomplished by approving the following two agreements:

A. Contract No. 16-DSR-12640, between United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region, Boulder Canyon Project, and the City of Banning for Electric Service, which is attached herewith as Exhibit "A".

B. Amended and Restated Implementation Agreement, between United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region, Boulder Canyon Project, Agreement No. 95-PAO-10616, and United States Department of the Interior, Bureau of Reclamation, Agreement No. 5-CU-30-P1128, and Boulder Canyon Project Electric Service Contractors, which is attached herewith as Exhibit "B".

SECTION 2. Authorize the City Manager to execute the applicable agreements listed above in Section 1.

PASSED, ADOPTED AND APPROVED this 13th day of September 2016.

_____
Arthur L. Welch, Mayor
City of Banning

ATTEST:

_____
Marie A. Calderon, City Clerk

APPROVED AS TO FORM AND LEGAL CONTENT:

_____
John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

Exhibit A: Contract No. 16-DSR-12640
and
Exhibit B: Amended and Reinstated Implementation Agreement

(Due to the size of the exhibits they are available in the City Clerk's office for review)

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CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Fred Mason, Electric Utility Director**
Carla Young, Management Analyst

MEETING DATE: **September 13, 2016**

SUBJECT: **Discuss and Consider Resolution 2016-70, "Approving the Amendment to the 'City of Banning Fee Agreement: Special Counsel Services' Between the City of Banning and Thompson Coburn, LLP"**

RECOMMENDATION:

Adopt City Council Resolution 2016-70:

I. Approving the Amendment to Exhibit A of the City of Banning Fee Agreement: Special Counsel Services ("Agreement") between the City of Banning and Thompson Coburn, LLP ("Thompson Coburn"), attached herewith as Exhibit "A".

II. Authorizing the City Manager to execute the applicable documents to effect said Amendment.

JUSTIFICATION:

Approval of this resolution would allow the City of Banning Electric Utility ("Utility") to continue to obtain legal services for matters pertaining to the Federal Energy Regulatory Commission (FERC) in relation to the Utility's operation, which includes: Transmission, Generation and Wholesale Market, CAISO, and Reliability Standards Compliance.

BACKGROUND:

Beginning in the early 1990's the City of Banning, along with the Cities of Anaheim, Azusa, Colton and Riverside began receiving services from Thompson Coburn through

a contract with the Power Agency of California ("PAC") a joint powers agency created to facilitate procurement of utility related services for the five referenced cities. The cities agreed to allocate costs for this contract based on each utility's relative retail load. This was a very beneficial relationship, especially for the three small cities, which received the full benefit of legal representation, but for a very small percentage of the total cost, which for Banning was only 2.5%.

In 2001 PAC was placed into an "inactive" status and all contracts and services administered through PAC had to be processed directly through the individual cities. However, the cities agreed to continue with the established cost allocation methodology for the Thompson Coburn legal services agreement. In 2005, the City of Pasadena asked to join the five cities in receiving legal representation for FERC matters from Thompson Coburn, and the cost allocation was updated to include Pasadena's retail load, which resulted in Banning's allocation being reduced from 2.5% to 2.38%. This group of cities is now referred to as "the Six Cities" in all related FERC filings.

Thompson Coburn provides legal representation on FERC related issues, which includes: Transmission, Generation and Wholesale Market, CAISO, and Reliability Standards Compliance. In 2015 Banning's total Thompson Coburn expense amounted to only $36,531. If Banning were to obtain these services by itself, instead of through the joint Six Cities agreement, it would easily cost 20 times that amount. As previously noted, the Six Cities relationship is very beneficial for the City of Banning, and it is essential that the Utility retain legal services for matters pertaining to the FERC, in relation to the Utility's operation.

Thompson Coburn has provided notice to the City of an increase to its fees, effective January 1, 2017, which are reflected in the amended fee schedule, attached herewith as Exhibit "A". Per the Agreement, attached for your reference herewith as Exhibit "B", any increases to the Thompson Coburn legal fee schedule must be approved by City Council. Staff is recommending that the City Council approve the proposed Amendment to the Agreement between the City of Banning and Thompson Coburn.

FISCAL IMPACT:

Banning's share of the cost for services provided by Thompson Coburn in 2015 totaled $36,531. In addition, Banning's cost for these legal services has averaged less than $50,000 per year, since 2001. The proposed fee increase is estimated to raise Banning's annual expense by approximately $2,000. Funds are budgeted each year in account 670-7010-473-33.02 to cover this expense.

OPTIONS:

1. Adopt Resolution 2016-70 approving the Amendment to Exhibit A of the Agreement for legal services with Thompson Coburn.

2. Do not approve the Amendment to Exhibit A of the Agreement, which would disqualify the City of Banning from receiving further representation from Thompson Coburn.

ATTACHMENTS

Exhibit A: Thompson Coburn amended hourly fees for legal services, to include those fees to be effective January 1, 2017

Exhibit B: City of Banning Fee Agreement: Special Counsel Services between the City of Banning and Thompson Coburn, LLC

Reviewed by:

Fred Mason
Electric Utility Director

Approved by:

Michael Rock
City Manager

Prepared by:

Carla Young
Management Analyst

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RESOLUTION NO. 2016-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING THE AMENDMENT TO THE "CITY OF BANNING FEE AGREEMENT: SPECIAL COUNSEL SERVICES" BETWEEN THE CITY OF BANNING AND THOMPSON COBURN, LLP

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, it is essential that the City retain legal services for matters pertaining to the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, the City of Banning, along with the Cities of Anaheim, Azusa, Colton, Pasadena, and Riverside receive legal services from Thompson Coburn, LLP, and the cities have agreed to allocate costs for these services based on each utility's relative retail load, which for Banning equates to 2.38% of the related expense; and

WHEREAS, the City of Banning Fee Agreement: Special Counsel Services between the City of Banning and Thompson Coburn, LLP, attached herewith as Exhibit "B", requires that all increases to service fees be approved by the City Council; and

WHEREAS, the City received notification from Thompson Coburn that they would have an increase to their fee schedule effective January 1, 2017, attached herewith as Exhibit "A"; and

WHEREAS, the City's share of the Thompson Coburn expense has averaged less than $50,000 per year, since 2001, and the proposed fee increase would only raise the City's annual expense by approximately $2,000; and

WHEREAS, the City wishes to continue obtaining legal services from Thompson Coburn through the City of Banning Fee Agreement: Special Counsel Services; and

WHEREAS, funds to cover the expense for said Agreement are available in the Electric Fund account 670-7010-473-33.02;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1: Approving the Amendment to Exhibit A of the City of Banning Fee Agreement: Special Counsel Services between the City of Banning and Thompson Coburn, LLP, attached herewith as Exhibit "A".

SECTION 2: Authorizing the City Manager to execute the applicable documents to effect said Amendment.

PASSED, APPROVED, AND ADOPTED this 13th day of September 2016.

Arthur Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

Exhibit “A”

EXHIBIT A

Thompson Coburn's hourly fees for legal services from July 1, 2015, through December 31, 2016 are as follows:

Hourly Rates for Services	Market-related Issues	Transmission Issues
Bonnie S. Blair	$455	$505
Margaret E. McNaul	$370	$420
Rebecca L. Shelton	$320	$370
Other Associates (as approved by City)	$310 - $405	
Paralegals	$195	

Thompson Coburn's hourly fees for legal services as of January 1, 2017 will be:

Hourly Rates For Services	Market-related Issues	Transmission Issues
Bonnie S. Blair	$ 470	$535
Margaret E. McNaul	$395	$460
Rebecca L. Shelton	$345	$400
Other Associates (as approved by City)	$310 - $405	
Paralegals	$195	

Exhibit "B"

CITY OF BANNING FEE AGREEMENT:
SPECIAL COUNSEL SERVICES

This FEE AGREEMENT (the "Agreement") is entered into by and between the law firm of THOMPSON COBURN LLP ("FIRM") and the CITY OF BANNING, a municipal corporation ("City"). The term "City" shall also include all agencies, boards, commissions, and other bodies of City.

WHEREAS, City, on occasion, has need of assistance of counsel for legal advice or legal services related to protecting the interests of City; and

WHEREAS, it is essential that the City retain legal services for matters pertaining to the Federal Energy Regulatory Commission ("FERC") and California Independent System Operator Corporation; and

WHEREAS, the City of Banning, along with the Cities of Anaheim, Azusa, Colton and Riverside received legal services from Thompson Coburn, LLP beginning in the mid 1990s through a contract with the Power Agency of California ("PAC") and the cities agreed to allocate costs for this contract based on each utility's relative retail load; and

WHEREAS, Thompson Coburn is willing and able to provide legal services as requested by City.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PROMISES, COVENANTS, AND CONDITIONS CONTAINED HEREIN, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. SCOPE OF WORK AND DUTIES.

A. The City hereby hires Thompson Coburn, LLP as its Special Counsel, to render legal services under the direction of the City Manager, Utility Director, or City Attorney. Representation shall include, but not necessarily be limited to, legal services in connection with the City public utility entity and Federal law.

B. The services shall be performed, as directed by the Utility Director, and Firm shall keep City informed as to the progress and status of all pending matters.

C. Firm is expected to manage, control and oversee the delivery of legal services in a competent, professional, and cost-effective manner. Notwithstanding any other provision contained herein, any legal services can only be authorized by the Utility Director.

D. City may request the services of particular members of Thompson Coburn, and Thompson Coburn shall use its best efforts to make such members available to provide such services.

2. CITY DUTIES.

City agrees to provide such information, assistance, cooperation, and access to books, records, and other information, as is necessary for Firm to effectively render its professional services under this Agreement. City further agrees to abide by this Agreement, and to timely pay Firm's bills for fees, costs, and expenses.

3. PERSONNEL.

Firm will provide the following attorneys to render legal services hereunder:

Bonnie Blair: Special Counsel

Margaret McNaul: Assistant Counsel

Firm will exercise its discretion to utilize whichever attorney(s) (and staff) it determines to be best suited to its rendition of legal services under this Agreement, consistent with the competent and efficient rendering of legal services, and with a view toward rendering such services in an economically efficient manner.

4. COMPENSATION.

A. Firm's fees will be charged on an hourly basis for all time actually expended, and such fees are generally billed monthly with payment due within thirty (30) days after the date of the bill. City agrees to pay, and Thompson Coburn agrees to accept, as full compensation for Thompson Coburn's services, compensation at the hourly rates for the positions shown on Exhibit A attached hereto and incorporated by this reference herein.

B. Allocation of Costs. Firm provides legal services to the City on a City-specific basis and to the City and other municipal electric systems on a collective basis. Legal costs for services provided on a collective basis are generally allocated on the basis shown in Exhibit B attached hereto and incorporated by this reference subject to revision from time to time.

Accordingly, City will not be charged more than the percentages specified in Exhibit B, as they may be adjusted with the agreement of City, for services provided on a collective basis or the Utility Director expressly approves that the services are exclusively allocated to City. This approval must be expressed in writing prior to the performance of the services. Director shall make a written report to the City Council of any services exclusive to the City which have been authorized, and the estimated expense.

C. Charges. The foregoing arrangement will remain in effect for at least Fiscal Years 2015-2016. However, the hourly rates of the attorneys at Firm are reviewed annually and, when appropriate, adjusted to reflect increases in expertise as well as other appropriate factors. Thompson Coburn may request increases of the hourly rates shown on Exhibit A from time to time by at least thirty days written notice to City. Such increases shall not apply except as provided here, and only upon the approval of the City Council.

5. COSTS AND OTHER CHARGES.

Firm may incur various costs and expenses in rendering the legal services required by this Agreement. City agrees to reimburse Firm for these costs and expenses in addition to the hourly fees for legal services. The costs and expenses referred to herein include, but are not limited to such expenses as printing and copying costs, filing fees, costs of transcripts, and costs of travel approved by the Utility Director.

Firm may determine it necessary or appropriate to use one or more outside investigators, consultants, or experts in rendering the legal services required (particularly if a matter goes into litigation). City will be responsible for paying such fees and charges. Firm will not, however, retain the services of any outside investigators, consultants, or experts without the prior agreement of City. Firm will select any investigators, consultants, or experts to be hired only after consultation with City.

6. STATEMENTS.

Thompson Coburn shall submit monthly (or on such other basis as Thompson Coburn and City may agree) itemized invoices to City which document the hours worked, the persons performing the work, the matters or assignments on which the work was performed, and the applicable hourly rates. An itemization of reimbursable expenses claimed by Thompson Coburn shall be included in the monthly invoice. Supporting receipts shall be provided to City upon request.

7. INDEPENDENT CONTRACTOR.

Firm shall perform all legal services required under this Agreement as an independent contractor of City, and shall remain, at all times as to City, a wholly independent contractor with only such obligations as are required under this Agreement. Neither City, nor any of its employees, shall have any control over the manner, mode, or means by which Firm, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. City shall have no voice in the selection, discharge, supervision or control of Firm's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

8. INSURANCE.

Firm shall procure and maintain, at its sole cost and expense, comprehensive general liability and property damage insurance, including automobile and excess liability insurance, and professional liability insurance against all claims for injuries against persons or damages to property resulting from Firm's negligent acts or omissions arising out of or related to Firm's performance under this Agreement. The minimum amount of such insurance shall be Three Million Dollars ($3,000,000.00). Firm shall also carry Workers' Compensation Insurance in accordance with applicable workers' compensation laws. The insurance required hereunder shall be kept in effect during the term of this Agreement, and shall not be subject to reduction in coverage below the limits established herein, nor cancellation, nor termination without thirty (30) days' prior written notice by registered letter to City. A certificate evidencing the foregoing shall be delivered to City.

9. COVENANT AGAINST DISCRIMINATION.

Firm covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Firm shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

10. TERM, DISCHARGE AND WITHDRAWAL.

This Agreement shall continue in effect, subject to modification of fees as provided in Section 5, until terminated by either party hereto. City may discharge Firm at any time. The Special Counsel shall not be deemed an employee of City, and shall have no right to hearing or notice, and may be discharged upon written notification by City. Firm may withdraw from City's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon at least sixty (60) days' notice to City.

In the event of such discharge or withdrawal, City shall pay Firm professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation. City agrees to execute, upon request, a stipulation in such form as to permit Firm to withdraw as City's attorneys of record in any legal action then pending. Firm shall deliver all documents and records of City to City, or to counsel designated by City, and assist to the fullest extent possible in the orderly transition of all pending matters to City's new counsel.

11. CONFLICTS.

Firm has no present or contemplated employment which is adverse to the City. Firm agrees that it shall not represent clients in matters either litigation or non-litigation against the City. However, Firm may have past and present clients or may have future clients, which, from time to time, may have interests adverse to City, and Firm reserves the right to represent such clients in matters not connected with its representation of the City.

If a potential conflict of interest arises in Firm's representation of two clients, if such conflict is only speculative or minor, Firm shall seek waivers from each client with regards to such representation. However, if real conflicts exist, Firm would withdraw from representing either client in the matter, and assist them in obtaining outside special counsel.

12. LEGAL EFFECT.

This Agreement shall supersede and replace all prior agreements between the parties. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the City.

Date:

"CITY"

CITY OF BANNING, a municipal corporation

By: _____
Interim City Manager

ATTEST:

_____, Deputy City Clerk
for City Clerk

"THOMPSON COBURN, LLP"

By: Bonnie S. Blair
Bonnie S. Blair, Esq.

[END OF SIGNATURES]

EXHIBIT "A"

Thompson Coburn's hourly fees for legal services from January 1, 2014, to June 30, 2015 are as follows:

Hourly Rates for Services	Market-related Issues	Transmission Issues
Bonnie S. Blair	$435	$480
Margaret E. McNaul	$345	$385
Rebecca L. Shelton	$295	$335
Other Associates (as approved by City)	$295-$395	
Paralegals	$185-$190	

Thompson Coburn's hourly fees for legal services as of July 1, 2015 will be:

Hourly Rates for Services	Market-related Issues	Transmission Issues
Bonnie S. Blair	$455	$505
Margaret E. McNaul	$370	$420
Rebecca L. Shelton	$320	$370
Other Associates (as approved by City)	$310-$405	
Paralegals	$195	

EXHIBIT B

CURRENTLY-EFFECTIVELY COST SHARING PERCENTAGES FOR SIX CITIES' MATTERS

46632/56835
(Six Cities Generation Related Assignments)

City	Allocation %
City of Anaheim	39.56
City of Azusa	3.83
City of Banning	2.38
City of Colton	5.38
City of Riverside	30.78
City of Pasadena	18.07

46632/57431
(Six Cities Transmission Related Assignments)

City	Allocation %
City of Anaheim	39.56
City of Azusa	3.83
City of Banning	2.38
City of Colton	5.38
City of Riverside	30.78
City of Pasadena	18.07

46632/80383
(Six Cities NERC Related Assignments)

City	Allocation %
City of Anaheim	39.56
City of Azusa	3.83
City of Banning	2.38
City of Colton	5.38
City of Riverside	30.78
City of Pasadena	18.07

48126/68898
(Thompson Coburn NERC Registered Entities Group)

City	Allocation %
City of Anaheim	7.40
City of Azusa	2.09
City of Banning	2.09
City of Colton	2.09
City of Riverside	7.40
City of Cleveland	7.40
American Municipal Power	25.23
Clarksdale Public Utilities	2.09
City of Roseville	7.40
City of Pasadena	7.40
ElectriCities of NC	25.23
Easton Utilities	2.09
City of Moreno Valley	2.09

37426/35030
(Five Southern Cities Transmission Related Assignments)

City	Allocation %
City of Anaheim	51.0
City of Azusa	4.5
City of Banning	2.5
City of Colton	5.0
City of Riverside	37.0

37426/35031
(Five Southern Cities Generation Related Assignments)

City	Allocation %
City of Anaheim	51.0
City of Azusa	4.5
City of Banning	2.5
City of Colton	5.0
City of Riverside	37.0

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CITY OF BANNING
CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Alejandro Diaz, Chief of Police**

MEETING DATE: **September 13, 2016**

SUBJECT: **Consideration and Approval of Resolution No. 2016-90, Approving a legal representation Services Agreement with the Law Offices of Silver & Wright, LLP for Receivership Petition for Blighted Properties"**

RECOMMENDATION:

The City Council Adopt Resolution No. 2016-90:

I. Approving a Legal Representation Services Agreement with the Law Offices of Silver & Wright LLP for Receivership services related to the Banning Business Center (Parcel #'s 540-220-008, 540-220-009, and 540-220-017) at the rate of $195 per hour for attorney services and $115 per hour for paralegal and law clerk services.

II. Authorizing the City Manager to execute the Legal Representation Services Agreement with the Law Offices of Silver & Wright LLP for Receivership services related to the Banning Business Center (Parcel #'s 540-220-008, 540-220-009, and 540-220-017).

JUSTIFICATION:

Approval of the Legal Representation Services Agreement will assist the Banning Police Department Code Enforcement Division in addressing the need for a Receivership to address safety, blight and homelessness issues related to the Banning Business Center (649 W. Lincoln Street).

BACKGROUND:

On April 15, 2016 staff solicited proposals from qualified law firms to provide Legal Representation Services for the Banning Police Department Code Enforcement Division.

The scope of work for these services includes providing legal representation related to receivership petition for blighted property, identified in the Request for Proposal ("RFP"), attached as Exhibit "A".

Banning Police Department staff advertised the RFP on April 12, 2016 in the Press Enterprise, attached as Exhibit "B" and on the City's website. In addition, notifications of the opportunity were sent to several law firms. In response to these efforts, the Banning Police Department received three (3) proposals from the following firms, attached as Exhibit "C":

Law Firms

1) **Green de Bortinosky (GdB)**
2) **Best, Best & Krieger**
3) **Silver & Wright, LLP**

See Exhibit "D" for individual fee proposals and the combined average review score for each of the listed law firms.

As a result of the RFP process, staff respectfully request a contract award to the Law Offices of Silver & Wright, LLP at an hourly rate of $195 per hour for attorney services and $115 per hour for paralegal and law clerk services in conjunction with receivership services related to the Banning Business Center (649 W. Lincoln Street). Each contract renewal shall be brought forth to the City Council for final approval.

OPTIONS:

Option 1: Approve a legal representation Services Agreement with the Law Offices of Silver & Wright, LLP for Receivership Petition for Blighted Properties related to the Banning Business (649 W. Lincoln Street); or

Option 2: Disapprove a legal representation Services Agreement with the Law Offices of Silver & Wright, LLP for Receivership Petition for Blighted Properties.

FISCAL IMPACT:

Funding for this agreement shall be available from the General Fund.

ATTACHMENTS:

1. **Exhibit "A": RFP**
2. **Exhibit "B": Advertisement**
3. **Exhibit "C": Proposals**
4. **Exhibit "D": Fee Proposal & Combined Review Scores**

Prepared by:

Alejandro Diaz
Chief of Police

Approved by:

Michael Rock
City Manager

RESOLUTION NO. 2016-90

A RESOLUTATION BY THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZATING A LEGAL REPRESENTATION SERVICES AGGREMENT WITH THE LAW OFFICES OF SILVER & WRIGHT, LLP FOR RECEIVERSHIP PETITION FOR BLIGHTED PROPERTIES

WHEREAS, On April 15, 2016 staff solicited proposals from qualified law firms to provide Legal Representation Services for the Banning Police Department/Code Enforcement; and

WHEREAS, the scope of work for these services includes providing legal representation related to receivership petition for blighted property, as identified in the Request for Proposal; and

WHEREAS, Banning Police Department staff advertised the RFP on April 12, 2016 in the Press Enterprise, attached as Exhibit "B" and on the City's website. In addition, notifications of the opportunity were sent to several law firms. In response to these efforts, the Banning Police Department received three (3); and

WHEREAS, staff recommends the award of a Legal Representation Services Agreement with the Law Offices of Silver & Wright LLP for Receivership services related to the Banning Business Center (Parcel #'s 540-220-008, 540-220-009, and 540-220-017) at the rate of $195 per hour for attorney services and $115 per hour for paralegal and law clerk services; and

WHEREAS, funding shall be available from the General Fund; and

NOW THEREFORE, BE IT RESOLVED: by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution No. 2016-90 Approve a legal representation Services Agreement with the Law Offices of Silver & Wright, LLP for Receivership Petition for Blighted Properties related to the Banning Business (649 W. Lincoln Street) at the rate of $195 per hour for attorney services and $115 per hour for paralegal and law clerk services.

SECTION 2. The City Manager is authorized to execute the Legal Representation Services Agreement with the Law Offices of Silver & Wright, LLP.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

_____
Arthur L. Welch, Mayor
City of Banning

ATTEST:

_____
Marie A. Calderon, City Clerk
City of Banning, California

APPROVED AS TO FORM AND LEGAL CONTENT:

_____
John C. Cotti, City Attorney

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-90 was duly adopted by the City Council of the City of Banning, California, at a regular meeting held the _____ day of _____, 2016, by the following to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Marie A. Calderon, City Clerk
City of Banning, California

Exhibit "A"

Request for Proposals (RFP)
Legal Representation for Receivership
Petition for Blighted Property

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City of Banning
99 E. Ramsey Street
PO Box 998
Banning, CA 92220
Main: (951) 922-3105

Banning Police Department
125 E. Ramsey Street
PO Box 1177
Banning, CA 92220
Main: (951) 922-3170

www.ci.banning.ca.us

REQUEST FOR PROPOSALS (RFP)

CONSULTANT/FIRM TO PROVIDE LEGAL REPRESENTATION FOR RECEIVERSHIP PETITION FOR BLIGHTED PROPERTY



City of Banning Police Department
Contact: Sergeant Robert Fisher
PHONE: (951) 849-1195
EMAIL: RFisher@ci.banning.ca.us

RELEASE DATE: APRIL 15, 2016

ALL PROPOSALS MUST BE RECEIVED IN THE CITY CLERK'S OFFICE NO LATER THAN 4:00 P.M. THURSDAY, JUNE 2, 2016 (NO POSTMARKS)

BANNING CITY HALL - OFFICE OF THE CITY CLERK
99 E. RAMSEY STREET
BANNING, CA 92220
(951) 922-3105 MAIN

REQUEST FOR PROPOSALS (RFP)

CONSULTANT/FIRM TO PROVIDE
LEGAL REPRESENATION FOR RECEIVERSHIP PETITION FOR BLIGHTED PROPERTY

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INTRODUCTION

REQUEST SUMMARY

The City of Banning is soliciting proposals from qualified legal firms with no less than Five (5) years of experience of providing professional legal representation related to receivership petition for blighted property. The scope of services, required content and the selection process are further described in the Request for Proposals (RFP). The selected firm will provide the requested services under the direction of the Chief of Police or his designee.

PLEASE NOTE: All proposals must provide specific and succinct answers to all questions and requests for information. Indirect, imprecise, or incomplete responses can serve only to the disadvantage of the applicant. Please answer the questions in the format and order presented. (Submissions of individual resumes alone will not be considered responsive to any specific question).

Using the required proposal format, beginning on Page 6, please describe your firm's qualifications for providing professional legal services. Include in your response:

a) Clearly describe your firm's range of experience with California law as it relates to public law enforcement agencies and receivership.

b) Please describe your firm's experience in legal representation pertaining to receivership petition for blighted property and providing legal advice on incidents involving receiverships.

c) The overall capabilities, qualifications, training, and areas of expertise for each of the partners/principals and associates that may be assigned to work with the City, including but not limited to:

- Name of individual(s) with resumes;
- Length of employment with firm;
- Specialization;
- Legal training;
- Scholastic honors and professional affiliations;
- Date of admittance to California Bar (to include copies of all applicable documentation, both past and present);
- Years of practice;
- Municipal or other local public sector experience;
- Knowledge of, and experience with California Municipal Law;
- Years and statement of other types of clientele represented;
- Litigation experience and track record;
- If the firm, or any of the attorneys employed by the firm, have ever been successfully sued for malpractice, been the subject of complaints filed with the State Bar, or had discipline imposed by the State Bar, please provide information on the nature of the incident, the dates on which the matter began and was concluded, and the results of the situation.

d) Specify the individual you propose for appointment and reasons for recommendation.

e) Specify the individual(s), if any, you would propose to be designated as competent, substitute/backup legal representation for the Banning Police Department, in the event of the absence or unavailability of the recommended individual listed above.

f) Describe your preference for method of payment and your procedure for billing.

g) Describe the computer resources currently utilized within your office. It will be a requirement that Counsel utilize Microsoft Word for Windows word-processing for all correspondence.

h) The City of Banning will require the firm with which a contract is established, prior to commencement of work, to provide evidence of appropriate professional liability insurance, errors and omissions insurance, and worker's compensation insurance coverage as needed. Describe how you would provide proof of the same.

Such coverage must be provided by an insurance company(ies) authorized to do business in the State of California. Certificates must name the City of Banning as an Additional Insured and shall provide that contractor's policy is primary over any insurance carried by the City of Banning and that the policy will not be cancelled or materially changed without thirty (30) days prior notice in writing to the City of Banning. The successful firm must agree, if awarded a contract as a result of its proposal, to indemnify and hold harmless the City of Banning, its officers, agents, and employees from any and all claims and losses accruing or resulting to persons engaged in the work contemplated by its proposal or to persons who may be injured or damaged by the firm or its agents in the performance of the work. Prior to commencement of any work, these and other provisions will be established contractually.

BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Gorgonio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

RFP TIME SCHEDULE (TENTATIVE)

Implementation of the bid process shall proceed as follows:

- RFP Issue Date ..... Friday, April 15, 2016
- Inquiry Deadline ..... Monday, May 16, 2016
- **Proposals Due/Closing Date ..... Thursday, June 2, 2016 by 4:00PM**
- Staff Evaluation/Final Selection ..... Friday, July 1, 2016
- Council Meeting/Approval (Tentative) ..... Tuesday, July 12, 2016
- Notice to Proceed (Tentative) ..... **To be announced**

The City reserves the right to makes changes to the above schedule.

INQUIRIES

Bidders must carefully examine this RFP and any addenda that may be proposed on the City's website at: www.ci.banning.ca.us prior to submission of their proposal. Bidders must seek clarification of any ambiguity, conflict, omission, or other error in the RFP in writing prior to submission of their proposal. If an answer materially affects the RFP, the information will be incorporated into an addendum and distributed to all bidders via the City's website; no other contact shall be made by the City to bidders regarding addenda to this RFP. It shall be the consultant's sole responsibility to check the City's website to determine if any addenda may have been posted prior to the proposal due date.

SUBMITTAL INSTRUCTIONS

The proposal title, Consultants name and deadline information shall be clearly identified on the submission package and cover page. **Submission deadline is Thursday, June 2, 2016 at 4:00 p.m.** Proposals submitted after that time shall not be considered. All questions regarding the scope of work shall be submitted to Administrative Sergeant Robert Fisher at the address above or via e-mail at: RFisher@ci.banning.ca.us

Please submit five (5) original bound hard copies along with one (1) unbound copy; and one (1) CD (PDF and Microsoft Word) in a sealed envelope. Qualification packages are to be submitted inside an envelope marked on the outside as follows:

PROPOSAL IN RESPONSE TO:
THE CITY OF BANNING POLICE DEPARTMENT
RFP - LEGAL REPRESENTATION FOR RECEIVERSHIP
AND LEGAL ADVICE PERTAINING TO
BLIGHTED PROPERTY – BANNING BUSINESS CENTER

ALL PROPOSALS MUST BE RECEIVED
NO LATER THAN 4:00 P.M. ON THURSDAY, JUNE 2, 2016

IN THE OFFICE OF THE CITY CLERK, CITY OF BANNING
BANNING CITY HALL, OFFICE OF THE CITY CLERK
99 E. RAMSEY STREET, BANNING, CA 92220

REQUIRED PROPOSAL FORMAT

The proposal package should be limited to 35 single sided pages (not counting the table of contents, cover letter or dividers). In order to maintain uniformity with all proposals submitted, it is required that the Consultant's proposal include the minimum information below:

1. Cover Letter – A brief cover letter signed by the highest firm executive with authority to bind the company in contractual services. The cover letter must summarize key points of

the firm's qualifications and key individuals involved with the firm with regard to the scope of the work requested by the City.

2. Brief Company Profile – General company information including number of employees, location of company headquarters and branch offices, number of years in business and organization, disciplines and staffing. Describe the general qualifications of the firm. Please Note: Include copies of business licenses, professional certifications or other credentials together with evidence that bidder, if a corporation, is in good standing and qualified to practice law in the State of California.

3. Organization and Staffing – Provide information showing all proposed staff assignments and sub-consultants including their relationships with the proposed work. Identify the contract officer and/or attorney who will be the day-to-day contact. Provide resumes for all applicable personnel and their qualifications with regard to the requested service in this RFP. Provide an organizational chart depicting the relationship between the firm members.

   Relevant Services and Reference – List recently performed and similar services that are being requested in this RFP. Indicate the past performances and abilities of the proposed team. Provide the name of a contact person who was the primary contract for the municipality in which the relevant work was performed. The City will contact any of the listed references at any time to make any other reasonable investigation into the Consultant's background and experience.

4. Proposed Fee Schedule – Provide a statement of the proposed fee and hourly rates for all proposed classifications, including rates for sub-consultants, if any, as well as any proposed percentage mark-up of reimbursable expenses. Please note that the City will not reimburse for mileage in the performance of work. One (1) set in a separate sealed envelope.

   Proposals shall be printed on 8 ½" X 11" paper, single sided in a 10 point Arial font and be limited to 35 pages excluding the cover letter, resumes and any appended information.

   References

   Give at least three (3) references for projects of similar size and scope, including at least three (3) references for projects completed during the past five years. Include the name and organization, a brief summary of the work, the cost of the project and the name and telephone number of a responsible contact person.

SELECTION CRITERIA

Proposals will be reviewed by City staff. The proposal will be rated/ranked according to the following criteria:

- Cost
- Proposed Personnel – The experience and qualifications of the proposed personnel and the firm on similar services. The availability of proposed personnel and overall firm capabilities to meet additional needs of the City. Proven experience of principle personnel for specific positions.

- Project Approach – The proposed approach and services that the firm is capable of providing and how the firm's approach meets the needs of the City.
- Project Controls – The firm's ability to control costs and provide accurate and timely invoices; to monitor and stay within budget; to monitor schedule and review times and the techniques used to complete services within the proposed time frames.
- Client References – Provide at least three (3) current references. The references should identify the client, a contact name and telephone number, a description of services provided. The City also reserves the right to contact the clients that terminated contracts with the firm as listed in the firm's submittal.
- Ability to comply with City's standard Contract Services Agreement.
- Award will be in accordance with the provisions of the Banning Municipal Code. The proposals may be reviewed individually by staff members; and, may be reviewed through an ad hoc committee to assist in the selection process. The finalists may be requested to provide the CITY with a presentation and/or oral interview. The ad hoc committee may review the RFP's as well as any requested presentations and/or oral interviews to gather information that will assist in making a recommendation to the City Council.

The City reserves the right to:

- Reject any and all proposals at its discretion
- Cancel the entire RFP
- Waive any minor errors or informalities in any Proposals, to the extent permitted by law
- Conduct oral interviews
- Negotiate with one or more consultants
- Require a best and final offer from one or more consultants
- Issue an amended RFP to ensure compatibility of the Proposal for comparison

The successful firm may be invited to interview and enter into a Contract Services Agreement with the City.

SCOPE OF WORK

The scope of services is specific to include **Legal Representation and Advice related to Receivership Petition for Blighted Property**, until completion as specified below:

Currently, the Banning Business Center, located at 649 W. Lincoln Street Banning, Ca. 92220, consists of five different structures. The Banning Business Center project was developed in 2006 and was later abandoned.

Parcel #540-220-008 - The structures to the west, belongings to Zukaza, LLC, and Zukaza has kept the building in compliance and has been boarded up. The property has been posted, weeds abated, graffiti removed, and trash removed in the area. Furthermore, the owners have complied within two (2) days upon notification that the fence had been cut open and graffiti placed on the buildings. Mr. Escutia with Zukaza, LLC has been advised that the board up is good for one (1) calendar year (until 03-25-

16), and by this expiration date the property will require full completion of his portion of the project or demolition. Citations existing on this property - $0.

Parcel # 540-220-009 - The center structures, owned by 40 Bruin Lancaster, LLC and have has not been boarded up or secured as required, and continually remain in a hazardous condition. Multiple fires have occurred on the property due to the homeless population. Furthermore, weeds, trash and graffiti have not been removed or abated. The amount of $20,775 in Administrative Citations has been mailed to the property owner with no contact or compliance.

Parcel # 540-220-017 - The easterly structures are owned by Palm Investment Group, LLC and De Ortega N.G. Trust. The property remains abandoned and is also in an extremely hazardous condition due to fire damage. This property remains unsecured allowing access to the buildings. The structure remains open to the public, has numerous transients dwelling in the buildings, and requires board up. The weeds, graffiti, and debris remain throughout the property. The amount of $14,950.00 in Administrative Citations has been mailed to the property owners with no response or compliance. There are no public restrooms in the area and there appears to be a health hazard. Code Enforcement has exhausted its entire means to achieve voluntary compliance.

Because of the nature, the magnitude, and the number of violations of various codes as well as the lack of responsiveness of the Property Owners to engage in corrective action, the City is seeking a qualified attorney, with expertise in this area, to apply for receivership on this Property.

The attorney or law firm selected will take all steps necessary to ensure the Property complies with local, regional and state statutes, code, rules and regulations, and recoups the City's costs and attorney fees.

It is anticipated these steps will include:

- Work with City staff to ensure all nuisance conditions at the above reference Property are identified.

- Provide presentation to City staff and City Council (if requested) regarding the process and likely outcomes for Court appointed receivership as a means of taking control of the Property, including abatement of all code violations and existing nuisance conditions utilizing funds provided from the Property itself, while recouping all City costs and attorney fees through first-priority liens on the Property.

- Take all steps necessary to have the court appoint a receiver for the Property who will ultimately manage the Property in such a manner as to comply with the City's Municipal Code, and other applicable rules and regulations, including those of the State Fire Code and the California Health and Safety Code. This will include, but not be limited to, preparing, serving and filing receivership petition and supporting documents for the Property, taking all steps necessary, including seeking injunctive relief, to preventing the Property owner from interfering with the receiver's operations, from transferring or encumbering the property and from collecting rents on the Property.

- Provide counsel in selecting a receiver, including identifying candidates with appropriate expertise. Prepare and file the pleadings and supporting

documents necessary to secure the receiver's costs and fees, and the City's Administrative Citations, any and all enforcement expenses, including, but not limited to, litigation costs and attorney's fees, as first priority lines on the Property.

- Take the steps necessary to procure preliminary funds for the receiver to develop a rehabilitation plan resulting in the removal of all junk, trash and debris from the Property prior to and through complete rehabilitation of the Property.

- Attend all necessary or appropriate court appearances, provide advice and guidance on all issues related to the above mentioned Property until the receivership is complete, all costs are recovered, and a notice of final disposition and release has been approved by the court and a first priority lien for the City is recorded on the Property.

- To provide legal services and report in writing the findings to the Chief of Police or his designee; and
- To provide weekly status updates given verbally to the Chief of Police, or his designee.
- To consult with the Chief of Police before releasing any information to the news media regarding any legal services the Consultant conducts on behalf of the City.

It is the responsibility of the Proposer to meet with staff to become familiar with the City's needs. It is the City's expectation that all items identified in this RFP will be addressed.

CONTRACT ADMINISTRATION AND COORDINATION

Kick-off Meeting

Upon receipt of a written Notice to Proceed from the City of Banning Police Department, Consultant shall coordinate a meeting with the Banning Police Department to review the scope of services, develop a schedule, and confirm deliverables. The schedule shall include each task and subtasks.

Coordination

It is the responsibility of the Consultant to coordinate any interactions that may need to occur with various outside agencies throughout the provided services.

Reporting Schedule

Consultant shall provide status reports to the Chief of Police, or his designee, on a bi-monthly basis during periods when legal representation is being provided.

CONTRACT REQUIREMENTS AND SUBMITTALS

The Contract may be presented to Council for approval. If your firm is selected, you will be required to sign a City agreement (**Example included in Exhibit "A"**) and provide proof that all insurance requirements have been satisfied before a purchase order is granted.

AWARD CRITERIA

General Provision – The award of contract(s) shall be at the sole discretion of the City. It is the intent to make an award to one (1) Bidder for all items, although the City reserves the right to make multiple awards depending on the needs and best interests of the City. The City may accept or reject any and all proposals in whole or in part any may waive informalities in the process. The contents of the proposal of the selected Bidder will become the basis for a contractual obligation when the award is made.

Professional Services – Award will be made to the most qualified Bidder whose proposal is determined to be the most advantageous to the City at a reasonable price.

TERMS AND CONDITIONS

i. Applicable Laws – The laws of the State of California will govern the contract. The applicable law for any legal dispute arising out of the contract shall be the law of the State of California. The Bidder shall comply with all federal, state, county and local laws concerning this type of commodity/service.

ii. Equal Employment Opportunity – The Bidder shall comply with all applicable state and federal laws addressing Equal Employment Opportunity.

iii. Conflict of Interest – Except for items that are clearly promotional in nature, mass produced, trivial in value and not intended to invoke any form of reciprocation, employees of the City of Banning may not accept gratuities, entertainment, meals of anything of value whatsoever from current or potential suppliers. The offer of such gratuity to an employee of the City shall be cause for declaring such supplier to be an irresponsible proposer and preventing him from bidding.

iv. Independent Contractor Status – It is expressly understood that the Bidder named in any contract entered into by the City is acting as an "independent contractor" and not as an agent or employee of the City of Banning.

v. Default of Contractor/Consultant – The City of Banning shall hold the Bidder responsible for any damage that may be sustained because of the failure or neglect of the Bidder to comply with any term or condition listed herein.

vi. Permits and Licenses – The Bidder shall secure or maintain in force during the period covered by any contract resulting from this specification all licenses and permits required by law for the operation of their business including a Banning Business License.

vii. Appropriation of Funds – If the terms of this agreement extend into fiscal years subsequent to that in which it was approved, such continuation of the contract is subject to the appropriation of funds for such purpose by the City of Banning City Council. If funds to effect such continued payment are not appropriated, the Bidder agrees to terminate any goods or service supplied to the City under this agreement.

viii. Assignment – The Bidder, shall under no circumstances, assign any contract issued as a result of this proposal by any means whatsoever, or any part thereof to another party without express written permission of the City of Banning.

ix. Award of Contract – Award of any contract arising from any proposal submitted as a result of this RFP may require approval by the City of Banning City Council as prescribed by City Ordinance and Codes. All awards require a City of Banning Purchase Order prior to work or delivery. If, after award of contract, consultant provides additional terms or conditions, the award shall be considered VOID.

x. Signed Submission of Proposals – The submission of proposals must be signed in longhand by the Bidder with his/her usual signature. Submission of proposals by partnerships must be signed with the partnership name by the principal partner, followed by the signature and designation of the person signing; submission of proposals by corporations must be signed with legal name of the corporation of president, secretary, or other person authorized to bind it in the matter. The name of each person signing shall be typed or printed below the signature.

xi. Addendum to the RFP – If it becomes necessary to revise any part of this RFP, an addendum to the RFP will be posted on the City's website (see "Bid Submittal Instructions"). All addenda issued during the time of bidding will be incorporated into any resulting contract.

xii. Late Submission of Proposal – Any submission of proposals received after the due date and time specified in this RFP will not be considered.

xiii. Withdrawal of Submission of Proposals - Any Bidder may withdraw his/her submission of proposals, either verbally, or by written correspondence, email or facsimile request at any time prior to the time set for the proposals opening, provided that written confirmation of any electronic (facsimile/email) withdrawal of the signature of the Bidder is placed in the mail and postmarked prior to the time set for the opening thereof. Negligence on the part of the Bidder in preparing his/her submission of proposals confers no right of withdrawal of his/her submission after such submission has been opened.

xiv. Rejection of Submission of Proposals – The RFP does not commit the City of Banning to award any contract. The City reserves the right, at its sole discretion, to reject any or all proposals without penalty, to waive irregularities in any proposals or in the RFP procedures, and to be the final judge as to which is the responsible, qualified proposal. Any proposal that contains items not specified, items that are incorrect, that does not complete all the items scheduled, or does not respond to items in the manner specified in this RFP, and proposals received by telephone or facsimile, may be considered non responsible and may be rejected on these basis at the sole discretion of the City. Proposals offering less than 90 days for acceptance from the proposed closing date may be considered non-responsive and may be rejected.

xv. Non-acceptable of any proposal will not imply any criticism of the proposal or convey any indication that the proposal was deficient. Non-acceptance of any proposal will mean that another proposal was deemed to be more advantageous to the City of Banning, or that no proposal was deemed acceptable.

xvi. Public Information – After the date specified for opening of the RFP, all materials received relative to general service proposals becomes public information and are available for inspection. Professional service proposals become public upon aware of the contract. The City reserves the right to retain all proposals submitted, whether or not the proposal was selected or judged to be responsive.

xvii. Bidder's Cost to Develop Proposal – Cost for developing proposals in response to this RFP are entirely the obligation of the Bidder and shall not be chargeable in any manner to the City of Banning.

xviii. News Releases – The Bidder shall not make news releases pertaining to an award resulting from proposals made in response to the RFP without the prior written approval of the City of Banning Administrative Services Director. In addition, the successful Bidder must agree not to release any advertising copy mentioning the City of Banning or quoting the opinion of any City employee without written approval by the City of Banning Administrative Services Director.

xix. Right to Negotiate Proposals – The City of Banning reserves the right to negotiate any price or any provision, accept any part, or all parts of any and all proposals as deemed in the best interest of the City and the taxpaying public. Bidders are encouraged to submit their best prices in the proposal as negotiations may only occur with the lowest responsible bidder for general services. For professional services, fee may be negotiated with the most qualified bidder.

CONSULTANT COMPENATION

Selected Consultant will be asked to provide specific scope and "**not to exceed fixed budget/fee**" prior to the issuance of the notice to proceed.

CITY DISCLAIMER

The City reserves the right to reject any or the entire Proposal, to waive any informality in any Qualification, and to select the Proposal that best meets the needs of the City. The City also reserves the right to reduce or revise elements of the scope of services, or to amend or modify the contractual requirements, or to negotiate with any qualified consultant.

No representation is made that any contract will be awarded pursuant to this RFP. In no way shall a contract be viewed as an exclusive contract in any way. The City reserves the right to retain additional compensation as necessary to satisfy the needs of the City. All costs incurred in preparation of the proposal, in the submissions of additional information and/or in any other aspect of a proposal prior to the award of a written contract will be borne by the proposed firm. Information submitted to the City in response to this RFP will become property of the City of Banning and will not be returned. The "technical" portion of the Proposal will be considered public information.

Questions regarding this RFP should be directed to:

Robert Fisher, Administrative Sergeant
Banning Police Department
125 E. Ramsey Street
PO Box 1177
Banning, CA 92220
Phone: (951) 849-1195
Email: RFisher@ci.banning.ca.us

EXHIBIT "A"

PROFESSIONAL SERVICES AGREEMENT

Sample

Final version will be created once a firm is selected.

Sample

(Final version will be created once a consultant/firm is selected.)

PROFESSIONAL SERVICES AGREEMENT

By and Between

CITY OF BANNING

and

_____

AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF BANNING AND

_____

THIS AGREEMENT FOR CONTRACT SERVICES (herein" Agreement") is made and entered into this ____ day of _____, 2016 by and between the City of Banning, a municipal corporation ("City") and _____, ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties"). Consultant

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Banning's Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For

purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

This Agreement shall include the Request for Proposal or Invitation for Bids ("Contract Documents") and the Scope of Service shall include the Consultant's scope of work or in Consultant's accepted bid proposal ("Accepted Bid") shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the Contract Documents, Accepted Bid, and/or this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at City's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra services, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or $25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Facilities and Equipment.

Except as otherwise provided, Consultant shall, at its own cost and expense, provide all facilities and equipment necessary to perform the services required by this Agreement. City shall make available to Consultant only physical facilities such as desks, filing cabinets, and conference space ("City Facilities"), as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of City. The location, quality, and time of furnishing City Facilities shall be in the sole discretion of City. In no event shall City be required to furnish any facilities that may involve incurring any direct expense, including but not limited to computer, long distance telephone, network data, internet or other communication charges, vehicles and reproduction facilities.

1.10 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed _____ Dollars ($_____) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City may independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3. City will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to

Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer shall extend the time for performance in accordance with the procedures set forth in Section 1.10. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

_____	_____
(Name)	(Title)
_____	_____
(Name)	(Title)
_____	_____
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Principals were a substantial inducement for City to enter into this Agreement. Therefore, the Principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance. In the event that City, in its sole discretion, at any time during the term of this Agreement, desire to reassign any staff or subcontractor of Consultant, Consultant shall, immediately upon reassign notice from City of such desire of City, reassign such persons or persons.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venture or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Comprehensive General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Workers Compensation Insurance. A policy of workers compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Consultant and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than $1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements.

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under

this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed] _____
Agent's Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Consultant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible nor shall it limit the Consultant's indemnification liabilities as provided in Section 5.3.

In the event the Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnors"), or arising from Consultant's reckless or willful misconduct, or arising from Consultant's or indemnors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Consultant shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

In addition, Consultant agrees to indemnify, defend and hold harmless the Indemnified Parties from, any and all claims and liabilities for any infringement of patent rights, copyrights or trademark on any person or persons in consequence of the use by the Indemnified Parties of

articles to be supplied by Consultant under this Agreement, and of which the Consultant is not the patentee or assignee or has not the lawful right to sell the same.

5.4 Sufficiency of Insurer or Surety.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall proceed with payment on the invoices only when the default is cured. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any

right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant must file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Consultant and its sureties shall be liable for and shall pay to the City the sum of ___Not Applicable____ ($_0.00_) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Consultant any accrued liquidated damages.

7.8 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to

this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.9 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.10 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any

State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF BANNING, 99 E. RAMSEY ST, BANNING, CA 92220 and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF BANNING, a municipal corporation

_____,
City Manager

ATTEST:

_____
Marie A. Calderon, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

_____
Anthony R. Taylor, City Attorney

CONSULTANT:

_____

_____

By:_____
Name:
Title:

By:_____
Name:
Title:

Address:_____

_____

_____

Two signatures are required if a corporation.

NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF

On _____, 2016 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER

_____
TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/CONSERVATOR
- ☐ OTHER_____

_____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
TITLE OR TYPE OF DOCUMENT

_____
NUMBER OF PAGES

_____
DATE OF DOCUMENT

_____
SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF

On _____, 2016 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

_____
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER_____

_____

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
TITLE OR TYPE OF DOCUMENT

_____
NUMBER OF PAGES

_____
DATE OF DOCUMENT

_____
SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

I. Consultant will perform the following Services:

A. Work with City staff to ensure all nuisance conditions at 649 W. Lincoln Street Banning, Ca. 92220 are identified.

B. Provide presentation to City staff and City Council (if requested) regarding the process and likely outcomes for Court appointed receivership as a means of taking control of the Property, including abatement of all code violations and existing nuisance conditions utilizing funds provided from the Property itself, while recouping all City costs and attorney fees through first-priority liens on the Property.

C. Take all steps necessary to have the court appoint a receiver for the Property who will ultimately manage the Property in such a manner as to comply with the City's Municipal Code, and other applicable rules and regulations, including those of the State Fire Code and the California Health and Safety Code. This will include, but not be limited to, preparing, serving and filing receivership petition and supporting documents for the Property, taking all steps necessary, including seeking injunctive relief, to preventing the Property owner from interfering with the receiver's operations, from transferring or encumbering the property and from collecting rents on the Property.

D. Provide counsel in selecting a receiver, including identifying candidates with appropriate expertise. Prepare and file the pleadings and supporting documents necessary to secure the receiver's costs and fees, and the City's Administrative Citations, any and all enforcement expenses, including, but not limited to, litigation costs and attorney's fees, as first priority lines on the Property.

E. Take the steps necessary to procure preliminary funds for the receiver to develop a rehabilitation plan resulting in the removal of all junk, trash and debris from the Property prior to and through complete rehabilitation of the Property.

F. Attend all necessary or appropriate court appearances, provide advice and guidance on all issues related to the above mentioned Property until the receivership is complete, all costs are recovered, and a notice of final disposition and release has been approved by the court and a first priority lien for the City is recorded on the Property.

G. To provide legal services and report in writing the findings to the Chief of Police or his designee.

H. To provide weekly status updates given verbally to the Chief of Police, or his designee.

I. To consult with the Chief of Police before releasing any information to the news media regarding any legal services the Consultant conducts on behalf of the City.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

A. Successful receivership for the property noted in RFP.

III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City appraised of the status of performance by delivering the following status reports:

A. Be able to provide an oral presentation to the Banning City Council upon request.

IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

V. Consultant will utilize the following personnel to accomplish the Services:

A.

B.

C.

EXHIBIT "B"

SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

To be determined based upon RFP process

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

		RATE	TIME	SUB-BUDGET
A.	_____	_____	_____	_____
B.	_____	_____	_____	_____
C.	_____	_____	_____	_____
D.	_____	_____	_____	_____

II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.

IV. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.

B. Line items for all materials and equipment properly charged to the Services.

C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.

D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

V. The total compensation for the Services shall not exceed $_____ as provided in Section 2.1 of this Agreement.

VI. The Consultant's billing rates for all personnel are attached as Exhibit C-1.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all Services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Officer. Contractor will provide a written proposal within one week of the city's request for services, unless otherwise agreed to by the Contract Officer.

II. Consultant shall deliver the following tangible work products to the City by the following dates.

A.

B.

C.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.

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Exhibit "B"

Press Enterprise
April 15, 2016 Notice of Availability

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.:

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

04/15/2016

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Apr 15, 2016

At: Riverside, California

Legal Advertising Representative, The Press-Enterprise

BANNING CITY CLERK
99 E RAMSEY ST
BANNING, CA 92220

Ad Number: 0010154786-01

P.O. Number:

Ad Copy:

REQUEST FOR PROPOSALS (RFP) LEGAL REPRESENTATION RELATED TO RECEIVERSHIPS FOR BLIGHTED PROPERTY. The City of Banning is soliciting proposals from qualified legal firms with no less than Five (5) years of experience of providing professional legal representation related to establishing receiverships with condemned properties on behalf of California public safety agencies. A complete copy of the Request for Proposals may be obtained by visiting the City of Banning website at: www.ci.banning.ca.us or by contacting Robert Fisher, Administrative Sergeant, by email at: RFisher@ci.banning.ca.us or by phone at (951) 849-1195. Proposals are due by Thursday, June 2, 2016 at 4:00 p.m. to the City of Banning, City Clerk's Office located at 99 E. Ramsey Street, Banning, Ca, 92220.

BY ORDER OF THE CITY CLERK of the City of Banning, California.

s/ Marie A. Calderon, City Clerk
City of Banning 4/15

Exhibit "C"

Proposals

GdB Green de Bortinowsky
Best, Best & Krieger, LLP
Sliver & Wright, LLP

SUMMARY OF REQUEST FOR QUALIFICATIONS
CITY OF BANNING

DESCRIPTION: RFP-LEGAL REPRESENTATION RELATED TO RECEIVERSHIPS FOR BLIGHTED PROPERTY

DUE BY: 06/02/16 at 4:00 p.m.

NAME OF BIDDER (COMPANY):	ADDRESS:	NAME:	DATE RECEIVED:	
GdB Green de Bortinowsky	23801 Calabasas Rd., Ste. 1015 Calabasas, CA	Charles R. Green	5/31/16	
Best, Best & Krieger, LLP	3390 University Ave. 5th Floor Riverside, CA	Mark Easter	6/1/16	
Silver & Wright LLP	3350 Shelby Street, Ste. 250 Ontario, CA	Matthew R. Silver and Curtis R. Wright	6/2/16	

BY: Mari A. Calderon, City Clerk

GdB
Green de Bortnowsky
A Law Partnership

Calabasas | 23801 Calabasas Road, Suite 1015, Calabasas, California 91302
Telephone 818.704.0195 • Facsimile 818.704.4729

Rancho Mirage | 41750 Rancho Las Palmas Drive, Suite P-1, Rancho Mirage, California 92270
Telephone 760.770.0873 • Facsimile 760.770.1724

www.gdblawoffices.com

RECEIVED
JUN 1 2016
By City Clerk's Office

May 27, 2016

Marie Calderon, City Clerk
City of Banning
99 E. Ramsey Street
Banning, CA 92220

Re: Request for Proposals for Legal Representation for Receivership
And Legal Advice Pertaining to Blighted Property – Banning Business Center

Dear Ms. Calderon:

Enclosed you will find the requisite number of proposals from this firm, sent in response to your Request for Proposals dated April 15, 2016.

We have examined the RFP closely and are confident that we can provide the services which the City has indicated are desired. Our firm is currently representing other cities, including San Bernardino and Victorville, in receivership and code enforcement matters.

Further, we are a smaller firm that specializes in municipal law and with much lower overhead costs than our larger competitors enabling us to provide our expertise at receivership at and thus able to offer highly competitive financial terms.

For all of the foregoing reasons, we believe Green de Bortnowsky is uniquely qualified to serve as legal counsel to provide representation for receivership Petition for Blighted Property for the City of Banning.

Thank you for the opportunity to present our proposal. We hope to have further discussions with the City on this matter.

Very truly yours,

GREEN de BORTNOWSKY, LLP

Charles R. Green

CRG:law

RECEIVED
JUN 1 2016
By City Clerk's Office

PROPOSAL IN RESPONSE TO:
CITY OF BANNING POLICE DEPARTMENT
RFP – LEGAL REPRESENTATION FOR RECEIVERSHIP AND LEGAL ADVICE PERTAINING TO BLIGHTED PROPERTY – BANNING BUSINESS CENTER

PRESENTED BY:

GdB
Green de Bortnowsky
A Law Partnership

Rancho Mirage

41750 Rancho Las Palmas Drive
Suite P1
Rancho Mirage, CA 92270
760 770-0873
Fax 760 770-1724

INTRODUCTION

Green de Bortnowsky, LLP (the "Firm") is pleased to submit this proposal for Legal representation with regard to receivership petition for blighted property, to be provided under the direction of the Chief of Police or his designee. The Firm practices only in municipal law and maintains a strong code enforcement and receivership program on full contingency—at no cost to City.

The Firm has provided legal counsel services to public agencies since 1980. The Firm currently serves as City Attorney and City Prosecutor for the city of Victorville (since 2001) and previously for Cathedral City (1996-2015). The Firm also serves as General Counsel for the Southern California Logistics Airport Authority, the Southern California Logistics Rail Authority, the Victor Valley Economic Development Authority, the Glendale Oversight Board and the Southern Coachella Valley Coachella Valley Community Services District. Specifically, the Firm has served as legal counsel in receiverships for the Cities of San Bernardino, Victorville, Cathedral City and Desert Hot Springs. The Firm also supplies general code enforcement representation, or has done so in the recent past, to all of the cities mentioned in this paragraph, and has done so for in excess of twenty (20) years.

In each case, the Firm has worked closely with the responsible City Department, which varied from city to city, and included Police Departments, Fire Departments, Community Development Departments and Administrative Services Departments. In each case the Firm worked cooperatively on a consistent basis with the responsible city employees to achieve the best possible results.

HEALTH AND SAFETY RECEIVERSHIPS

Except in cases where the Firm is also the City Attorney, the Firm provides legal services for health and safety receiverships entirely on a contingency basis—there is no out of pocket cost to the client at all. For this reason, among others, Receiverships are the ideal way to address many of the most problematic properties encountered by Code Enforcement. The State Bar has ruled that a City Attorney cannot also represent its city clients on a contingency basis, finding that this creates a conflict of interest on the part of the City Attorney. There is no such prohibition for law firms serving as special counsel.

A health and safety receiver may be appointed to take control of properties in violation of State Housing Law, related building codes and regulations, and similar local ordinances. Violations must be extensive and of such a nature that the health and safety of the public or the occupants is substantially endangered. Generally, cases of this severity are only referred to the Firm after Code Enforcement has attempted every other conceivable avenue and has been frustrated in achieving compliance. In such a case, the client is entirely justified in moving expeditiously with procedures for appointing a receiver—the great majority of the work, including declaration drafting, evidentiary review and the crafting of the Complaint for Receivership is performed by

the Firm. The Firm appears at all court hearings to vigorously prosecute the Client's decision to seek a receivership. Our attorneys are available to accompanying Code Enforcement Officers during property inspections, and are well versed in identifying violations and accurately relaying that information to the judge appointed to hear the client's case.

If selected to handle receivership cases for the City, the Firm anticipates scheduling an initial in-person meeting with appropriate staff from the Police Department and such other officials as the Police Department deems appropriate to establish procedures for processing cases. It is likely that at least part of the City's rationale for establishing the Receivership Program is to alleviate the burden on City personnel. The Firm certainly appreciates this concern and always endeavors to minimize any necessary work by client staff. Establishing expectations up front will allow this to occur. The Firm has in place an intake system for cases, including initial assessment, evidentiary evaluation, complaint/pleading drafting and timelines on each, and a reporting system to necessary personnel should be set up, which is primarily provided to our client's at the end of each week or as the client desires. The Firm is fully capable of commencing work on receiverships for the City immediately, and is fully capable of handling numerous receivership cases at varying stages in a timely fashion.

The Firm welcomes a vigorous evaluation process of its services. We take pride in our efficiency and responsiveness, and are fully confident the City will be satisfied with our services.

This is a typical timeline for handling of a receivership case by the Firm:

Week	Action
1	• Case referred by Code Enforcement to the Firm; • Review file; • Send property information to proposed receiver for review; and • Order litigation guarantee.
2	• Proposed receiver responds as to whether the property is an acceptable candidate for receivership.
3	• Litigation guarantee is received; and • Specially prepared "Notice to Abate" prepared by the Firm, reviewed and signed by Code Enforcement personnel, and is dispatched via certified mail to all parties with any recorded interest in the property and is posted at the property by Code Enforcement. Compliance deadline varies, but may typically be 30 days.
8	• Once deadline passes, Code Enforcement and/or Building personnel re-inspect the property to determine compliance status; • If compliance is not achieved, the Firm dispatches a required pre-filing letter to all interest holders via personal service; and • The Firm commences preparation of the Petition for receivership.

9	• Petition filed with the Superior Court and sent out for service; hearing generally scheduled approximately 30 days out from filing; and • Petition sent out for service.
14	• Petition heard and receiver appointed.
6-9 Months Later	• Typical period required for the appointed receiver to take control, abate the property, and sell it to a responsible owner.

Our office has worked successfully with multiple receivers. The receiver is an agent of the Superior Court (not the client) and is legally charged with the following responsibilities:

- Taking full and complete control of the property;
- Managing the property and paying expenses, including taxes, insurance, utilities, general maintenance, and debt;
- Securing a cost estimate and construction plan from a licensed contractor for repairs necessary to correct the violations;
- Entering contracts and employing a licensed contractor to correct violations;
- Borrowing funds via a super-priority loan against the property, taking precedence against all other mortgages and liens except property taxes; and
- Taking any other appropriate actions as authorized by the court.

In addition, the receiver will also pay all the City's enforcement costs and other liens, including administrative fines (if there is sufficient equity to pay) and attorney's fees. This is most frequently done at the close of escrow following sale of the property to a responsible purchaser—although the Firm has sometimes compelled full payment much sooner.

The Firm has utilized receiverships in a number of situations, most frequently for vacant or abandoned properties. In some cases lending institutions have appeared and become involved with cases, but in most instances they instead elect to simply monitor the proceedings or become only minimally involved with the process.

A number of factors may serve to alter the above timeline. Most commonly, these include contact and additional attempts to resolve issues with the property owner, or delays in service of the property owner sometimes resulting in the need to serve him or her via publication rather than personal service, if their whereabouts are unknown.

Pursuant to the guidelines set forth by the California Supreme Court in *County of Santa Clara v. Superior Court* (2010) 50 Cal.4th 35, receivership representation accepted under contingency requires following certain specified procedures in order to ensure that the due process rights of the property owners are maintained. The Firm anticipates that all legal work performed would be subject to supervision by the Police Department or other personnel as designated by the Chief of Police. All key decisions, up to and including settlement offers, will be submitted to the Chief of Police or his designee for prior approval. The legal services agreement between the City and the Firm would contain provisions intended to expressly comply with the California Supreme Court's requirements.

SAMPLE RECEIVERSHIP CASES

1. **City of Cathedral City v. Faber et. al.**
   32370 Whispering Palms Trail, Cathedral City, California 92234
   Riverside County Superior Court Case No. INC 1205106

   Violations: Trash, junk and debris; dead and overgrown vegetation (fire hazard); unlawful electrical and illegal wiring; broken exterior windows; structurally unsound garage converted to living unit without a permit; improperly installed water heater; large crack in the ceiling of the living room (sagging); lack of permissible landscaping; deteriorated driveway.

   Actions taken: The receiver removed the occupants and cleaned out items on site and prepared the property for sale. Due to low property value, the court authorized the receiver to sell the property and retain jurisdiction to ensure the purchaser brought the property into full compliance. The property was purchased for $70,000 and brought into full compliance and is one of the best looking houses in the neighborhood.

   Dates of Project Start and Completion: Receiver appointed August 23, 2012. Escrow closed on sale on May 1, 2013.

   Project on Time and Budget: Property was sold according to schedule and within budget; City received full cost recovery of $9,600.69 at the close of escrow.

2. **City of Cathedral City v. Weinstein et. al.**
   30376 San Antonio Drive, Cathedral City, California 92234
   Riverside County Superior Court Case No. INC 1301415

   Violations: Abandoned and unsecured property (accessed by transients); dead and overgrown vegetation (fire hazard); unpermitted block wall; visual blight; lack of required landscaping.

   Actions taken: The receiver secured the property and prepared it for sale. Due to low property value, the court authorized the receiver to sell the property and retain

jurisdiction to ensure the purchaser brought the property into full compliance. The property was purchased for $25,000 and brought into full compliance.

Dates of Project Start and Completion: Receiver appointed June 5, 2013. Escrow closed on sale on November 11, 2013.

Project on Time and Budget: Property was sold according to schedule and within budget; City received full cost recovery of $7,611.32 at the close of escrow.

3. **Cathedral City v. Salazar et. al**.
37724 Van Fleet, Cathedral City, California 92234
Riverside County Superior Court Case No. INC 1301511

Violations: Abandoned and unsecured property (accessed by transients); structure severely damaged by fire; unpermitted block wall; visual blight; lack of required landscaping; fire hazard; rodent harborage.

Actions taken: Property brought into full compliance by receiver and marketed for sale.

Dates of Project Start and Completion: Receiver appointed January 30, 2014. Property brought into full compliance by October, 2014.

Project on Time and Budget: Remediation was completed according to schedule and within budget ($116,500).

4. **Cathedral City v. U.S. National Bank Association et. al**.
35060 Vaquero Road, Cathedral City, California 92234
Riverside County Superior Court Case No. PSC 1500419

Violations: Abandoned and unsecured property (accessed by transients); neglected swimming pool; numerous unpermitted and substandard improvements; visual blight; lack of required landscaping.

Actions taken: Remediation in progress—anticipated completion by July 20, 2015.

Dates of Project Start and Completion: Receiver appointed February 23, 2015. Remediation is ongoing with an expected completion date of July 20, 2015. Owner has already paid the City's costs and administrative fines issued to date of $15,354.92, and has agreed to pay for the City's continued expenses at the close of the case. Owner has also paid for the receiver's expenses to date.

Project on Time and Budget: The project is expected to be completed on time and within budget.

5. **City of San Bernardino v. GMAC**
3494 E. 21 Street, Highland, Ca 92346
San Bernardino County Superior Court Case No. CIVDS1515884

Violations: Abandoned and unsecured property (accessed by transients); trash and debris; graffiti; weeds; structural issues with stairs, catwalk and flooring in interior units; unlawful electrical and illegal wiring; unusable plumbing system due to extensive damage to the interior units; visual blight; lack of required landscaping; fire hazard; deteriorated drive way; broken windows and doors; and holes in the exterior walls.

Actions Taken: In a contested matter with the Owner/Lender, the Firm argued for appointment of receiver in spite of the fact that owner was attempting to fix the property, due to the years of neglect and decay, Court appointed the receiver.

Date of Project and Start and Completion: Receiver appointed on May 19, 2016, and secured the property, remediation is in progress and expected completion date is September 2015.

Project on Time and Budget: The project is expected to be completed on time and within budget.

EXPERIENCE AND EXPERTISE

The Firm has successfully handled numerous receivership cases, generally obtaining full compliance and cost recovery for the client. The Firm's attorneys are intimately familiar with Health and Safety Code sections 17980.6 and 17980.7, which authorize health and safety receiverships and are part of State Housing Law. In turn, Health and Safety Code section 17920.3 includes a lengthy list of conditions which, when sufficiently severe, threaten public health and safety and may justify the appointment of a receiver. The Firm also works closely with both Code Enforcement and Building and Safety officials, who determine whether a particular property may violate the California Building Standards Codes, such as the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, and the like.

The Firm has worked extensively with multiple receivers and is currently working closely with Kevin Randolph and Nick Firetag of Gresham Savage with regard to the many cases which are ongoing in the City of San Bernardino. Experience has dictated that establishing a clear relationship with the receiver of the City's expectations and ensuring ongoing contact are critical. The Firm endeavors to facilitate communication between responsible city officials and the receiver. If communication falters, the client's expectations for a particular property will not be fulfilled - and the responsibility for ensuring the proper result on each case lies with the Firm.

Code Enforcement Philosophy and Cost Recovery

For most local governments, the primary goal of Code Enforcement is to obtain compliance as quickly as possible, while utilizing the minimal resources necessary to effectuate that goal. In these days of shrinking funding, many Code Enforcement departments need to do more with less. Only the most serious and challenging cases are normally referred to legal counsel, when lesser tools have proven inadequate to compel a violator to bring a property into compliance or other extenuating circumstances are involved.

When receiving a Code Enforcement case from a client, the Firm's first action is to review the file to determine what the most expeditious manner of obtaining compliance. Except in emergency situations, it is normally preferable to compel a violator to comply, rather than having the City or another third party abate a violation. However, by the time a case is referred to legal counsel, Code Enforcement staff have often exhausted all reasonable attempts at gaining voluntary compliance. The mere presence of legal counsel may sometimes result in additional efforts by a responsible party, but more often by the time the case reaches our office it is time for aggressive action.

The Firm is aware of the need to keep legal costs down for two reasons. Firstly, local governments have a need to maintain strict budgets in these days of fiscal restraint. Secondly, however, California law expressly calls for Code Enforcement expenses, including legal fees, to be borne by violators rather than the taxpayers. It is for this reason that cities are allowed to place liens and/or special assessments against properties to recover Code Enforcement expenses and legal fees. The Firm's goal is not to punish a violator or loot the equity of the property in any particular case. In acting as counsel for the City, the Firm strives to act in an ethical manner to minimize the expense to the property owner, while still fulfilling the City's goals.

For this reason, one of the Firm's highest priorities is keeping costs to a reasonable and defensible level, and then collecting those costs, as well as full expenses, from violators via all legally authorized means. The Firm creatively utilizes contingency fee arrangements in receiverships in order to eliminate any outlay of City funds for legal enforcement in cases where such a tactic is appropriate. The Firm is fully committed to recovering legal fees and penalties and other enforcement costs due the client—and no more.

It is critical to understand that most receivership firm plan on collecting their fees from the property owner's equity in the property, and then from the City in the event there is a shortfall in the equity. Our proposal totally holds the City harmless as to fees, regardless of the outcome.

Community Engagement Strategies

The Firm's attorneys understand that the public welfare is served when substandard and nuisance properties are abated. However, simply understanding that this is so is not enough—attorneys representing a government agency that seeks to invoke the drastic remedy of receivership must be able to clearly articulate the advantages of such a strategy to other stakeholders—including property owners, mortgage holders, other attorneys, the courts, community groups, and the general public.

When authorized by a client, the Firm's attorneys will interact with the media and attend public meetings and respond to general public inquiries about cases from a wide range of persons. It is the Firm's position to forward all media requests to the client and the firm will never unilaterally respond to a media request. Due to the nature of receiverships, it is the Firm's role in Code Enforcement matters not to punish a violator—it is to solve community problems at minimal cost to the taxpayers. The receivership program authorized by State law is a unique and proven method of handling problem properties by collaborating and getting the properties into the hands of persons in the private sector with the experience and abilities to solve problems on a permanent basis.

TEAM AND ATTORNEY RESUMES

The Firm's lead Code Enforcement attorney is Tuan-Anh Vu, will be responsible for day-to-day operations and will generally be the primary contact person for City staff. Mr. Vu will be assisted by attorneys Charles R. Green (the Firm's lead litigation attorney with over 250 cases tried) and former California Deputy Attorney General Michelle McCarron, another experienced courtroom lawyer. The Firm is experienced and very comfortable handling high caseload levels.

It is important to note that the Firm is not limited to handling these kinds of cases, which can be critical when unexpected issues arise which trigger other public agency obligations of concerns. With the Firm's 30+ years of practice as a full scope municipal law firm, we are attuned to many potential issues of which other firms might not be familiar.

The majority of cases referred to the Firm for receivership are qualified. However, the Firm does conduct a thorough review process to ensure that the particular property falls under the statutory guidelines. Additionally, the proposed receiver must review and agree to accept any such cases. In rare instances, depending on the facts of the case and the response of a proposed receiver or receivers, the Firm may advise against a petition for receivership. However, this recommendation is made expeditiously to allow the client to pursue other enforcement options as appropriate. The Firm is capable of handling a heavy caseload at many different stages of litigation.

Charles R. Green

Mr. Green has been with the Firm since 1987. Since joining the Firm, Mr. Green's practice has been devoted to the representation of cities, joint powers authorities, redevelopment/successor agencies, and other public entities. Mr. Green graduated from UCLA in 1972 with an undergraduate degree in Political Science and from the UCLA School of Law in 1975 with a J.D. He was admitted to the State Bar of California in 1976.

Mr. Green served as the City Prosecutor for the City of Calabasas from 2003 through 2007. Mr. Green is an experienced trial attorney, serving as litigation counsel to the Firm's various clients over the years in a variety of municipally related litigation matters, including complex environmental cases, validation actions, condemnation proceedings and general litigation relating to the powers and immunities of governmental entities. His services have included both trial and appellate work and he has argued cases before the Second, Third and Fourth District Courts of Appeal. Mr. Green successfully defended the Environmental Impact Report ("EIR") issued in connection with the professional football stadium proposed to be constructed in the City of Irwindale in 1989, and successfully defended over 20 different actions filed in connection with the reuse of the former George Air Force Base, including several challenges to the EIR and a number of validation actions challenging the redevelopment actions of the joint powers authority.

During his time with the Firm, Mr. Green has been involved in a variety of matters, including:

- Serving as the City Attorney of the City of Desert Hot Springs from 1997 through 2004.

- Serving as the City Attorney of the City of Victorville from 2002 through 2007.

- Serving as the Assistant City Attorney of the City of Cathedral City from 1996 and as the City Attorney from 2001 through 2015. In his service as a City Attorney and an Assistant City Attorney, Mr. Green provides representation and advice to every department of the Firm's client cities, including administration and the city clerk's office, planning, public safety, public works and parks and recreation. He has extensive experience in advising elected officials in the areas of conflict of interest laws and has represented clients before the Fair Political Practices Commission. He has assisted in a number of amendments to general plans and the creation or amendment of a number of specific plans, as well as advised clients on matters relating to subdivisions and tract maps. Mr. Green is highly experienced in the negotiation and drafting of a variety of contracts relating to local government, including franchise agreements, construction agreements, development agreements, infrastructure agreements imposing obligations on developers with respect to public infrastructure and the formation of assessment districts, community facilities districts and landscape and lighting maintenance districts.

- Serving as Redevelopment Agency and Successor Agency Counsel to the Redevelopment Agencies of Cities of Cathedral City and Desert Hot Springs during the Firm's representation of those cities, beginning in 1996.

- Serving, together with Mr. de Bortnowsky, as General Counsel for the Victor Valley Economic Development Agency beginning in 1991.

- Performing redevelopment and/or successor agency services for the Redevelopment Agencies of the Cities of San Bernardino and Colton from 1987 through 2000, Mammoth Lakes in 1997 and Redwood City from 2003 through 2011.

- Providing risk management advice to municipal entities, including the oversight of outside counsel, the review of insurance coverages and contracts and the creation of risk avoidance procedures at the staff level. As a litigator, Mr. Green provides an experienced eye and sound judgment to the city council in measuring the city's risk in various litigation matters and in reviewing settlement options and procedures.

- Representing the Firm's various clients in connection with major municipal or redevelopment projects, including the development of public facilities such as city halls, corporate yards, skate parks and other recreational facilities. These services have included assistance to the client in identifying funding sources, overseeing the public bidding process, preparing or reviewing contracts, negotiating with utility providers and a variety of related matters.

- Advising the Firm's municipal clients on a very broad range of private sector developments, including 3,000 home housing tracts, theater/entertainment complexes, major hotel and resort projects, sports stadia, industrial parks and retail commercial centers. In these projects, Mr. Green has focused on the protection of public interests and on assisting his clients in managing and controlling growth in a manner protective of the environment and the community's quality of life. These projects have included both redevelopment and non-redevelopment projects. Mr. Green has prepared numerous complex transactional documents, including development agreements, disposition and development agreements, owner participation agreements, infrastructure agreements and a wide variety of related documents. In this context, Mr. Green has been involved in the full range of planning and entitlement issues and has assisted in negotiations and agreements with utility providers and regional authorities overseeing flood control, waste and other matters.

In his role as City Attorney for various clients, and as Special Counsel, Mr. Green has served as the City Prosecutor for a number of cities, and is deeply involved in the litigation side of code enforcement, including receiverships.

Prior to joining the Firm in 1987, Mr. Green worked for two different law firms practicing in commercial and real estate litigation, commercial finance, real estate

transactions and equipment leasing, acquiring a substantial expertise in private sector transactions. In this context, he advised clients in real estate matters and secured transactions throughout Southern California. These services included providing advice and representation in connection with purchase and sales, financing arrangements, title concerns, hazardous waste conditions and entitlements. Mr. Green negotiated and drafted a wide range of contracts relating to commercial and real estate matters, including the complete set of documents required for the sale of a number of businesses, commercial real estate leases, corporate asset transfers and commercial finance equipment leases.

Mr. Green served as the managing partner of the Firm until 2005, and is a member of the State Bar of California (Public Law Section Membership), the American Bar Association, the Los Angeles County Bar Association, the League of California Cities City Attorney Section and the California Redevelopment Association.

Finally, Mr. Green, due to his reputation in the municipal law field, has been asked by three law schools to serve as an adjunct professor and instructor in municipal law, and is currently preparing course outlines and syllabi for potentially accepting such a position. The position would part time and would not interfere in his normal practice activities.

Tuan-Anh Vu

Mr. Vu attended Pepperdine University School of Law and was admitted to the State Bar of California in December, 2012. Prior to join the law firm in 2013, Mr. Vu clerked for the Los Angeles County District Attorney's office, where he assisted in the prosecution of felony cases and conducted preliminary hearings. Subsequently, Mr. Vu clerked for the California Attorney General's Office, where he focused on civil litigation in the areas of employment law and constitutional law.

During law school, Mr. Vu was the vice president of the Asian Pacific American Student Law Association and participated in several fundraisers and events. He was active in intramural sports and became an editor for the National Association of Administrative Law Judiciary journal.

Mr. Vu currently works on general municipal matters, with a focus on Code Enforcement. He serves as Deputy City Prosecutor for the cities of Cathedral City and Victorville, and as special counsel to the City of San Bernardino for a large number of receiverships. Mr. Vu has successfully prosecuted numerous health and safety receivership cases.

Mr. Vu graduated with honors from the University of California, Riverside in 2009, where he majored in History.

Michelle McCarron

Ms. McCarron was admitted to the California Bar in 2005 and joined the Firm in 2015. Ms. McCarron is a senior associate with the firm and serves as the Firm's litigator, Deputy City Attorney for Victorville, special counsel to San Bernardino and represents the Firm's other municipal clients when needed. Ms. McCarron's practice is centered in Municipal Law with a focus on litigation. She advises her clients on a variety of legal issues assessing the benefits and risks of various transactions in terms of litigation. On behalf of her clients, Ms. McCarron formulates litigation strategies and represents her clients to the fullest extent in State and Federal Court.

Prior to joining the Firm, Ms. McCarron served as a Deputy Attorney General with the California Department of Justice, Office of the Attorney General, from 2009 to 2015. As a DAG, Ms. McCarron represented over 30 different State Agencies, advising them on sensitive matters and representing them in State and Federal Court. While at the Attorney General's Office, Ms. McCarron litigated hundreds of proceedings on behalf of State Agencies in front of administrative, civil and criminal courts. She also prosecuted individuals licensed by State Boards, who were accused of violating State laws and regulations, with an emphasis on prosecuting unscrupulous contractors, internet pharmacies and healthcare professionals accused of fraud and drug diversion.

Ms. McCarron's former representation of the Contractor's State License Board, afforded her the opportunity to work with construction experts, building, safety and fire personnel to prosecute and remedy construction violations some of which results in Health and Safety and Building Code violations. Ms. McCarron's knowledge of construction and being able to identify violations without assistance of specialty personnel makes her a courtroom asset when she is conveying property violations to the Judge in a clear and concise manner.

Ms. McCarron began her legal career with one of the top firms in the nation, Coughlin Stoia Geller Rudman and Robbins, prosecuting securities fraud class action suits on behalf of defrauded institutional investors, such as pension funds. Ms. McCarron worked as a litigation team member, prosecuting suits in federal courts across the country, specifically working on securities litigation against AOL/Time Warner, Cardinal Health, ConAgra Foods, and British Petroleum.

Ms. McCarron brings her litigation and prosecution experience to the Firm and its clients. She has conducted direct and cross examinations of lay witness, law enforcement officers, state personnel and investigators, and expert witnesses. She argues bench trials, law and motion hearings, and has participated in all phases of litigation and trial. She looks forward to representing her clients on a number of unique issues that they face on a daily basis.

Andre de Bortnowsky

Mr. de Bortnowsky, presently the managing partner of the Firm, was admitted to the State Bar of California in 1985. Prior to law school, Mr. de Bortnowsky was engaged in graduate studies in Urban Planning and Land Development. He joined the Firm in 1987 and since that time has devoted his practice exclusively to municipal law, redevelopment/successor agency, military base reuse, and real estate law.

Mr. de Bortnowsky currently serves as the City Attorney for the City of Victorville and general counsel to the Victorville Successor Agency. Mr. de Bortnowsky is General Counsel to the Southern California Logistics Airport Authority, the Southern California Logistics Rail Authority, and the Victor Valley Economic Development Authority. Mr. de Bortnowsky has previously provided consulting services to the Guam Airport Authority in connection with the conversion of Naval Air Station Agana, Guam, to a civilian aviation facility.

In his role as City Attorney, Mr. de Bortnowsky provides legal advice to all departments of the City. In his representation of the City Council he provides guidance on Brown Act matters, conflicts matters and general municipal law matters. He is responsible for preparing and/or reviewing the City's ordinances and resolutions. Mr. de Bortnowsky also provides advice and guidance to the City's planning and development departments. He is involved in ensuring compliance with State planning laws, subdivision map act requirements, government code laws and CEQA guidelines. He also participates in the structuring and negotiation of all types of land use transactions.

Mr. de Bortnowsky has also had significant experience in the preparation, adoption, and amendment of redevelopment plans throughout the State of California. He has advised clients in connection with the preparation of documents necessary for the redevelopment plan adoption process and has worked closely with redevelopment agency staffs to ensure the successful adoption of a number of redevelopment plans (as well as amendments thereto), including the largest redevelopment plan in the State.

Mr. de Bortnowsky has been involved in the negotiation and implementation of complex redevelopment and land use agreements, such as owner participation agreements disposition and development agreements, exclusive right to negotiate agreements, and lease and sales transactions. Mr. de Bortnowsky has been involved in the establishment and implementation of municipal financing districts such as Mello-Roos Community Facilities Districts and Assessment Districts and has experience in establishing and implementing developer impact fee programs. He has been extensively involved in a variety of housing issues. Mr. de Bortnowsky has also been a participant in the presentation of seminars concerning relevant issues to California redevelopment/successor agencies.

With respect to military base reuse issues, Mr. de Bortnowsky has over twenty years of experience in this arena and has developed an expertise in all facets of the reuse process. His involvement has led to extensive negotiations with both federal and state agencies with respect to issues involving property disposition, environmental

issues, federal funding and regulatory compliance. As a by-product of this representation, Mr. de Bortnowsky has also been involved in the creation of municipal utilities and in the structuring of complex development transactions, including the construction and operation of a 750 megawatt power facility.

Mr. de Bortnowsky' s education includes a B.A. from the University of California at Los Angeles, 1980, and a J.D. from the Southwestern University School of Law, 1985. Mr. de Bortnowsky is currently a member of the State Bar of California, the Los Angeles County Bar Association, the American Bar Association, the Community Redevelopment Association, the National Association of Installation Developers and the American Association of Airport Executives.

REFERENCES

City of Cathedral City
Stan Henry, Mayor
(760)770-0342
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234
Dates of Service Provided: 1996 – 2015
Work Completed for Client: Full service City Attorney including, but not limited to, full Code Enforcement legal services and receiverships

City of Rancho Mirage
Sandra Johnson, Code Compliance Manager
(760) 770-0320
69-825 Highway 111
Rancho Mirage, California 92270
Dates of Service Provided: 2002 – 2014
Work Completed for Client: Full service City Attorney including, but not limited to, full Code Enforcement legal services

City of Victorville
Gloria Garcia, Mayor
(760)955-5026
14343 Civic Center Drive
Victorville, CA 92392
Dates of Service Provided: 2001 - Present
Work Completed for Client: Full service City Attorney including, but not limited to, full Code Enforcement legal services and receiverships.

City of Cathedral City
Tami Scott, Administrative Services Director
(760) 780-0354

City of San Bernardino
Lauren Daniels, Deputy City Attorney
(909) 384-5355
300 N. "D" Street, 6th Floor, San Bernardino, CA 92418
Dates of Service Provided: 2015 – Present
Work Completed for Client: Special Counsel to the City of San Bernardino, since 2015, and has evaluated eighteen properties for Receiverships and has litigated 12 of the matters. All receivership matters for the City are currently in the litigation or receiver process and the firm has successfully had a receiver appointed in the majority of the matters handed for the city.

ATTORNEY'S FEES AND COSTS

The Firm agrees to handle any cases accepted on a full contingency basis, with the Firm recovering its fees through the receivership process, either from the receiver, the property owner, or another responsible party. The Firm's legal services are billed at the rate of $290 per hour for all attorneys and $150 per hour for paralegals. Fees and expenses, including document reproduction, legal research such as Westlaw, mileage, etc. are recovered at cost. **it should be remembered that the City will not under any circumstances be required to pay the Firm any fees, other than those received through the receivership or other procedure to obtain reimbursement from the property owner.**

As stated above, the Firm anticipates that any legal services agreement entered into with the City will fully comply with the requirements of *County of Santa Clara v. Superior Court* (2010) 50 Cal.4th 35 pertaining to the acceptance of legal services for Code Enforcement work on a contingency basis.

ADDITIONAL INFORMATION

In response to specific queries in the RFP, the Firm submits the following information:

1. None of the attorneys in the Firm has ever been successfully sued for malpractice, been the subject of valid complaints filed with the State Bar, or had discipline imposed by the State Bar.

2. Tuan-Anh Vu would designated as the attorney responsible for the day-today operations relating to the RFP be Charles Green will maintain overall control and supervision of the program, and both Andre De Bortnowsky and Michelle McCarron will be available to step in at any time if necessary.

3. Billing: the Firm will provide the Police Chief or his designee with monthly statements, solely for the purposes of information, as all fee payment will be deferred until and collected out of the closure of the receivership which is achieved by a sale of the property. **There will be no other payments of attorney fees due to the Firm from the City. At the time a property is anticipated to be sold, the City will be provided with a report setting forth the amount recovered and the allocation thereof to the various parties, including the City, which the City will have the right to review and approve.**

4. The Firm has ample insurance coverage and can comply with the requirements of the RFP.

5. The Firm has its own website and server, and maintains state-of-the-art computers, printers and other necessary equipment. It has web-based on-line research abilities, Firm-wide e-mail and other current means of communication and data transmission. The Firm uses only Microsoft Word for Windows for word-processing.

6. The Firm is happy to accept the City's standard Professional Services Agreement.

7. The Firm has reviewed the Scope of Work and confirms that it can provide all necessary services to accomplish said work.

CONCLUSION

Please accept the Firm's gratitude for the opportunity to present this Proposal for Receivership for Blighted Property Legal Services. The Firm believes that it is uniquely capable of providing the City of Banning with the highest possible level of receivership legal services on a contingency basis, and providing a level of responsiveness and accessibility that the City cannot receive elsewhere. If you should have any questions with regard to the contents of this proposal, or would like any further information, we would be pleased to respond.

Very truly yours,

Green de Bortnowsky, LLP

Charles R. Green

CRG:law
PROPOSALS\BANNING\DOC\001-3.DOC

PROFESSIONAL SERVICES AGREEMENT

1. The CITY OF BANNING POLICE DEPARTMENT (hereinafter "DEPARTMENT") and the law firm of GREEN DE BORTNOWSKY, LLP (hereinafter "GdB") are the parties to this Agreement.

2. GdB will be representing the DEPARTMENT on cases seeking the appointment of a receiver over real property which the DEPARTMENT has determined do not meet the minimum standards of state and local maintenance codes. GdB shall not represent any client in any type of claim against the DEPARTMENT without prior written approval to do so from the DEPARTMENT.

3. GdB shall be paid at the deferred hourly rates set forth below:

a. Attorneys - $290.00 per hour; and

b. Law Clerks/Paralegals - $150 per hour.

GdB attorney's fees and costs shall be paid directly from the proceeds of the sale of any property, which is the subject of a receivership action under this Agreement, at the conclusion of the action, or from the proceeds of any settlement agreement.

4. The DEPARTMENT has been informed and understand that the above contingent fee is not prescribed by law but has been negotiated between the parties.

5. To the extent that any court denies some portion of any claim for award of attorney's fees or costs, the DEPARTMENT shall have no obligation with respect to the shortfall. The DEPARTMENT agrees that if for any reason the DEPARTMENT elects, without the approval of GdB, to compromise or waive any portion of the attorney's fees or costs, or to refuse to seek such an award, the DEPARTMENT shall reimburse GdB for the amount of such fees or expenses.

6. The DEPARTMENT understands that under current legal standards if any defendant prevails in any litigation brought pursuant to this Agreement, that defendant may seek to recover costs from the DEPARTMENT. The City also understands that the prevailing party in any action brought pursuant to California Health and Safety Code sections 17980.6 and 17980.7

shall be entitled to attorney's fees. No action shall be filed unless both the DEPARTMENT and GdB determine in their best judgment that the DEPARTMENT is likely to prevail. If any expenses, costs or attorney's fees are assessed against the DEPARTMENT, the DEPARTMENT agrees to be legally responsible for payment of those expenses, costs, and attorney's fees.

7. GdB shall obtain approval from the DEPARTMENT to retain expert consultants and other professionals (not including court reporters) for purposes of the litigation. GdB may, if it chooses, pay the fees and charges of such consultants and seek reimbursement from proceeds of sale. Consultants shall not bill the DEPARTMENT directly without prior approval of the DEPARTMENT or the City's Finance Department.

8. Status reports will be submitted to DEPARTMENT whenever any significant event occurs, and in any event at least quarterly. The status report shall include, but shall not be limited to, status of the receivership and anticipated timelines, the actual cost for filing fees, telephone charges, photocopying, postage, lodging, mileage and related travel costs shall be itemized when submitted to the DEPARTMENT.

9. This Agreement shall comply in all respects with the decision of the California Supreme Court in *County of Santa Clara v. Superior Court* (2010) 50 Cal.4th 35, including but not limited to the following:

(a) GdB shall not initiate any action or proceeding which seeks to prevent any third-party from continuing current business operations or exercising any First Amendment right or other liberty interest.

(b) GdB attorneys shall be subject to a heightened standard of ethical conduct applicable to public officials acting in the name of the public.

(c) The DEPARTMENT, and not GdB, shall at all times retain complete control over all critical discretionary decisions involved in the litigation, and over the course and conduct of the case. Specifically, the DEPARTMENT shall make any and all critical discretionary decisions regarding the decision to initiate any

particular case; any proposed settlement of any case; and any other decision which the DEPARTMENT deems critical at any point and expressly requests decision-making authority to GdB in writing.

(d) Any defendant that is the subject of any action or proceeding initiated by GdB pursuant to this Agreement may contact the DEPARTMENT directly, without having to confer with GdB.

(e) The DEPARTMENT retains a veto power over any decisions made by GdB.

(f) An attorney from the DEPARTMENT with supervisory authority over GdB shall be personally involved in overseeing the litigation.

10. Copies of all opinions, pleadings, discovery and motions shall be provided to the DEPARTMENT which may reproduce same and provide copies to other parties or attorneys.

11. Copies of any correspondence and other documents sent to any of the other parties in an action shall also be provided to the DEPARTMENT.

12. Any and all settlement shall require DEPARTMENT approval. Request for settlement authority shall be made for necessary DEPARTMENT approvals.

13. Only Tuan-Anh Vu, Charles Green, Michelle McCarron or Andre de Bortnowsky of GdB or another GdB attorney approved by the DEPARTMENT shall appear in an action.

14. No client development costs are to be included in billings.

15. No continuing education expenses are to be included in billings.

16. Final billing shall be accompanied by copies of the Request for Dismissal, Satisfaction of Judgment, Release and/or any other final documents.

17. Either party may terminate this contract at will. GdB will continue to represent the DEPARTMENT on the terms and conditions in this Agreement until any active cases and files are transferred to another attorney.

18. GdB is an independent contractor as to the DEPARTMENT.

19. GdB shall maintain the following types of insurance with limits as shown:

a) Workers Compensation as required by the laws of the State of California, including Employment Liability with $250,000 limits covering all persons providing service of behalf of GdB and all risks to such persons under this Agreement. GdB shall require its Workers Compensation carrier to waive all rights of subrogation against the DEPARTMENT and its officer and employees and any other for whom services are being provided under this Agreement.

b) Comprehensive General and Automobile Liability Insurance coverage to include contractual coverage and automobile coverage for owned, hired and non-owned vehicles. The policy shall have at least a combined single limit of $1,000,000 for bodily injury and property damage.

c) Professional Liability Insurance with limits of at least $1,000,000 per claim. In lieu of naming the DEPARTMENT as an additional insured, the policy may be enforced as follows:

> "Insurance coverage afforded by this policy shall also apply to the liability assumed by the Insured under the Agreement with the DEPARTMENT for legal services, provided such liability results from an error, omission or negligent act of the insured, its officers, employees, agents or subcontractors. All other provisions of this policy are to remain unchanged."

GdB shall furnish certificates of insurance and certified copies of all policies and endorsements to the DEPARTMENT evidencing the insurance coverage above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice of the DEPARTMENT, and shall maintain such insurance from the time GdB commences performance of services hereunder until the completion of such services.

All policies, with respect to the insurance coverage above required, except for the Workers Compensation insurance coverage and professional liability coverage, if applicable, shall obtain additional endorsements naming the DEPARTMENT and all parties represented under this Agreement, their employees, agents, volunteers and officers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

All policies required above are to be primary and non-contributing with any insurance or self-insurance programs carried or administered by the DEPARTMENT or other parties represented under this Agreement.

20. All communications and billings to the DEPARTMENT are to be directed as follows:

CITY OF BANNING POLICE DEPARTMENT
99 E. Ramsey Street
Banning, CA 92220

21. All communications to GdB are to be directed as follows:

GREEN DE BORTNOWSKY, LLP
23801 Calabasas Road, Suite 1015
Calabasas, CA 91302

DATED: June ____, 2016

GREEN DE BORTNOWSKY, LLP

By:_____

DATED: _____

CITY OF BANNING

By:_____

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Proposal to Provide

Legal Representation for Receivership Petition For Blighted Property

Presented to:

City of Banning Police Department

June 2, 2016

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Indian Wells | Irvine | Los Angeles | Ontario | Riverside | Sacramento | San Diego | Walnut Creek | Washington, D.C.

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1. COVER LETTER

June 2, 2016

Sergeant Robert Fisher
City of Banning Police Department
c/o Banning City Hall – Office of the City Clerk
99 E. Ramsey Street
Banning, CA 92220

Re: RFP for Legal Representation for Receivership Petition for Blighted Property

Dear Sergeant Fisher:

On behalf of Best Best & Krieger LLP (BB&K), we are pleased to present this proposal to the City of Banning's Police Department (the City) to provide legal representation and advice related to the Receivership Petition for Blighted Property.

BB&K is a limited liability partnership established in Riverside, California in 1891 and has been in business for 125 years. The main office remains in Riverside, and our administrative office address and contact information is listed below:

Best Best & Krieger LLP
3880 Lemon Street
Suite 110
Riverside, CA 92501

Phone: (951) 686-1450
Fax: (951) 686-3083

Our firm and our proposed legal team led by **Mark Easter** and **Sam Emerson** have the experience and know-how to assist the City with any issue relating to receivership actions. We understand the impact economic blight has on a city and we know how to restore a city's economic landscape. The proposed team has extensive experience setting a receivership in motion, bringing actions to restore and rehabilitate properties, and we offer solutions to the complex problems that come up with receivership cases. We are well-positioned and prepared to assist immediately.

I, Eric Garner, am a BB&K partner and am authorized to bind the firm to all provisions of the request for proposals, any subsequent changes, and to the contract if we are awarded one. Mark Easter will be the primary contact during the proposal evaluation period and the City may contact him for any clarification or to request additional information. His contact information is listed below:

Mark Easter
Best Best & Krieger LLP
3390 University Avenue, 5th Floor
P.O. Box 1028
Riverside, CA 92502

Phone: (951) 686-1450
Fax: (951) 686-3083
Email: Mark.Easter@BBKlaw.com

Thank you for the opportunity to submit this proposal. Mark Easter and Sam Emerson would welcome the opportunity to meet with you to discuss our firm's qualifications in more detail. We are confident we can provide the City with timely, seamless, and efficient legal services, and would be honored to work with you.

Sincerely,

Eric L. Garner, Partner
Best Best & Krieger LLP

2. BRIEF COMPANY PROFILE

General Company Information

BB&K currently employs 345 attorneys and staff. The firm's headquarters office is in Riverside, California.

Location of Branch Offices

Indian Wells Office	**Irvine Office (Local)**	**Los Angeles Office**
74-760 Highway 111, Ste. 200 Indian Wells, CA 92210 Telephone: (760) 568-2611 Fax: (760) 340-6698	18101 Von Karman Ave, Ste. 1000 Irvine, CA 92612 Telephone: (949) 263-2600 Fax: (949) 260-0972	300 S. Grand Avenue, 25th Fl. Los Angeles, CA 90071 Telephone: (213) 617-8100 Fax: (213) 617-7480
Ontario Office	**Riverside Office**	**Sacramento Office**
2855 E. Guasti Road, Ste. 400 Ontario, CA 91761 Telephone: (909) 989-8584 Fax: (909) 944-1441	3390 University Avenue, 5th Fl. Riverside, CA 92501 Telephone: (951) 686-1450 Fax: (951) 686-3083	500 Capitol Mall, Ste. 1700 Sacramento, CA 95814 Telephone: (916) 325-4000 Fax: (916) 325-4010
San Diego Office	**Walnut Creek Office**	**Washington, D.C. Office**
655 West Broadway, 15th Fl. San Diego, CA 92101 Telephone: (619) 525-1300 Fax: (619) 233-6118	2001 N. Main Street, Ste. 390 Walnut Creek, CA 94596 Telephone: (925) 977-3300 Fax: (925) 977-1870	2000 Pennsylvania NW, Ste. 5300 Washington, D.C. 20006 Telephone: (202) 785-0600 Fax: (202) 785-1234

Describe the General Qualifications of the Firm

BB&K is a limited liability partnership, and has been in business for 125 years. We are a full-service law firm with more than 180 attorneys located in nine offices located throughout California and in Washington, D.C. We deliver effective, timely, and service-oriented solutions to the increasingly complex legal issues facing cities, counties, special districts, and other public agencies. As one of the largest and oldest California law firms, we have the resources to provide the City with legal advice and related services on any matter related to the receivership actions.

BB&K's receivership began in the fall of 1999, when one of its clients, the City of Ontario, indicated that it wanted to be more proactive with abandoned and substandard properties, and asked for assistance identifying new approaches. We understood that Health & Safety Code Section 17980.7, which contained the receivership remedy, was on the books, but it did not appear that any cities statewide had put it to use.

Nevertheless, relying on other types of receivership actions our firm had done in the past, we determined what notices would need to be given and what pleadings would need to be filed in order to proceed with a successful receivership petition. During the next several years, we made numerous successful receivership petitions for the City of Ontario. In some cases, the receivership ended in the property being rehabilitated. In other cases, the receivership ended in the property being sold. We've continued to handle receivership matters for the City of Ontario since that time. Since setting up the receivership program with the City of Ontario, we have branched out and handled receiverships for many more cities. A short narrative of our receivership cases is listed in Section 5, References.

3. ORGANIZATION AND STAFFING

Project Team

We have provided full resumes for the proposed team in **Appendix A**, and have summarized their qualifications with regard to the requested service in this request for proposals below. We have provided the requested organizational chart depicting the relationship between the firm members in **Appendix B**.

For work related to this Request for Proposals, we are proposing our most qualified receivership attorneys to the City. They possess a wealth of experience in petitioning courts for appointment of a receiver, acting as a receiver, advising city attorney staff members on health and safety receiverships, and overseeing municipal receivership programs.

BB&K proposes to designate partner **Mark Easter** as lead attorney and primary contact for this project. Mr. Easter will have day-to-day contact with the City, supervise all provided legal services, and ensure the project's needs are being met on schedule. Our lead attorney designation will not change without prior approval of the City.

Working with Mr. Easter will be partner **Sam Emerson**. Mr. Emerson will work alongside Mr. Easter on all receivership issues. He has experience with petitioning courts for appointment of a receiver and has advised and trained city staff members on health and safety receivership programs. **Charlene Wynder** will round out the proposed legal team, bringing her litigation experience to the table. **Marilyn Chandler** will be the paralegal on this proposed team. Ms. Chandler is a highly experienced paralegal; she has worked with code enforcement and complex litigation matters for 33 years. Brief biographies are listed below for each team member:



Mark A. Easter – Lead Counsel

Partner
Business Services Practice Group
University of California, Davis, J.D. (1989)
University of La Verne, B.A., *magna cum laude*

Mark Easter's practice focuses on public agency acquisitions, including eminent domain and inverse condemnation litigation. He is a partner in the Riverside office and leader of BB&K's Eminent Domain practice group. He has represented public agencies throughout California on a wide variety of public acquisitions including projects for cities, counties, redevelopment agencies, school districts, special districts, water districts, transportation agencies, and housing authorities.

Mr. Easter is a member of the Inland Empire Chapter of the International Right of Way Association (IRWA), an organization devoted to excellence in all aspects of public right-of-way work, including legal issues related to eminent domain and inverse condemnation litigation. He frequently writes articles for IRWA on eminent domain and inverse condemnation issues and speaks at IRWA seminars.

He also has significant experience in substandard housing and commercial building litigation, including litigation under California Business & Professions Code Section 17200 and Health & Safety Code Section 17980.7. Mr. Easter is one of the most experienced attorneys in California on Health & Safety Code Section 17980.7 receiverships, and has spoken at seminars throughout the state on receiverships.

Mr. Easter is active in the Riverside County Bar Association. He has been involved in the Riverside County High School Mock Trial Competition since 1994 and has been an attorney coach for the Woodcrest Christian Mock Trial team since 2004.



Samuel L. Emerson – Receivership Counsel

Of Counsel
Municipal Law Practice Group
Loyola Law School, J.D. (2002)
Brigham Young University, B.A.

Sam Emerson is of counsel in the Litigation practice group of BB&K. He has litigation experience in a number of private and public areas of the law.

Mr. Emerson provides legal services for a number of public agencies on a variety of litigation matters. Mr. Emerson has successfully litigated many public law cases pertaining to land use and property issues such as receiverships, revocation of conditional use permits, and obtaining injunctive relief against public health and safety hazards. He also has advised public schools on student speech and organization policies and has experience litigating issues surrounding Indian Gaming.

Mr. Emerson belongs to the American Bar Association and State Bar of California. He is admitted to practice in all courts in California as well as the United States District Court for the Eastern District of California. Mr. Emerson is also fluent in Spanish and helped organize literacy programs for the National Institution of Education for Adults (INEA) in Puebla, Mexico.

Mr. Emerson received his Juris Doctorate from Loyola Law School in Los Angeles in 2002. He received his B.A. in International Relations from Brigham Young University in Provo, Utah.



Charlene Wynder – Receivership Counsel

Prosecution Counsel
Municipal Law Practice Group
Loyola Law School, J.D. (2008)
University Southern California, B.A. *cum laude*

Charlene Wynder represents municipal and public sector clients in litigation in both state and federal courts. As prosecution counsel in the Municipal Law practice group of BB&K's Ontario office, Charlene's practice includes criminal and civil municipal code enforcement, public entity defense, Pitchess motions, gun confiscations, workplace violence prevention, and Health & Safety Code abatement and receiverships.

Prior to joining BB&K, Charlene was an associate at Dapeer, Rosenblit & Litvak in Los Angeles, where she represented municipalities in criminal, civil, administrative, writ, and appellate actions. Her past experience includes externships with the San Bernardino County District Attorney's Office's Appellate Services Division and the Disability Rights Legal Center's Education Advocacy Project in Los Angeles. At the Disability Rights Legal Center, Charlene represented clients in IEPs and dependency hearings and conducted public presentations and workshops on specialized topics in special education.

Charlene obtained her law degree from Loyola Law School, Los Angeles. During law school, she served as a staff writer and production editor for the Loyola of Los Angeles Entertainment Law Review. She obtained her bachelor's degrees in communication and political science, *cum laude*, from the University of Southern California.



Marilyn Chandler – Receivership Paralegal

Paralegal
Municipal Law Practice Group
University of La Verne, paralegal certificate

Marilyn Chandler is a paralegal in the Municipal Law practice group of BB&K. She has 33 years of experience in the legal profession, working with both public and private clients.

Marilyn's work as a paralegal focuses on litigation matters, including complex trials and the creation and maintenance of electronic databases. She maintains a high degree of practical knowledge in electronic discovery skills, which she utilizes during the discovery phases of litigation. Marilyn assists with the supervision and maintenance up to 150 code enforcement matters for the City of Ontario, and regularly manages gun confiscation matters for various cities.

Project Approach

After analyzing the properties proposed for receivership, in our view, this matter will be a complex receivership case. As the subject properties are commercial buildings, there will likely be multiple owners and lien holders for each property, requiring a firm like BB&K with the experience and resources to handle large, complex receiverships.

Furthermore, it will not be possible to utilize Health and Safety Code Section 17980.7 to appoint a receiver over the proposed properties because they are not commercial properties used for human habitation, like hotels, or apartment complexes. A receivership will still be possible for the proposed properties, but the receiver will need to be appointed under Business and Professions Code Section 17203. Although few firms have litigated a Section 17203 receivership, BB&K has successfully secured appointment of a receiver under this statutory scheme many times and is well versed in all of the requirements and pleadings necessary to bring this type of case to a successful resolution.

Commercial property receiverships can often take unexpected turns requiring expertise in other areas of law such as bankruptcy, probate, Fair Housing law, and insurance law to name only a few. As a full-service law firm, BB&K has experts in all of these areas and more, who are ready to help the City of Banning navigate through any unexpected challenges.

BB&K also has a large pool of receivers from which it draws to service the receivership needs of its municipal clients, affording BB&K the ability to match the right receiver with each project. Given the potential complexity of this case, BB&K will, with the City's approval, seek to appoint a receiver from the law firm of Gresham, Savage & Nolan & Tilden, LLP. By partnering with Gresham, BB&K will provide the City with the resources and experience of two of the preeminent law firms in the Inland Empire, each of which has vast experience securing receivership appointment before the Riverside County Superior Court.

BB&K receivership counsel and the Gresham receivers have already inspected the proposed receivership properties. After BB&K is selected to represent the City, BB&K's receivership counsel and the receiver will meet with the City to map out the path to receivership and will work together with the City to discuss the receiver's plan for the property post appointment. Once BB&K, the City, and the receiver have forged a plan, BB&K will execute that plan to a successful resolution.

4. PROPOSED FEE SCHEDULE

Introduction to Proposed Fees

BB&K has provided a statement of the proposed fees and hourly rates in a separate sealed envelope as instructed.

We would propose starting with a meeting with the City to fully understand the City's needs, and we would recommend reviewing the City's files. This will give our team the best understanding of the City's unique situation and legal needs.

Project Controls

BB&K has the ability to control costs and provide accurate and timely invoices through our well-managed accounting department in conjunction with the proposed legal team. We use state-of-the-art accounting software to carefully track client accounts and produce invoices. Our proposed lead attorney, Mr. Easter, will monitor the hours spent on the project and stay within the agreed upon budget. He will work closely with all BB&K attorneys serving the City to keep track of ongoing matters and the resulting time spent on such matters, and will review all monthly bills prior to submitting them to the City. This is to ensure that there are no duplicate costs and that no attorney is over-billing the City. Mr. Easter will frequently communicate with the person appointed by the City on monthly bills in order to determine additional cost-saving methods and to ensure that there are no surprise legal costs.

We employ a number of techniques to contain legal costs. Rather than running up the City's legal costs to research a complex issue, we are able to have our highly experienced in-house attorneys address the matter in a timely fashion, at very little cost to the City. We have attorneys on staff who we can reach out to and draw from their experience and expertise in order to respond quickly and cost-effectively to the City. This sets us apart from sole practitioners or smaller law firms. Our proposed team has access to a full spectrum of attorneys who can address any legal issue that a receivership case may raise. Anywhere the receivership case goes municipally, we have an expert to handle the legal issue that has been raised. There is no need to look further for additional attorneys who specialize in the new legal arena. A receivership case may get pulled into bankruptcy or probate; it may require a work out with a developer. We have experienced attorneys ready to address every conceivable area of law. A receivership case may require legal experience with land use, business transactions, or insurance. We have the attorneys to help the City achieve their goal no matter where the case may land.

We have a history of training the clients we work with to be self-sufficient. We teach them our successful receivership practices so in-house legal staff can achieve the City's desired results. We work with clients to develop model agreements that staff can use with minimal involvement from us.

In addition, we have standard reimbursement agreements, which provide a detailed and enforceable method for developers and other third parties to reimburse the City for certain legal service fees and costs. We have extensive knowledge and experience in establishing alternative code enforcement efforts that require very little legal assistance. We can create legal/staff cost recovery methods for other nuisance abatement and code enforcement efforts that do not require legal services. We also rely on our excellent paralegals who are experts in core public law issues, which helps us to produce legal work products at a lower price point.

5. REFERENCES

We encourage the City to contact our references for an in-depth conversation regarding the quality of our legal services.

Darren Pytel Police Chief Davis Police Department 2600 Fifth Street Davis CA, 95618 Phone: (530) 747-5424 Email: dpytel@davispd.org Mr. Pytel is the Police Chief for the City of Davis. Our firm works with and reports to him when we handle receivership and non-receivership code enforcement cases for the City of Davis.	**Andy Wingert** County Code Enforcement Chief San Bernardino County 385 North Arrowhead Avenue, 4th Floor San Bernardino, CA 92415-0140 Phone: (909) 391-2510 Email: Andy.Wingert@lus.sbcounty.gov Mr. Wingert is now the Code Enforcement Chief for San Bernardino County. When Mr. Wingert was with the Code Enforcement Department of the City of Ontario, we worked closely with him in starting up the City of Ontario's Health & Safety Code receivership program.
Steven M. Speier Director of Receivership American Spectrum 7700 Irvine Center Drive, Suite 780 Irvine, CA 92618 Phone: (949) 753-5862 Email: sspeier@asrmanagement.com Mr. Speier is both a Receiver and Chapter 7 Bankruptcy Trustee, and he is currently the Director of Receiverships at American Spectrum. Mr. Speier has served as the court-appointed receiver in receiverships matters we handled for the Cities of Riverside, Moreno Valley, Ontario, Colton, Fontana, and Rialto.	**Greg Priamos** City of Riverside, County Counsel 3960 Orange Street, Suite 500 Riverside, CA 92501 Phone: (951) 955-6320 Email: gpriamos@co.riverside.ca.us Mr. Priamos is currently the County Counsel for the County of Riverside. Prior to that, he was the City Attorney for the City of Riverside, and our firm worked with and reported to him when we handled receiverships for the City of Riverside from 2000-2005 and assisted in training deputy city attorneys on the receivership program.

Relevant Services

The cases that we have listed below show the breadth of our experience. Most of these cases show our ability to handle a case as it goes to different format, settlement, and resolutions. Not one case came out the same, yet we were able to achieve results in favor of our clients. A short narrative of our receivership cases is listed below:

1. The City of Riverside: We handled many receiverships for the City of Riverside, but listed below are two examples of how receivership can be used to achieve a city's goal of neighborhood improvement.

    a. Mulberry Street: We understood that the goal was to restore and preserve the home originally built in 1910, so the appointment of the receiver led to the rehabilitation of the abandoned home.

    b. James Littler: Here we used the threat of receivership against a property owner who had become a hoarder and stored over 100 old cars on his residential property. We used the threat of receivership to motivate other family members to intervene and help Mr. Littler to dispose of the vehicles and restore his property. He complied, and value and safety were restored to the family-oriented neighborhood.

In addition to handling the above matter and several others for the City of Riverside, we trained the in-house deputy city attorneys for the City of Riverside so they could continue with the receivership program in-house.

2. Moreno Valley: We handled several receiverships for the City of Moreno Valley, including Allies Place. This case involved several fourplex properties that had fallen into complete disrepair. Due to the numerous liens on the property, the owners were unable to get financing to perform repairs. We used the receivership process to gain priority over the various liens on the property, obtain financing, perform the necessary repairs, and then obtain the court's approval for the sale of the property.

3. Rialto: We used the threat of receivership to force the Home Owners' Association of a condominium complex to change its management procedures and hire a professional property manager. The end result of this action was a great one for the community. It cleaned up the property and set up a functioning Home Owners' Association.

4. Ventura County: We used the receivership process on an abandoned property in which the owner had built an illegal addition. The receiver was able to rehabilitate the building, including the removal of the illegal addition, and then have the court approve the sale of the building.

5. San Jacinto (Vosberg Hotel): We used the threat of a receivership to force the owner of an abandoned hotel to rehabilitate and reopen the hotel. Today, the hotel has been converted into rented office space and is no longer a blight on the city.

6. Colton: The City of Colton once had to contend with the unwelcoming sight of a dilapidated Howard Johnson's motel located off Interstate 10 as one entered the city. We used the receivership process to force the sale of the motel, which provided for proper renovation by a new owner.

7. City of Redlands: This is one of the largest receivership actions filed in California, which was very complex from a procedural standpoint. Each unit had multiple and different lien holders, all of whom had to be properly noticed to ensure the integrity of the action. It was a massive endeavor, but the end result was a great one for the community. It cleaned up the property and set up a functioning Home Owners' Association that conducted tenant screening and enforced property standards.

Listed below are five cases that demonstrate BB&K's experience with receivership actions:

1. City of Sacramento v. Nobel

Case No. 04AS01499

In March 2004, the City of Sacramento engaged us to solve the problem of a negligently maintained mobile home park owned by a mentally ill woman. The owner's severe neglect of the property culminated in a large sewer spill which endangered the health, safety, and welfare of the tenants and surrounding houses and generated multiple news stories in the Sacramento media.

Since mobile home parks do not meet the criteria for the appointment of a health and safety receiver, it was necessary to seek the appointment of a receiver through Business and Professions Code Section 17200, *et seq*. We quickly secured the appointment of a receiver over the nuisance property, stabilized the extreme conditions, and brought the property into complete compliance. We then arranged for the property to be sold to a responsible nonprofit corporation to ensure future compliance.

Cost recovery is much more challenging to secure for a Business and Professions Code receivership because the statutory scheme does not have an attorneys' fee recovery clause. Nevertheless, we were able to secure full reimbursement of the City's fees and costs through a judgment for municipal fines and penalties and for damages pursuant to Section 17200. The judgment we secured covered all of the attorneys' fees and costs incurred in the case and awarded the City an additional $20,000.00, all of which was paid through the sale of the property.

2. City of Riverside v. Jean Hart, Riverside County Superior Court

Case No: RIC 400565

Here, we used the threat of receivership against a property owner who owned approximately 10 homes in Riverside and had converted each of them from 3 or 4 bedroom single family dwellings to 10 or 12 bedroom "flophouses." Using the threat of receivership, we forced the property owner to evict her illegal tenants and return the properties to their original condition, restoring value and safety to the family-oriented neighborhoods. We also, under threat of the receivership, forced the property owner to sell each of the properties to single family owners. As each property was sold, a portion of the sale's proceeds was held in an escrow account until the completion of the case. From that escrow account, the City was able to recover its attorneys' fees and costs incurred after they were awarded to the City by the Court.

3. City of Moreno Valley v. Jonathan Totalski, et al., Riverside County Superior Court

Case No: SCVSS 095981

In this case, we filed a Petition for the Appointment of a Receiver on behalf of the City of Moreno Valley, seeking a receivership over three fourplexes (a total of 12 residential units) that had fallen into a dilapidated and dangerous condition, with at least some of the units still occupied by tenants. This property owner resided out of state, had several aliases, and had numerous judgment liens entered against him, which clouded title to the property and made conventional financing for repairs impossible. The Court granted our Petition, and the Receiver then successfully repaired and rehabilitated the twelve units. The Receiver was also able to temporarily relocate the tenants while the work was underway. After the rehabilitation work on all twelve units was completed, the Court granted the Receiver's motion to have the property sold. The Court also granted our motion to recover over $33,000 in attorneys' fees and costs that the City incurred in bringing and prevailing in the action. The City's award of fees and costs was paid out of the sale of the property.

4. City of Redlands v. Federal Home Loan et al., San Bernardino Superior Court

Case No: SCVSS 095981

In October 2002, the City of Redlands engaged our firm to seek the appointment of a receiver over a large complex of sixty-four condominiums that had fallen to blight due largely to a dysfunctional homeowners' association. The blight emanating from the nuisance property had spread to the surrounding areas and the constant calls for police services due to the crime that the property's blight attracted produced an enormous strain on the City's resources. The large number of individual owners and the sheer volume of lien holders for each property meant that documenting the violations for each property and complying with the noticing requirements for Health and Safety Code receivership of this magnitude was going to be challenging. However, having previously pioneered the procedural path for Health and Safety Code receiverships, we were uniquely qualified to take on a complex receivership case of this nature. On October 21, 2002, we were successful in moving the Court to appoint a receiver over the condominium complex. Working together, the city and the appointed receiver were able to remediate the nuisance conditions on the properties and in the common areas of the complex, implement tenant screening procedures, and install a strong, functional homeowners' association to govern the complex going forward. These results drastically improved both the condominium complex and the surrounding community. Recovery of the city's attorneys' fees and costs was also achieved through a combination of a successful motion for attorneys' fees and settlement agreements with some of the individual owners.

5. Town of Mammoth Lakes, Plaintiff, v. Paul J. Marin, Superior Court of the State of California, County of Mono

Case No: CV120111

In May 2013, the Town of Mammoth Lakes engaged us to secure the appointment of a receiver over a nuisance vacation home. The nuisance property was in terrible shape with a crumbling foundation and a sagging roof exposed to the elements. The owner of the property was a former district attorney who refused to do anything to remedy the property's conditions and put maximum effort into thwarting the Town's receivership. Over the course of the litigation, the property owner filed multiple *ex parte* applications and objections seeking to block both the appointment of a receiver and the receiver's plan of action for the property. We defeated all of these frivolous motions, secured the appointment of a receiver, and worked with the receiver to bring the property into compliance. At the end of the case, the Town was awarded all of its attorneys' fees and costs in the amount of $83,417.61, which the owner then paid to the Town by securing a private loan.

6. DISCLOSURES

Every new engagement at BB&K must survive a conflicts check against the firm's conflicts database. BB&K maintains a comprehensive database on client representation. Prior to accepting any representation, the database is accessed to determine whether there are any existing conflicts. Additionally, each attorney is separately emailed a description of the proposed representation and asked to comment on any potential conflicts.

All partners and their secretaries have access to the conflicts database, which includes and indexes the names of all clients, matters, opposing parties and other parties, as well as other information to all matters on which the firm is working or has worked. When new parties are associated with a client matter, the names of those parties are also added to the conflicts database. This database is overseen and managed by our firm's Billing and Client Information Department, as well as the responsible attorney.

We have run a conflicts check for City of Banning Police Department and have determined that we do not represent any entity whose interests may constitute a conflict of interest that would prevent us from serving as legal representation for receivership petition for blighted property to the City.

7. CONCLUSION

Thank you for considering our proposal. BB&K would be honored to serve as your legal representation for receivership petition for blighted property. We also welcome the opportunity to meet in person to discuss our capabilities and readiness to provide services. If you need any additional information, please contact Mark Easter at (951) 826-8237 or Mark.Easter@BBKlaw.com.

APPENDIX A

Resumes

BEST BEST & KRIEGER LLP

Mark A. Easter

Partner



Mark Easter's practice focuses on public agency acquisitions, including eminent domain and inverse condemnation litigation. Mark is a partner in the Riverside office and leader of BB&K's Eminent Domain practice group. Mark is also chair of BB&K's Associate Development Committee. He has represented public agencies throughout California on a wide variety of public acquisitions, including projects for cities, counties, redevelopment agencies, school districts, special districts, water districts, transportation agencies, and housing authorities.

Mark is a member of the Inland Empire Chapter of the International Right of Way Association, an organization devoted to excellence in all aspects of public right-of-way work, including legal issues related to eminent domain and inverse condemnation litigation. He frequently writes articles for the IRWA on eminent domain and inverse condemnation issues, and speaks at IRWA seminars.

Mark also has significant experience in substandard housing and commercial building litigation, including litigation under California Business & Professions Code section 17200 and Health & Safety Code section 17980.7. He is one of the most experienced attorneys in California on Health & Safety Code section 17980.7 receiverships, and has spoken at seminars throughout the state on receiverships.

Mark is active in the Riverside County Bar Association. He has been involved in the Riverside County High School Mock Trial Competition since 1994, and serving as an attorney coach for the Woodcrest Christian Mock Trial team from 2004-2014 and currently serves as an attorney coach for the Valley View High School Mock Trial team.

3390 University Avenue
5th Floor
Riverside, CA 92501

P: (951) 826-8237
Mark.Easter@bbklaw.com

Education

University of California, Davis, J.D.
University of La Verne, B.A., *magna cum laude*

Admissions

California

BEST BEST & KRIEGER LLP

Samuel L. Emerson

Of Counsel



Sam Emerson is of counsel in the Litigation practice group of Best Best & Krieger LLP. He has litigation experience in a number of private and public areas of the law.

Mr. Emerson provides legal services for a number of public agencies on a variety of litigation matters. Mr. Emerson has successfully litigated many public law cases pertaining to land use and property issues, such as receiverships, revocation of conditional use permits, and obtaining injunctive relief against public health and safety hazards. Mr. Emerson also has advised public schools on student speech and organization policies and has experience litigating issues surrounding Indian Gaming.

Mr. Emerson belongs to the American Bar Association and State Bar of California. He is admitted to practice in all courts in California as well as the United States District Court for the Eastern District of California. Mr. Emerson is also fluent in Spanish and helped organize literacy programs for the National Institution of Education for Adults (INEA) in Puebla, Mexico.

Mr. Emerson received his Juris Doctorate from Loyola Law School in Los Angeles in 2002. He received his B.A. in International Relations from Brigham Young University in Provo, Utah.

500 Capitol Mall
Suite 1700
Sacramento, CA 95814

P: (916) 551-2824
F: (916) 325-4010
Samuel.Emerson@bbklaw.com

Education

Loyola Law School, J.D. (2002)
Brigham Young University, B.A.

Admissions

American Bar Association
State Bar of California
All California Courts
United States District Court
Eastern District of California

BEST BEST & KRIEGER

Charlene J. Wynder

Prosecution Counsel



Charlene J. Wynder represents municipal and public sector clients in litigation in both state and federal courts. As prosecution counsel in the Municipal Law practice group of Best Best & Krieger LLP's Ontario office, Charlene's practice includes criminal and civil municipal code enforcement, public entity defense, Pitchess motions, gun confiscations, workplace violence prevention and Health & Safety Code abatement and receiverships.

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Charlene obtained her law degree from Loyola Law School, Los Angeles. During law school, she served as a staff writer and production editor for the Loyola of Los Angeles Entertainment Law Review. She obtained her bachelor's degrees in communication and political science, cum laude, from the University of Southern California.

Charlene lives in the City of Chino Hills with her husband, three children, and two dogs.

2855 E. Guasti Road
Suite 400
Ontario, CA 91761

P: 909-466-4911
charlene.wynder@bbklaw.com

Education

Loyola Law School, Los Angeles, J.D.
University of Southern California, B.A., communication and political science, *cum laude*

Admissions

California

BEST BEST & KRIEGER LLP

Marilyn Chandler

Paralegal*



Marilyn Chandler is a paralegal in the Municipal Law practice group of Best Best & Krieger LLP. She has 33 years of experience in the legal profession, working with both public and private clients.

Marilyn's work as a paralegal focuses on litigation matters, including complex trials and the creation and maintenance of electronic databases. She maintains a high degree of practical knowledge in electronic discovery skills which she utilizes during the discovery phases of litigation. Marilyn assists with the supervision and maintenance up to 150 code enforcement matters for the City of Ontario, and regularly manages gun confiscation matters for various cities.

Prior to joining BB&K, Marilyn was a paralegal with Munger, Tolles & Olson for more than 12 years. At Munger, She worked on complex cases, including general litigation, antitrust, securities, labor and employment, patent and real estate matters. In addition to working for private law firms, Marilyn has also worked as a courtroom deputy and supervisor in the traffic, civil and criminal court departments.

Marilyn earned her certificate in paralegal studies from the University of La Verne.

**Paralegals are not licensed attorneys. Under California law, paralegals are not authorized to provide legal advice.*

2855 E. Guasti Road
Suite 400
Ontario, CA 91761

P: 909-466-4906
Marilyn.Chandler@BBKlaw.com

Education

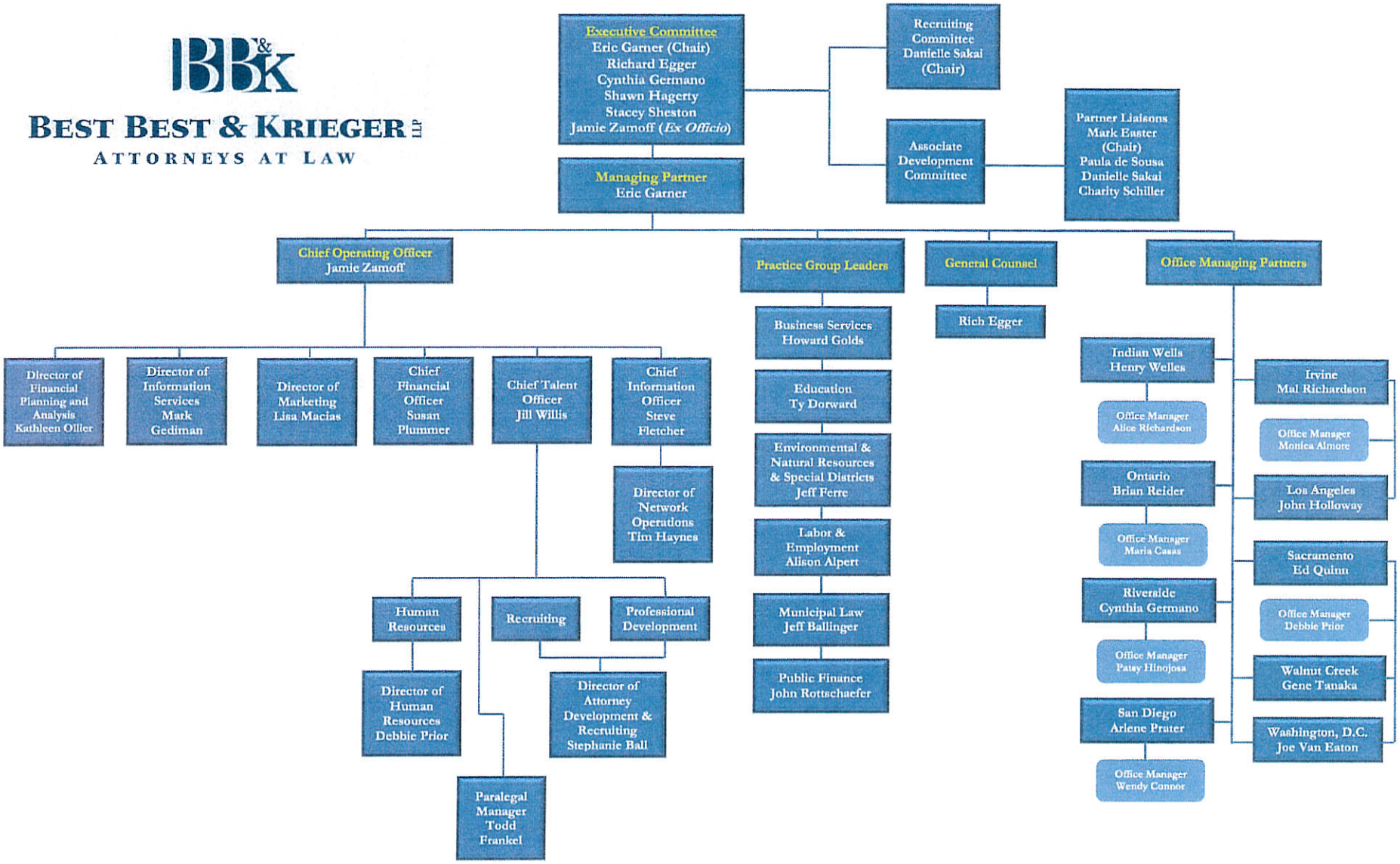
University of La Verne, paralegal certificate

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APPENDIX B

Organizational Chart

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW



APPENDIX C

Business License

BUSINESS TAX CERTIFICATE

This certificate is issued for revenue purposes only and does not constitute a permit to operate a business. Renewal of this certificate is due no later than 60 days from the posted expiration date to avoid penalties. Failure to receive a renewal notice does not relieve the holder's responsibility to maintain a current certificate while conducting business in the City.

3900 Main Street
Riverside, CA 92522
(951) 826-5465
FAX (951) 826-2356

City of Arts & Innovation

BUSINESS NAME: BEST BEST & KRIEGER ATTORNEYS
BUSINESS LOCATION: 3390 UNIVERSITY AVE 5TH FL
RIVERSIDE, CA 92501-3325
BUSINESS OWNER 1: BEST & KRIEGER ATTORNEYS BEST

BEST BEST & KRIEGER ATTORNEYS
3390 UNIVERSITY AVE 5TH FL
RIVERSIDE, CA 92501-3325

Account No.: 0004847
Expiration Date: December 31, 2016
Business Type: LEGAL SERVICES

NAICS:

TO BE POSTED IN A CONSPICUOUS PLACE AT BUSINESS LOCATION • NOT TRANSFERABLE

Fee Proposal

Legal Representation For Receivership Petition For Blighted Property

Presented to:

City of Banning Police Department

June 2, 2016

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Indian Wells | Irvine | Los Angeles | Ontario | Riverside | Sacramento | San Diego | Walnut Creek | Washington, D.C.

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1. PROPOSED FEE SCHEDULE 1

1. PROPOSED FEE SCHEDULE

Proposed Fees

We recognize the need to keep legal costs under control. BB&K has a longstanding commitment to the delivery of legal services to municipalities and public agencies, resulting in efficiencies that are unmatched by any other law firm. We address complex legal issues with creativity and speed at a fair and reasonable cost.

We understand the City is asking for a fixed fee amount, however with such a complex receivership as this appears to be, quoting a Not To Exceed amount will be difficult. To this end, we propose starting with a meeting with the City to fully understand the level of opposition and other determining factors. From this, we will be able to give the City a budget range for this work. In addition, our goal is to give the City the basis for getting back legal fees spent on this work so that it becomes a net-neutral event for the City of Banning. We have been successful in this approach with many other cities in similar situations.

Hourly Rates

Hourly rates are only half the equation when calculating the cost of legal services. Given the depth and breadth of our experience, we often get the job done in much less time, resulting in lower overall totals.

Mark Easter	$295 per hour
Sam Emerson	$250 per hour
Paralegals and Law Clerks	$170 per hour

If other attorneys are brought in to work on this matter, we propose a blended hourly rate of $250 per hour.

Reimbursements

BB&K does not charge for routine word processing, secretarial, and office costs, including telephone and fax charges. We would bill for postage, legal research, and any cost of printing or reproducing documents, photographs, or other items necessary for legal representation.

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SILVER & WRIGHT LLP
Attorneys at Law
IRVINE | INLAND EMPIRE | BAY AREA | SACRAMENTO

RECEIVED
JUN 2 2016
By City Clerk's Office

June 2, 2016

DELIVERED VIA FEDERAL EXPRESS

City of Banning
Banning City Hall
Office of the City Clerk
99 E. Ramsey Street
Banning, California 92220

Subject: **Proposal for Legal Representation for Receivership Petition**
Silver & Wright LLP

Dear City of Banning:

Silver & Wright LLP ("S&W") respectfully submits this response to the City of Banning's ("City") Request for Proposals for Legal Representation for Receivership Petition for Blighted Property ("RFP"). S&W is a State-wide municipal law firm with offices in Irvine, Ontario, Oakland, and Sacramento. The focus of our firm is to provide excellent, cost-effective, and personalized legal services. We are pleased to provide you our response to the RFP, which highlights the breadth and depth of experience we can offer to the City. S&W specializes in code enforcement and receiverships. We have handled hundreds of Health and Safety Code-based and other types of receiverships, and are the premier code enforcement and receivership law firm in the State.

We are confident that you will find S&W well qualified to serve the City as its special counsel with regard to receiverships, and we encourage you to verify our credentials with our references identified herein. If you wish to discuss this Proposal, you may contact Matthew Silver at 949-200-6727 or MSilver@SilverWrightLaw.com at any time. Thank you for the opportunity to submit this Proposal.

Sincerely,

Matthew R. Silver
Curtis R. Wright
Partners
SILVER & WRIGHT LLP

Enclosure: S&W Proposal for Legal Representation for Receivership Petition

SILVER & WRIGHT LLP

PROPOSAL FOR LEGAL REPRESENTATION FOR RECEIVERSHIP PETITIONS FOR BLIGHTED PROPERTY

TO THE

BANNING POLICE

June 2, 2016

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I. Company Profile

Silver & Wright LLP ("S&W") was founded by Matthew Silver and Curtis Wright, two City prosecutors and code enforcement attorney with substantial experience in providing cost-effective municipal, code enforcement and receivership related legal services to municipalities throughout California. S&W is a growing firm with eleven attorneys, three law clerks, a paralegal, and support staff to ensure the City of Banning's ("City") needs are well covered. S&W has offices in Ontario, Irvine, Oakland, and Sacramento.

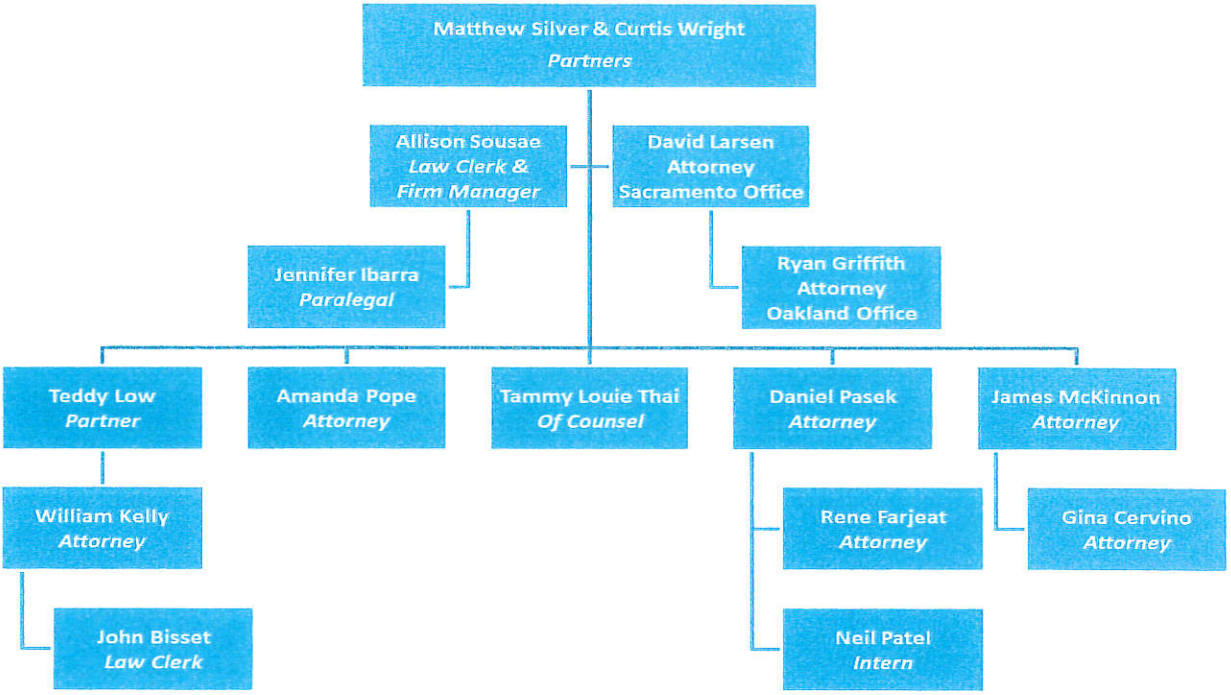
S&W's attorneys are experts in code enforcement and receiverships. Receiverships are a very powerful tool to abate dilapidated buildings and structures, to enforce judgments, and to preserve property interests. At S&W, we have preeminent experience in Health and Safety Code based receiverships, Business and Professions Code based receiverships, and Code of Civil Procedure based receiverships, and we are the preeminent nuisance code enforcement and receivership law firm in the State. Mr. Silver and Mr. Wright frequently teach classes on receiverships for a local community college and throughout the State and Country for code enforcement and building associations. We have also published articles on this unique and effective remedy.

If handled correctly, two of the main benefits of Health and Safety Code based receiverships are guaranteed compliance and full recovery of attorneys' fees and staff costs. Cities can avoid the costs and other difficulties involved in abating the nuisances by seeking a court appointed receiver to solve the problem—all funded by the nuisance property itself. With receiverships, the City never has to pay the actual costs of abating the nuisance conditions.

We have handled hundreds ofl receiverships and successfully obtained complete nuisance abatement, judgments ensuring ongoing compliance, and awards of full attorneys' fees and staff costs for our clients. Our unique expertise and strategies help ensure that cities are freed from the dangers and blight presented by substandard properties, and that they do not bear the costs of enforcement.

S&W specializes in all forms of code enforcement related services. Mr. Wright is on the Board of Directors for the American Association of Code Enforcement ("AACE") and Zero Graffiti International (an international non-profit graffiti fighting organization), and Mr. Silver is the Vice President of the California Association of Code Enforcement Officers ("CACEO"). Mr. Wright and Mr. Silver have been published on code enforcement related articles numerous times and they both regularly teach code enforcement classes all over the State to code enforcement officers, building officials, police officers, and attorneys. S&W is the most effective code enforcement firm in California for prosecuting code enforcement matters and for maximizing code enforcement related cost recovery.

S&W is fully capable of serving all the prosecutorial legal needs of the City in an effective, expeditious, and cost-efficient manner. Our prosecutors are the most proficient in the State and they have handled a wide array of prosecutorial, code enforcement, litigation, receivership, and nuisance abatement related matters for cities of all sizes. S&W is admitted to every State and Federal Court in California, including the Riverside Superior Court, the California Court of Appeals, the California Supreme Court, all federal United States District Courts in California, and the United States Ninth Circuit Court of Appeals.



II. Organization and Staffing

Curtis Wright is proposed as the lead counsel for the City. Mr. Wright is one of the foremost experts in California on receiverships for substantially dangerous buildings and handles lawsuits on a special council basis for cities all over the State in receivership matters, as well as teaching classes about the remedy for multiple organizations and public agencies throughout the State. Likewise, Mr. Wright has vast experience with administrative code enforcement through administrative enforcement hearings, administrative cost recovery hearings, and administrative citations. Mr. Wright helps cities not just obtain cost recovery awards, but to enforce the awards to maximize actual cost recovery

Mr. Wright has successfully prosecuted hundreds of municipal code enforcement cases. Mr. Wright has prosecuted all forms of municipal code enforcement cases ranging from drug houses, to medical marijuana dispensaries, to condemned and substantially dangerous structures, to dilapidated and fire damaged structures, to nefarious group homes, and aesthetic violations.

As discussed in greater detail in this Proposal, Mr. Wright, along with other S&W prosecutors, including Mr. Silver, are experts on Receivership services, and are adept at utilizing the appropriate code enforcement tools to remedy each unique scenario. Mr. Wright and Mr. Silver have also pioneered more efficient cost recovery techniques that have allowed them to recover up to 92% of all code enforcement related expenses in their cities. S&W has recovered over $1.6 million in code enforcement related inspection fees, investigation costs, enforcement expenses, litigation costs, and attorneys' fees for their municipal clients over just the last few years.

S&W's attorneys are admitted to every State and Federal Court in California, including the California Court of Appeals, the California Supreme Court, all federal United States District Courts in California, and the United States Ninth Circuit Court of Appeals.

Matthew R. Silver—*Partner*

Mr. Silver serves as code enforcement special counsel for a total of 41 cities and counties throughout the State. Mr. Silver's knowledge of California municipal law and its various subcomponents is extensive. In fact, Mr. Silver has been a contributor to the California Municipal Law Handbook on several occasions, helping draft the primary resource for municipal attorneys. He has also taught courses all over the State and published articles on various aspects of municipal law.

Mr. Silver graduated from the University of the Pacific, McGeorge School of Law, with a Juris Doctorate degree and was admitted to the California Bar in 2006. The son of a City Manager, Mr. Silver decided early on to dedicate his career to municipal practice, and worked for two large California municipal law firms before opening S&W. At those firms, Mr. Silver represented dozens of cities and special districts in various areas of municipal law, regularly advising legislative bodies at public meetings, drafting ordinances, negotiating MOUs, providing counsel to planning, building, and police departments, and managing litigation for those clients.

Mr. Silver has received numerous awards for civic accomplishments. For example, in 2001, he received awards from the United States Congress, County of Orange, City of Huntington Beach, and other entities for heroism, stemming from an effort to save a man drowning in a submerged car. Mr. Silver also serves as a Vice President for the California Association of Code Enforcement Officers, is a member of various city attorney associations, and is a board member for the Urban Land Institute.

Mr. Silver's full curriculum vitae is attached to this Proposal as Exhibit A.

Curtis R. Wright—*Partner*

Curtis Wright is a founding partner of S&W. Mr. Wright specializes in State and federal municipal litigation, both as City Prosecutor and as code enforcement special counsel. Mr. Wright has significant experience with administrative, civil, and criminal code enforcement prosecution, receiverships, injunctions, marijuana dispensary regulation, administrative law hearings, deadly weapon forfeiture actions, Pitchess motion defense, and nuisance abatement cost recovery. Mr. Wright has successfully defended cities in various types of litigation ranging from government tort claims to civil rights actions resulting in the preservation of cities' rights and saving cities from potentially hundreds of thousands of dollars in liability.

Mr. Wright has also successfully prosecuted hundreds of code enforcement and marijuana related cases via criminal charges, receiverships, civil injunctions, and other civil penalties. Just as importantly, Mr. Wright has successfully helped clients recover millions of dollars through litigation, special assessments, and liens. S&W strongly believes that cities and their taxpaying citizens should not bear the costs of enforcing the law and protecting the community, especially in light of the current state of the economy. Rather, the costs, expenses, and fees associated with investigating, enforcing, abating, and litigating code enforcement and nuisance abatement actions should be borne by the parties responsible for creating and maintaining the illegal nuisances. That is why S&W is committed to

maximizing cities' cost recovery in every action to the fullest extent permitted by the law, so those funds can be better used for other city projects.

Mr. Wright has been published multiple times on various legal topics and has taught classes and led presentations on various aspects of municipal law, federal and State regulatory preemption, code enforcement, receiverships, and municipal cost recovery. Mr. Wright is on the Board of Directors for AACE and Zero Graffiti International, and he is a third generation public servant as his father was a San Diego police officer and former marine, and his grandfather was a Navy sailor and a postman. Prior to his legal career, Curtis was a Captain and Ranger in the United States Army where he was deployed to Iraq in support of Operation Iraqi Freedom.

Mr. Wright's full curriculum vitae is attached to this Proposal as Exhibit B.

Teddy Low—*Partner*

Mr. Low has more than 15 years' legal experience representing cities, developers, and general contractors in resolving land use, real estate, zoning, entitlements, and development issues. Additionally, Mr. Low has represented public entities in all aspects of litigation, including construction claims and disputes, bodily injury and wrongful death actions, dangerous conditions of public property construction, design claims, and premises liability actions.

Mr. Low has handled cases involving the Public Contract Code and its interaction with complex construction litigation and has extensive experience working with and managing consultants and engineers on planning, development, and public works projects. He has represented the largest community college district in the nation in litigation involving a multi-billion dollar construction bond program.

Mr. Low also has extensive knowledge in the prosecution of municipal code violations and serves a City Prosecutor for multiple cities. He is a skilled litigator in both the civil and criminal court rooms.

Mr. Low is a graduate of California Western School of Law and was admitted to the State Bar of California in 2000. He has been a member of the S&W Team since 2015, and previously worked for law firms specializing in real estate litigation, general contractors, and municipal land use. Mr. Low's full curriculum vitae is attached to this Proposal as Exhibit C.

Amanda A. Pope— *Receivership Attorney*

Ms. Pope has extensive experience representing public entities. Ms. Pope's practice areas include code enforcement, receiverships, nuisance abatement, administrative hearings, and cost recovery. Ms. Pope has substantial experience in receivership petitions and defending municipal clients during code enforcement appeals both at administrative hearings and in Superior Court. Ms. Pope currently works extensively on receivership actions for several cities and counties throughout California and has successfully obtained the appointment of a receiver in dozens of cases to ensure the rehabilitation of substandard and dangerous properties.

Ms. Pope is a graduate of the University of La Verne School of Law and was admitted to the State Bar of California in 2010. She has been a member of the S&W team since 2014, and previously

worked as a Deputy City Attorney and Associate Attorney for a public entity law firm. Ms. Pope's full curriculum vitae is attached to this Proposal as Exhibit D.

Daniel J. Pasek—*Receivership Attorney*

Mr. Pasek has substantial experience in obtaining inspection warrants, premise inspections, and receivership petitions. Mr. Pasek works extensively on receivership actions for several cities and counties throughout California and has successfully obtained the appointment of a receiver in several cases to ensure the rehabilitation of substandard and dangerous properties.

Mr. Pasek's is a graduate of the University of La Verne School of Law and was admitted to the State Bar of California in 2013. He has been a member of the S&W team since 2015, and previously worked for Riverside County Counsel and Thompson Reuters Westlaw. Mr. Pasek's full curriculum vitae is attached to this Proposal as Exhibit D.

In addition to the above named senior attorneys, attorneys James McKinnon, William Kelly, Gina Cervino, Tammy Louie Thai, and Rene Farjeat are also designated and qualified to work on any matter for the City.

III. Proposed Fee Schedule

S&W employs software which allows its prosecutors and staff to enter time contemporaneously as work is completed. This ensures that all time-keeping is accurate and is not recreated at the end of each week or each month. We bill by the tenth of an hour and are committed to clear and accurate descriptions of all work performed. We do not have minimum billing increments, nor do we bill for training, internal communication, legal updates, secretarial work, or other similar expenses. We also provide annual trainings to our clients on various topics, free of charge, as our way of proving to cities that we are committed to the cause.

S&W proposes the following hourly rates for all services:

- **$195** per hour for attorney services.
- **$115** per hour for paralegals and law clerks.
- **No Charge** for secretarial and administrative services.

All rates are subject to a three percent cost of living adjustment on January 1st of each year.

Reimbursement of costs advanced by S&W on behalf of the City, as well as other expenses, will be billed in addition to the amounts billed for fees. These normally include costs for court filing fees, process server fees, messenger fees, property title research and litigation guarantees, printing and document reproduction, and other costs necessary for legal representation. We have no mark-up on these costs and we make no separate charges for administrative support. Our fees already include all overhead costs associated with our legal services.

IV. References

S&W has extensive experience in Health and Safety Code based receiverships, Business and Professions Code based receiverships, and Code of Civil Procedure based receiverships. Listed below are a few of our Receivership matters of similar size and scope to the scope of work in Banning.

A. Current Receivership Actions

1. City of Indio

This Nuisance Property consists of an extremely substandard single-family residential structure that is abandoned and routinely broken into and vandalized. In addition, law enforcement are routinely called out to the Nuisance Property due to criminal activity occurring thereon. Furthermore, the Nuisance Property itself is extremely dilapidated due to a complete lack of maintenance, which has resulted in the underlying structure being a collapse risk and a danger to all that occupy it.

The substandard conditions upon the Nuisance Property include: unsafe and dilapidated ceilings, walls, and flooring; hazardous electrical wiring; insufficient weather protection; insect and vermin infestation; a roof that is likely to collapse; attractive nuisance; and other immediate hazards that place the welfare of occupants and the surrounding community in direct harm. The Nuisance Property contains multiple extremely substandard nuisance conditions, all of which render the Nuisance Property substantially dangerous and place the safety of occupants and the community at risk.

The City has attempted to gain Respondents' voluntary compliance and rehabilitation of the Nuisance Property since at least November 2015 to no avail.

Despite these efforts, the Nuisance Property is extremely dilapidated, unsanitary, an eyesore to the community, a danger to the welfare of its occupants, a fire hazard, and a threat to the health and safety of the public due to numerous land-use and building violations.

The Nuisance Property presents a substantial danger to any occupants and the surrounding community due to the numerous substandard and illegal building conditions. It is unsecured and regularly vandalized, which has attracted criminals that terrorize the neighborhood. In addition, the structure is unsanitary and structurally unsound, which further jeopardizes the safety of the occupants and endangers the property values of neighboring residences.

A Receiver has been assigned to this property. A Notice of Pendency of Action to Abate Nuisance has been recorded with the County Recorder's office.

Feel free to contact **Jason Anderson,** *Code Enforcement Supervisor,* 760-391-4123, JAnderson@IndioPD.org, regarding this matter.

2. City of Coachella

The Nuisance Property consists of a fire damaged single-family residential structure.

The substandard conditions upon the Nuisance Property—many of which have existed for several years—include extreme signs of fire damage, unsafe and dilapidated ceilings and walls, numerous fire hazards, insufficient weather protection, a caved-in roof, and junk and debris liberally strewn throughout the premises. The Nuisance Property contains multiple extremely substandard nuisance conditions, all of which render the Nuisance Property uninhabitable and place occupants' safety at risk. The Nuisance Property lacks running water, electricity, gas, a roof, and numerous other necessities. In addition, junk and debris litters the Nuisance Property, exacerbating fire hazards and inhibiting emergency egress and ingress routes. Further, the Nuisance Property contain dangerous and substandard structural components that put the occupants and neighbors at risk.

The City has attempted to gain Respondents' voluntary compliance and rehabilitation of the Nuisance Property since 2012 to no avail.

Despite these efforts, the Nuisance Property is partially destroyed, extremely dilapidated, unsecured from transients, an eyesore to the community, an attractive nuisance to children, a fire hazard, and a threat to the health and safety of the occupants and the public due to numerous land-use and building violations.

The Nuisance Property presents a substantial danger to any occupant due to the numerous substandard and illegal building conditions. These conditions have worsened over time—including the recent collapse of the roof—and a receivership is, therefore, critical to avoid disastrous consequences of injury to persons and property.

The Nuisance Property has been partially destroyed for years and current enforcement efforts began more than three years ago. The City issued Notice of Violations, citations, a Notice and Order to Abate, and has even red-tagged the Nuisance Property. None of these actions have obtained Respondents' voluntary compliance.

A Receiver has been assigned to this property. A Lis Pendens has been recorded with the County Recorder's office.

Feel Free to contact Luis Lopez, Development Services Director, 760-625-6307, LLopez@Coachella.org, regarding this matter.

3. <u>City of Coachella</u>

This Nuisance Property is an apartment building with extremely unsafe structural elements present throughout the units. Interior walls and ceilings are extremely dilapidated and show significant signs of decay and water damage. Respondent has also illegally subdivided existing units into additional units without obtaining required permits and inspections—all in order to increase her income at the expense of the safety of tenants. In addition, many units lack any manner of weather proofing with broken windows and doors that do not fully close. Respondents have done little to correct these violations since the N&O was issued, and what little work that has been done is only to conceal violations. Future deterioration endangers the occupants and the entire community and must be addressed immediately.

In addition, numerous egress routes that will be vital in the event of an emergency are completely sealed off by either plywood, concrete, or furniture. In the event that any unit were to catch fire, anyone in the structures at the time, including any occupants and any responding firefighters, could very likely be trapped inside the residence and severely injured or killed.

The Nuisance Property is situated in a neighborhood and is located near numerous residences, parks, and schools. Conditions on the Nuisance Property are a constant blight in the community and drives down property values. Respondent is a slumlord that has placed the safety and wellbeing of tenants and the community at large at risk all for pecuniary gains. As such, the safety of the entire area is jeopardized by the Nuisance Property and extreme measures to overhaul and repair the Nuisance Property must be taken immediately so that the City can protect its citizens.

In addition to fire hazards, structural hazards, and blight concerns, there are several health and sanitation issues on the Nuisance Property. The Nuisance Property lacks basic temperature control and with broken windows and doors, the occupants are constantly at the mercy of the elements and pests. Furthermore, water damage is prevalent throughout the Nuisance Property may even be contributing to the spread of mold.

Feel Free to contact Luis Lopez, Development Services Director, 760-625-6307, LLopez@Coachella.org, regarding this matter.

B. Successfully Completed Receivership Actions

1. <u>City of Santa Ana</u>

This nuisance property was a hotel with numerous nuisance and substandard conditions. Sitting off of a major freeway and entrance to the City, the hotel posed an extreme danger and acted as a blighted "welcome" to the City. City staff had spent over a decade attempting to gain compliance from the owners, but with no success. The City had even sued and been sued over the property. Shortly after being retained, S&W obtained appointment of a receiver, and soon thereafter, the property was completely demolished. The City recovered all of its attorney's fees and staff costs, and the property will soon be redeveloped.

To date, S&W has recovered over $97,000 for the City of Santa Ana on this matter. This matter was the first for the City and we have since handled over a dozen receiverships, recovering hundreds of thousands of dollars for the City.

Please feel free to contact Ryan O. Hodge, Assistant City Attorney, (714) 647-5201, rhodge@santa-ana.org regarding this matter.

2. <u>City of Crescent City – Commenced December 2013; Property demolished March, 2014; Receiver discharged 2015.</u>

This Nuisance Property was an abandoned motel with an extensive history of violations of State and local laws. The violations included compromised structural integrity; illegal occupancy; insect, rodent and vermin infestation; lack of fire protection, smoke detectors, and carbo monoxide detectors; stress cracks and dry rot damage to exterior walls; dislodged roof shingles; missing downspouts and gutters;

missing attic vents; substandard and unpermitted structural modifications to windows, doors, and framing; damaged drywall; cracks and holes in the walls; exposed electrical wiring; damaged light fixtures throughout the property with exposed wiring; non-functioning lights in the parking lot; extensive rust damage to exterior staircase; entry ways to rooms exhibit dry rot and rust damage, broken door frames, damaged flooring; substandard and unpermitted plumbing modifications, and water leaks; mold in the showers of almost every room; mold and water stains on the walls in the rooms; and dead vegetation, weeds, trash, and other combustible materials accumulated throughout the property.

A Receiver was appointed and the matter was favorably resolved earlier this year. As of March 2016, S&W had recovered over $287,000 for the City of Crescent City.

Feel free to contact Eric Taylor, Code Enforcement Manager, 707-464-7483, ETaylor@CrescentCity.org, regarding this matter.

3. City of Fontana – Commenced April 2013; Completed May 2016.

This case involved the unpermitted operation of a trucking school and trucking operations within the City of Fontana. The City attempted for numerous years to get the owners to cease the unlawful operation, but with no success. In October 2013, a complaint for nuisance abatement and other relief was filed. The parties were defaulted and attempted numerous times to set aside their default; all of which were unsuccessful. The Court issued an injunction enjoining the illegal activities and requiring the owners to rehabilitate numerous building violations on the property including unpermitted construction. The owners did not comply and the City requested that the Court hold them in contempt and appoint a receiver. After a bench trial on the matter, the Court held the Defendants in contempt and appointed the receiver. The Receiver has finished rehabilitation of the property and been granted permission to sale the property.

This case spawned several appeals to the Fourth District Court of Appeals on behalf of the Defendants, which the City successfully defeated. To date, S&W has recovered over $87,000 with additional recovery pending.

Feel free to contact Ted Porlas, Code Compliance Manager, 909-854-8021, TPorlas@Fontana regarding this matter.

C. Client References

We encourages you to discuss our relevant expertise with the following client references. Additional references can be provided upon request.

Chief Richard Twiss
Chief of Police
CITY OF INDIO
46800 Jackson Street
Indio, California 92201
Phone: 760-391-4030
E-mail: RTwiss@IndioPD.org

Mr. Ted Porlas
Code Compliance Manager
CITY OF FONTANA
17005 Upland Avenue
Fontana, California 92335
Phone: 909-854-8021
Email: TPorlas@Fontana.org

Mr. Michael Heroux
Building Official
CITY OF CHINO
13220 Central Avenue
Chino, California 91710
Phone: 909-334-3308
Email: MHeroux@CityofChino.org

Officer Mary Lewis
Community Preservation Officer
CITY OF YORBA LINDA
4845 Casa Loma Avenue
Yorba Linda, California 92885
Phone: 714-961-7148
E-mail: MLewis@Yorba-Linda.org

Officer Jason Anderson
Code Enforcement Supervisor
CITY OF INDIO
46800 Jackson Street
Indio, California 92201
Phone: 760-391-4123
E-mail: JAnderson@IndioPD.org

Mr. Pete Roque
Code Enforcement Manager
CITY OF MONTEBELLO
1600 West Beverley Boulevard
Montebello, California 90640
Phone: 323-887-1481
Email: PRoque@CityofMontebello.com

Ms. Cyndy Day-Wilson, Esq.
City Attorney
CITY OF EUREKA
531 K Street, Room 203
Eureka, California 95501-1165
Phone: 707-441-4147
Email: CDay-Wilson@ci.Eureka.ca.gov

Mr. Abraham Duran
Code Compliance Supervisor
CITY OF CHINO
13220 Central Avenue
Chino, California 91710
Phone: 909-334-3316
Email: ADuran@CityofChino.org

V. Additional Information

A. Computer Resources

Silver & Wright currently utilizes Microsoft Office Suite 2013, including Word, Excel, and PowerPoint, as well as various legal programs, including Westlaw, CEB, and Data Tree.

B. Billing Procedures and Payment

Invoices are typically generated monthly, at the beginning of the month, grouped by matter, and mailed out to the City's designated accounts payable representative. Any CDBG eligible cases may be reflected on the invoices. S&W can adapt its invoicing system to meet the City's requirements.

We accept bank drawn checks, EFT and cashier's checks as payment. Payment terms are Net 30 days.

C. Discipline History

All attorneys with S&W are licensed to practice law and in are good standing with the State Bar of California. None of the attorneys at S&W have ever been the subject of State Bar discipline or of a malpractice complaint. To the contrary, our firm has a stellar record of active public service.

D. Insurance Requirements

S&W carries Professional Liability Insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate. We also carry General Liability and Auto Insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate. We also carry $1,000,000 in Employer's Liability Insurance and meet the State requirements for Workers Compensation Insurance. We are happy to provide the City with proof of insurance upon request, and will name the City as an additional insured once awarded the contract.

VI. Conclusion

Thank you for the opportunity to present this Proposal. We are excited about the potential opportunity to work with the City of Banning. At S&W, we believe the City is most satisfied when receiving personal, effective, and efficient legal services that are provided in a professional and ethical manner. Our goal is to achieve your maximum satisfaction with both our services, our prosecutorial success, and our cost recovery mechanisms. Our references and history of success will reflect that we succeed in all regards.

We believe that our experience, pricing, and training makes S&W the ideal candidate to provide legal services for the City of Banning. If you require any additional information, please contact Matthew Silver at 949-200-5420 or MSilver@SilverWrightLaw.com at any time.

Sincerely,

Matthew R. Silver
Partner
SILVER & WRIGHT LLP

EXHIBIT A

MATTHEW R. SILVER
CURRICULUM VITAE

SILVER & WRIGHT LLP
Attorneys at Law
IRVINE | INLAND EMPIRE | BAY AREA | SACRAMENTO

MATTHEW R. SILVER
California Bar Number 245528
949-385-6431 | MSilver@SilverWrightLaw.com
7 Corporate Park, Suite 120, Irvine, California 92606

LEGAL EXPERIENCE

SILVER & WRIGHT LLP — Irvine, California
Founding Partner — 2013–Present
Specialization in municipal law, civil litigation, criminal prosecution, administrative law, police services, code enforcement, receivership, land-use, cost recovery, and constitutional law and litigation. Pioneering new and efficient methods of improving representation of public safety agencies, cultivating code enforcement effectiveness, and maximizing municipal cost recovery.

BEST BEST & KRIEGER LLP — Irvine, California
Senior Associate — 2009–2013
Managed the firm's code enforcement practice. Specialized in code enforcement, administrative process, criminal and civil litigation, land-use and planning, and cost recovery. Represented approximately eight cities as City Prosecutor and Assistant City Attorney as general counsel to planning commissions and in code enforcement and land-use related litigation. Primary attorney for hundreds of litigation matters from inception through trial and appeal, including appeals of administrative decisions to State court. Designed, drafted, and implemented several cutting-edge ordinances regarding administrative process, cost recovery, and code enforcement. Regularly issued written opinions for hearings and on municipal law issues.

WOODRUFF, SPRADLIN & SMART APC — Costa Mesa, California
Associate — 2007–2009
Specialized in code enforcement and led the firm's practice. Drafted ordinances relating to code enforcement and administrative process, and assisted with litigation and providing advice to cities.

WESIERSKI & ZUREK LLP — Irvine, California
Associate — 2001–2007
Represented large companies in civil litigation and defended them against tort, real property, labor, and contract claims. Assisted partners with law and motion, and regularly made court appearances. Served as co-counsel at trial.

EDUCATION

UNIVERSITY OF THE PACIFIC, MCGEORGE SCHOOL OF LAW — Sacramento, California
Juris Doctorate — May 2006
Awards: Dean's List and graduate with honors.

UNIVERSITY OF CALIFORNIA, IRVINE — Irvine, California
Bachelor of Arts, English — June 2003

PUBLICATIONS

Matthew Silver & Curtis Wright, *Public Entity Receiverships of Blighted and Foreclosed Properties*, 35 PUB. L.J. 21, no. 4, Fall 2012 at 21.

Matthew Silver & Curtis Wright, *New California Law Strengthens Municipal Powers To Fight Blight On Foreclosed Homes*, THE PUBLIC RECORD, Sept. 18, 2012, at 15.

Matthew Silver, *How Cities Can Maximize Existing Powers and Recover Their Costs to Fight Crime*, WESTERN CITY MAGAZINE, October, 2012.

Matthew Silver, *Code Enforcement*, CALIFORNIA MUNICIPAL LAW HANDBOOK (contributor).

PROFESSIONAL ORGANIZATIONS, BAR MEMBERSHIP, & AWARDS

Organizations: California Association of Code Enforcement Officers (Board of Directors); Urban Land Institute; Orange County Bar Association.

Bar Admissions: State Bar of California (2006–Present); United States District Court for the Central, Southern, Northern, and Eastern Districts of California (2006–Present).

Awards: Heroism—United States House of Representatives, California State Senate, California State Assembly, Orange County Board of Supervisors, City of Huntington Beach, Huntington Beach Chamber of Commerce.

EXHIBIT B

CURTIS R. WRIGHT
CURRICULUM VITAE

CURTIS R. WRIGHT
California Bar Number 273323
909-833-5420 | CWright@SilverWrightLaw.com
3350 Shelby Street, Suite 250, Ontario, California 91764

LEGAL EXPERIENCE

SILVER & WRIGHT LLP — Ontario, California
Founding Partner — 2013–Present
Specialization in municipal law, civil litigation, criminal prosecution, administrative law, police services, code enforcement, receiverships, land-use, Pitchess motion defense, gun confiscations, cost recovery, and constitutional law and litigation. Pioneering new and efficient methods of improving representation of public safety agencies, cultivating code enforcement effectiveness, and maximizing municipal cost recovery.

BEST BEST & KRIEGER LLP — Ontario, California
Attorney — 2009–2013
Extensive experience with civil, criminal, state, and federal court litigation. Collaborated directly with clients to intake, manage, and prosecute cases. Extensively worked on litigation investigations, pleadings, discovery, law and motion, oral argument, settlement negotiations, bench trials, and jury trials. Practiced municipal, code enforcement, receivership, criminal, administrative, constitutional, business, real estate, and redistricting law.

UNITED STATES DISTRICT COURT — Riverside, California
Judicial Extern — Spring 2009
Drafted opinions, reports, and recommendations. Assisted in legal research, analysis, and decision making. Discussed legal principles and decision making factors with the judge. Observed trials, hearings, and settlement conferences. Ascertained the practical aspects of how to effectively advocate in court.

OSBORN & CARTER APC — Rancho Cucamonga, California
Law Clerk — 2008–2009
Composed motions, research papers, office memoranda, and legal correspondence. Reviewed files and records to identify and sequence events in preparation for pleadings and discovery. Observed depositions and client consultations. Worked on insurance, medical malpractice, legal malpractice, real estate, and administrative law cases.

MILITARY EXPERIENCE

UNITED STATES ARMY — Various Locations
Captain (Ranger) — 2002–2006

Served in multiple positions including: Fire Support Officer, Infantry Platoon Leader, Artillery Platoon Leader, Battery Executive Officer, and Classified War Plans Officer. Stationed in multiple locations around the world including: Iraq, Japan, Korea, Washington, Oklahoma, Georgia, and Florida. Commanded units of up to 82 men and was responsible for over $6 million worth of weapons, equipment, and armored vehicles. Fought in Iraq as part of Operation Iraqi Freedom and led over 150 combat patrols, raids, and civil-military operations without sustaining a single casualty to my unit. Ranger School graduate surviving an intense combat leadership course composed predominantly of field operations in forest, swamp, and mountainous terrain involving planning and executing attacks on widely dispersed objectives, training over 22 hours per day, sleeping less than two hours per night, and eating only the minimum food necessary to sustain function.

EDUCATION

UNIVERSITY OF LA VERNE COLLEGE OF LAW (ULV) — Ontario, California
Juris Doctorate — May 2010

Rank: Third in Class; Magna Cum Laude; Dean's List; Full Tuition Scholarship.
Awards: Best Appellate Brief; Best Appellate Oralist; CALI—Estate Planning, Contract Drafting, Civil Procedure, Evidence, Appellate Advocacy.
Clubs: Law Review; Peer Mentoring; Faculty Curriculum Committee; American Constitutional Society; Delta Theta Phi International Law Fraternity.

UNIVERSITY OF SOUTHERN CALIFORNIA (USC) — Los Angeles, California
Bachelor of Science, Business Entrepreneurship — May 2002

PUBLICATIONS

Curtis Wright, *Legal Weapons of Law Enforcement*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Anaheim, California, 2015.

Curtis Wright, *Substandard Buildings & Hoarders*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Anaheim, California, 2015.

Curtis Wright, *Warrants, Prosecution, & Cost Recovery*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Livermore, California, 2015.

Curtis Wright, *Graffiti Vandalism: Legal Enforcement & Cost Recovery*, ZERO GRAFFITI INTERNATIONAL, Santa Ana, California, 2015.

Curtis Wright, *Health & Safety Receiverships*, INLAND EMPIRE CRIME FREE COLLABORATIVE, Rancho Cucamonga, California, 2015.

Curtis Wright, *Realignment & Code Enforcement: Tools To Survive*, DESERT ENFORCEMENT NETWORK, Palm Desert, California, 2015.

Curtis Wright, *Municipal Code Criminal Prosecution and Cost Recovery*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Salinas, California, 2014.

Curtis Wright, *Regulating Sober Living Facilities*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Lake Tahoe, California, 2013.

Curtis Wright, *Regulating Medical Marijuana Dispensaries*, INSPECTION ENFORCEMENT TRAINING INSTITUTE, Various Cities throughout California, 2013.

Curtis Wright et al., *Health & Safety Code Receiverships Panel*, CALIFORNIA RECEIVERSHIP FORUM, Los Angeles, California, 2013.

Curtis Wright, *Crime-Free Housing*, COUNTY OF SAN BERNARDINO, Various Cities, California, 2013–2014.

Curtis Wright, *Crime-Free Housing*, CITY OF SAN BERNARDINO, San Bernardino, California, 2013–2014.

Curtis Wright, *Health & Safety Code Receiverships*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Fremont, California, 2013.

Curtis Wright, *Nuisance Abatement Cost Recovery*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Fremont, California, 2013.

Matthew Silver & Curtis Wright, *Responding to Realignment Impacts*, CALIFORNIA LEAGUE OF CITIES, Ontario, California, 2013.

Matthew Silver & Curtis Wright, *Public Entity Receiverships of Blighted and Foreclosed Properties*, 35 PUB. L.J. 21, no. 4, Fall 2012 at 21.

Matthew Silver & Curtis Wright, *New California Law Strengthens Municipal Powers To Fight Blight On Foreclosed Homes*, THE PUBLIC RECORD, Sept. 18, 2012, at 15.

Curtis Wright, *Redistricting Law for Water Agencies*, ASSOCIATION OF CALIFORNIA WATER AGENCIES, Monterey, California, 2012.

Scott Talkov, *Barristers President's Message—Honoring Our Veterans: Army Ranger & Barrister Curtis Wright*, RIVERSIDE LAWYER, October 2011, at 6.

Sophia Choi & Curtis Wright, *Obtaining Citizenship Through Military Service*, RIVERSIDE LAWYER, October 2011, at 12.

Matthew Silver & Curtis Wright, *Medical Marijuana Dispensaries*, CALIFORNIA ASSOCIATION OF CODE ENFORCEMENT OFFICERS, Monterey, California, 2011.

Matthew Silver & Curtis Wright, *Code Enforcement Criminal Prosecutions*, CITY OF FONTANA, Fontana, California, 2011.

Charity Schiller & Curtis Wright, *Metadata Mining and Scrubbing: Potential Ethical Pitfalls California Attorneys Need To Know*, RIVERSIDE LAWYER, June 2010, at 25.

Curtis R. Wright, *Quanta of Solace?: The Patent Exhaustion Doctrine and Method Patents After Quanta v. LGE*, 30 U. LA VERNE L. REV. 494 (2009).

PROFESSIONAL ORGANIZATIONS, BAR ADMISSIONS, & AWARDS

Organizations: Leo A. Deegan Inn of Court (2009–2010); Riverside County Bar Association (2009–Present); Riverside Barristers Association (2009–2013); United States Army Ranger Association, Southwest Region Deputy Director (2010–2013); Veterans of Foreign Wars (2010–Present); American Legion (2010–Present); Inland Empire Federal Bar Association (2011–Present); Stop Urban Blight & Zero Graffiti International, Board of Directors (2013–Present); San Bernardino Hoarder Task Force, Legal Counsel (2013–2015); San Bernardino Crime-Free Housing Program, Legal Counsel (2013–2014); Inland Empire Crime Free Collaborative, Legal Counsel (2013–Present); American Association of Code Enforcement, Board of Directors (2015–Present).

Bar Admissions: State Bar of California (2010–Present); Supreme Court of California (2010–Present); United States Court of Appeals, Ninth Circuit (2010–Present); United States District Court for the Central, Southern, Northern, and Eastern Districts of California (2010–Present).

Awards: University of La Verne College of Law 2013 Keynote Speaker, Ranger Tab, Army Commendation Medal with Oak Leaf, National Defense Service Medal with Bronze Star, Global War on Terrorism Expeditionary Medal and Service Medal, Army Service Ribbon, Overseas Service Ribbon, and Combat Action Badge.

EXHIBIT C

TEDDY LOW
CURRICULUM VITAE

TEDDY LOW
California Bar Number 207041
949-385-6431 | TLow@SilverWrightLaw.com
7 Corporate Park, Suite 120, Irvine, California 92606

LEGAL EXPERIENCE

SILVER & WRIGHT LLP — Irvine, California
Partner — 2015–Present
Specializing in administrative law, municipal law and litigation, municipal cost recovery, code enforcement, receiverships, civil litigation, criminal prosecution, business law and litigation, public works, personal injury defense and tort defense, and enforcement of judgments. Pioneering new and efficient methods of improving code enforcement effectiveness and maximizing municipal cost recovery.

WOOD SMITH HENNING & BERMAN LLP — Rancho Cucamonga, California
Senior Counsel — 2004–2015
Counseled clients and negotiated with city officials concerning land use, environmental concerns, city approval of plans and permits, building safety, and zoning. Led negotiations between developers, contractors, design professionals, and government agencies in order to formulate resolution of issues that arose during development of projects. Prosecuted and defended clients in all facets of civil litigation.

MICHELMAN & ROBINSON LLP — Santa Ana, California
Attorney — 2003–2004
Represented general contractors and subcontractors in construction lawsuits. Handled a wide-range of cases ranging from workers compensation claims, illegal sales of counterfeit cigarettes, and business entity formation. Counseled landlords in matters involving unlawful detainer actions.

SCHROEDER & ASSOCIATES — Brea, California
Attorney — 2001–2003
Evaluated and negotiated contract terms for developer, general contractor, and subcontractor clients. Counseled developer clients concerning land acquisition and construction finance, building permitting issues, and Storm Water Pollution Prevention Plan (SWPP) concerns. Analyzed and advised clients regarding community redevelopment and Community Development Block Grant (CDBG) issues.

STUTZ, GALLAGER, ARTIANO, SHINOFF & HOLTZ — Santa Ana, California
Attorney — 2000–2001
Managed diverse business and real estate litigation cases, including representation of clients in complex litigation. Prepared correspondence and litigation reports for insurance carriers and clients. Drafted motions and other court pleadings.

EDUCATION

UNIVERSITY OF MIAMI SCHOOL OF LAW — Coral Gables, Florida
LLM, Real Property Development — 2000

CALIFORNIA WESTERN SCHOOL OF LAW — San Diego, California
Juris Doctor — 1999
Awards: Dean's Academic Scholarship.
Clubs: Pan-Asian Student Lawyers Association, President.
Thesis: A Managed Health Care – A Report Card Solution, cited by *Res Ipsa Loquitur*.

UNIVERSITY OF CALIFORNIA, RIVERSIDE (UCR) — Riverside, California
Bachelor of Arts, Political Science/Administrative Studies — 1996
Minor, History
Rank: Honors; Magna Cum Laude; Dean's List.

BAR ADMISSIONS & LICENSES

Bar Admissions: State Bar of California (2000–Present); United States District Court for the Central and Southern Districts of California (2000–Present).

Licenses: Real Estate Broker, California Department of Real Estate (No. 01726481).

EXHIBIT D

AMANDA POPE
CURRICULUM VITAE

AMANDA A. POPE
California Bar Number 273307
949-200-6725 | APope@SilverWrightLaw.com
7 Corporate Park, Suite 120, Irvine, California 92606

LEGAL EXPERIENCE

SILVER & WRIGHT LLP Irvine, California
Attorney 2014–Present
Specialize in initiating receivership actions for several city and county clients throughout California for the appointment of a receiver to rehabilitate substandard nuisance residential and commercial properties; manage junior attorneys and law clerks on research assignments and cases; regularly draft preliminary injunction motions, demurrers, oppositions, and replies during litigation; assist multiple clients with revocation of business licenses for massage establishments engaged in prostitution; assist city clients with cost recovery for graffiti abatement and the special assessment process; draft memorandum to provide legal advice to clients regarding code enforcement and real property issues; review and analyze municipal codes and State law for applicable permit requirements and land use violations; negotiate and draft subordination agreements and stipulations during receivership actions.

BOWIE, ARNESON, WILES & GIANNONE Newport Beach, California
Associate Attorney 2013–2014
Litigated public works construction and breach of contract matters for school district clients; litigated foreclosures for unpaid special tax assessments and negotiated settlements on behalf of city clients; approved public works agreements, bonds, and insurance requirements for water district clients; Drafted agreements and petitions for school district clients; assisted clients with property acquisition, CEQA compliance, and surplus property disposition and the formation and administration of Community Facilities Districts under the Mello-Roos Act; provided legal advice to school district clients throughout California regarding the collection and expenditure of Developer Fees pursuant to the Government and Education Codes; drafted resolutions for school board meetings and appeared before school boards at board meetings; provided legal advice and drafted memorandum for water district clients regarding real property issues, conflicts of interest, and water rates, fees, and charges under the California Constitution; provided legal advice to clients regarding the Brown Act, the Political Reform Act, and the Public Records Act.

CITY ATTORNEY'S OFFICE FOR THE CITY OF RIVERSIDE Riverside, California
Deputy City Attorney 2008–2013
Litigation Experience
Litigation practice included public nuisance abatement actions (receiverships and judicial foreclosures); breach of public works contracts and change order disputes; inverse condemnation and eminent domain; dangerous condition of public property (personal injury and damage to private property); employment; and civil rights *Monell* claims in Federal Court; Successfully represented the City of Riverside in several trial de novos, appeals, and Writs of Mandate relating to citations issued for violations of the Riverside Municipal Code; Successfully drafted, argued and won a MSJ/MSA eliminating the City of Riverside's exposure to attorney's fees in an inverse condemnation/dangerous condition flood litigation case; Obtained an arbitration award against AT&T in an inverse condemnation case and second chaired a wrongful termination employment arbitration; Initiated actions for contempt of court, unlawful detainer, civil

injunctions, breach of contract, graffiti abatement, DUI cost recovery, and property damage; Appeared in criminal court to defend *Pitchess* motions and initiated weapons forfeiture actions; Deposed parties, expert and percipient witnesses and participated in mediations resulting in favorable settlement for the City of Riverside, including a waiver of all future liability in a property damage case; Drafted complaints, demurrers, answers, motions to compel discovery, and motions to quash service; and propounded and responded to discovery.

Transactional Experience

Negotiated and prepared real property transactions such as rehabilitation agreements for properties that were the subject of nuisance abatement actions under the Health and Safety Code; drafted public works contracts, facilities use and special instructor agreements, municipal ordinances, and city council resolutions; responded to bid protests, stop notices, and worked with the City's Risk Manager to resolve various contractor and subcontractor licensing issues related to the competitive bidding process on public works projects; responded to a variety of requests pursuant to the Public Records Act; Provided legal advice to various client departments including the Code Enforcement Department, Public Works, the collections division of the Finance Department, Parks and Recreation, and the Library and Museum; drafted legal memorandum for the City Attorney to advise the city council, as well as for client departments and department heads; drafted letters to City residents regarding neighborhood livability issues such as loud parties, excessive calls for service, cease and desist letters, and letters relating to compliance with the Riverside Municipal Code.

EDUCATION

UNIVERSITY OF LA VERNE SCHOOL OF LAW — Ontario, California
Juris Doctor — 2009

CALIFORNIA POLYTECHNIC STATE UNIVERSITY — San Luis Obispo, California
Bachelor of Arts, Political Science — 2005

BAR ADMISSIONS & LICENSES

Bar Admissions: State Bar of California (2010–Present); United States District Court for the Central District of California.

EXHIBIT E

DANIEL PASEK
CURRICULUM VITAE

DANIEL J. PASEK
California Bar Number 295059
949-385-6431 | DPasek@SilverWrightLaw.com
3350 Shelby Street, Suite 250, Ontario, California 91764

LEGAL EXPERIENCE

SILVER & WRIGHT LLP — Ontario, California
Attorney — 2015–Present
Drafted numerous legal documents including petitions, appeals, recording documents, and *Pitchess* oppositions. Provided legal counsel and assistance to municipal corporations throughout the State in the areas of Code Enforcement, *Pitchess* representation, criminal prosecution, and general administrative assistance. Assisted multiple municipal corporations in *Pitchess* defense including drafting oppositions, attending hearings, assisting in relevant disclosure, and obtaining numerous successful results requiring zero disclosure.

RIVERSIDE COUNTY COUNSEL — Riverside, California
Volunteer Attorney — 2015
Drafted litigation documents including complaints, verified answers, motions for prejudgment possession, notices of pendency of action (Lis Pendens), declarations, and discovery requests. Handled various municipal law cases including eminent domain, prompt payment statutes, and board of supervisor's appointment powers. Performed research on various issues, including discovery of case law authorizing municipalities to recover attorney fees in prompt payment dispute cases.

THOMSON REUTERS WESTLAW — Orange County, California
Document Acquisition Specialist & Court Wire Writer — 2014–2015
Researched, compiled, and summarized recent civil jury verdict and arbitration award cases submitted through the Orange County e-filings process and databases. Reviewed all filed complaints on a daily basis and summarizing the complaint allegations for upload to the Westlaw Court Wire, a daily journal provided to Westlaw subscribers.

LAMBDA LEGAL — Los Angeles, California
Legal Extern — 2013
Performed research for attorneys in different stages of litigation and assisted in drafting a successful motion for summary judgment in a public accommodation discrimination case. Communicated with prospective clients via Lambda's legal helpline. Researched prospective clients' issues. Drafted memoranda to decide whether representation would achieve Lambda's objectives.

UNIVERSITY OF LA VERNE COLLEGE OF LAW — Ontario, California
Research Assistant to Law Professor Charles Doskow — 2012–2013
Researched how Model Rule 5.4 came into being and whether the reasons for the rule are still valid given other countries' experience with non-lawyer ownership of legal firms. The research performed and the conclusions reached were used in a symposium presentation and accompanying article.

UNIVERSITY OF LA VERNE COLLEGE OF LAW — Ontario, California
Research Assistant to Associate Dean Tiffany Graham — 2012–2013
Performed a wide range of research that included due process, equal protection, the enabling clauses of the 13th-15th Amendments, and the Civil Rights Act. Drafted memorandum to help answer the hypothetical question of what would happen if Congress used its Section 5 power of the 14th Amendment to overturn individual state's mini DOMA laws. Research was later published in volume 65 of the Rutgers Law Review.

UNIVERSITY OF LA VERNE COLLEGE OF LAW Ontario, California
Research Assistant to Law Professor Victoria Haneman 2012
Researched and prepared memoranda on issues of tax law, in particular higher education deductions. Edited articles and ensured citation followed appropriate attribution rules. Fixed errors committed by other research assistants.

EDUCATION

UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW Gainesville, Florida
Masters of Law in Taxation May 2014

UNIVERSITY OF LA VERNE COLLEGE OF LAW Ontario, California
Juris Doctor May 2013

Rank: Eighth in Class; Cum Laude; Dean's List.

Awards: Constitutional Law I, Constitutional Law II, Evidence, Advanced Evidence Practicum, Issues in Constitutional Law Seminar, Insurance Law.

Clubs: *University of La Verne Law Review*, Chief Articles Editor; Peer Mentoring; Faculty Curriculum Committee; American Constitutional Society; Delta Theta Phi International Law Fraternity.

CALIFORNIA STATE UNIVERSITY, FULLERTON (CSUF) Fullerton, California
Bachelor of Arts, Political Science May 2010

PUBLICATIONS

Daniel Pasek, *Love and War: An Argument For Extending Dependent Benefits to Same-Sex Partners of Military Service Members*, 6 HARV. L. & POL'Y REV. 459 (2012) (cited in 2013 U.S. S. Ct. Briefs LEXIS 1367; 2013 U.S. S. Ct. Briefs LEXIS 1373).

PROFESSIONAL ORGANIZATIONS, BAR ADMISSIONS, & AWARDS

Awards: ALI-CLE Award (formally ALI-ABA Award); Leo A. Deegan Inn of Court, Riverside, California; Sean McDonald Scholarship Recipient.

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Exhibit "D"

Fee Proposals & Combined Review Scores

GdB Green de Bortinowsky
Best, Best & Krieger, LLP
Sliver & Wright, LLP

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RFP RESPONDERS FEE PROPOSAL COMPARISON MATRIX

RFP RELEASE DATE: APRIL 15, 2016 / PROPOSAL DEADLINE: JUNE 2, 2016 NO LATER THAN 4PM

Please Note: The numerical order used below for each Proposer (#1 to #12) is used for internal tracking purposes only and does not constitute order of receipt nor does it constitute order of selection as it pertains to the evaluation process.

1	**GdB Green de Bortnowsky** -**RFP Page 7** – It is critical to understand that most receivership firms plan on collecting their fees from the property owner's equity in the property, and then from the City in the event there is a shortfall in the equity. **Our proposal totally holds the City harmless as to fees, regardless of the outcome.** Community Engagement Strategies – When authorized by a client, the Firm's attorneys will interact with the media and attend public meetings and respond to general public inquiries about cases from a wide range of persons. The Firm practices only in municipal law and maintains a strong code enforcement and receivership program on full contingency-at no cost to City.	**Proposed Fee Schedule**: -**Pg. 15 of the RFP Response Packet states as follows**: **ATTORNEY'S FEES AND COSTS** The Firm agrees to handle any cases accepted on a full contingency basis, with the Firm recovering its fees through the receivership process, either from the receiver, the property owner, or another responsible party. The Firm's legal services are billed at the rate of $290 per hour for all attorneys and $150 per hour for paralegals. Fees and expenses, including document reproduction, legal research such as Westlaw, mileage, etc. are recovered at cost. **It should be remembered that the City will not under any circumstances be required to pay the Firm any fees, other than those received through the receivership or other procedure to obtain reimbursement from the property owner.** As stated above, the Firm anticipates that any legal services agreement entered into with the City will fully comply with the requirements of *County of Santa Clara v. Superior Court* (2010) 50 Cal.4th 35 pertaining to the acceptance of legal services for Code Enforcement work on a contingency basis. Appointing a receiver – The great majority of the work, including declaration drafting, evidentiary review and the crafting of the Complaint for Receivership is performed by the Firm. The Firm appears at all court hearings to prosecute the Client's decision to seek a receivership.	Pg. 15 - The firm anticipates that legal services agreement entered into with the City will fully comply with the requirements of *County of Santa Clara v. Superior Court* (2010) 50 Cal.4th 35 pertaining to the acceptance of legal services for Code Enforcement work on a contingency basis. Billing: The Firm will provide the Police Chief or his designee with monthly statements, solely for the purposes of information, as all fee payment will be deferred until and collected out of the closure of the receivership which is archived by a sale of the property. Vendor provided a sample Professional Services Agreement in their response. FYI only – See Pg. 2 & 3 of their response packet for a typical timeline for handling of a receivership case.

RFP RESPONDERS FEE PROPOSAL COMPARISON MATRIX

RFP RELEASE DATE: APRIL 15, 2016 / PROPOSAL DEADLINE: JUNE 2, 2016 NO LATER THAN 4PM

Please Note: The numerical order used below for each Proposer (#1 to #12) is used for internal tracking purposes only and does not constitute order of receipt nor does it constitute order of selection as it pertains to the evaluation process.

2	**Best Best & Krieger** Pg. 6 – of the RFP Response Packet states as follows: We would propose starting with a meeting with the City to fully understand the City's needs, and we would recommend reviewing the City's files. This will give our team the best understanding of the City's unique situation and legal needs.	**Proposed Fee Schedule**: **Team Members (See Pg. 17 of the Firm's Proposal):** ➢ **Mark Easter $295 per hour** ➢ **Sam Emerson $250 per hour** ➢ **Paralegal and Law Clerks $170 per hour** ➢ **Other Attorneys – blended rate of $250 per hour** BB&K does not charge for routine word processing, secretarial, and office costs, including telephone and fax charges. We would bill for postage, legal research, and any costs of printing or reproducing documents, photos, or other items necessary for legal representation.	BB&K understands the City is asking for a fixed fee amount, however with such a complex receivership as this appears to be, quoting a NTE amount will be difficult. To this end, we propose starting with a meeting to fully understand the level of opposition and other determining factors. From this, we will be able to give the City a budget range for this work.
3	**Silver & Wright, LLP** S&W employs software which allows its prosecutors and staff to enter time contemporaneously as work is completed. This ensures that all time-keeping is accurate and is not recreated at the end of the week or each month. Do not have minimum billing increments.	**Fee Proposal** – Refer to Page 8 of 31 of the RFP Response Package: ➢ **$195.00** per hour for attorney services ➢ **$115** per hour for paralegal and law clerks ➢ **No Charge** for secretarial and administrative services **All rates are subject to a three percent cost of living adjustment on January 1st of each year.** The firm does not have minimum billing increments, nor do they bill for training, internal communication, legal updates, secretarial work, or other similar expenses. The firm also provides annual trainings to its clients on various topics, free of charge, as their way of proving to cities that we are committed to the cause.	**Other Expenses**: Reimbursement for costs advanced by S&W on behalf of the City, as well as other expenses, will be billed in addition to the amounts billed for fees. These normally include costs for court filing fees, process server fees, messenger fees, property title research and litigation guarantees, printing and document reproduction, and other costs necessary for legal representation. We have no mark-up on these costs and we make no separate charges for admin support. Fees already include all overhead costs associated with legal services provided.

Code Enforcement Philosophy and Cost Recovery

For most local governments, the primary goal of Code Enforcement is to obtain compliance as quickly as possible, while utilizing the minimal resources necessary to effectuate that goal. In these days of shrinking funding, many Code Enforcement departments need to do more with less. Only the most serious and challenging cases are normally referred to legal counsel, when lesser tools have proven inadequate to compel a violator to bring a property into compliance or other extenuating circumstances are involved.

When receiving a Code Enforcement case from a client, the Firm's first action is to review the file to determine what the most expeditious manner of obtaining compliance. Except in emergency situations, it is normally preferable to compel a violator to comply, rather than having the City or another third party abate a violation. However, by the time a case is referred to legal counsel, Code Enforcement staff have often exhausted all reasonable attempts at gaining voluntary compliance. The mere presence of legal counsel may sometimes result in additional efforts by a responsible party, but more often by the time the case reaches our office it is time for aggressive action.

The Firm is aware of the need to keep legal costs down for two reasons. Firstly, local governments have a need to maintain strict budgets in these days of fiscal restraint. Secondly, however, California law expressly calls for Code Enforcement expenses, including legal fees, to be borne by violators rather than the taxpayers. It is for this reason that cities are allowed to place liens and/or special assessments against properties to recover Code Enforcement expenses and legal fees. The Firm's goal is not to punish a violator or loot the equity of the property in any particular case. In acting as counsel for the City, the Firm strives to act in an ethical manner to minimize the expense to the property owner, while still fulfilling the City's goals.

For this reason, one of the Firm's highest priorities is keeping costs to a reasonable and defensible level, and then collecting those costs, as well as full expenses, from violators via all legally authorized means. The Firm creatively utilizes contingency fee arrangements in receiverships in order to eliminate any outlay of City funds for legal enforcement in cases where such a tactic is appropriate. The Firm is fully committed to recovering legal fees and penalties and other enforcement costs due the client—and no more.

It is critical to understand that most receivership firm plan on collecting their fees from the property owner's equity in the property, and then from the City in the event there is a shortfall in the equity. Our proposal totally holds the City harmless as to fees, regardless of the outcome.

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Fee Proposal

Legal Representation For Receivership Petition For Blighted Property

Presented to:

City of Banning Police Department

June 2, 2016

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Indian Wells | Irvine | Los Angeles | Ontario | Riverside | Sacramento | San Diego | Walnut Creek | Washington, D.C.

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1. PROPOSED FEE SCHEDULE 1

1. PROPOSED FEE SCHEDULE

Proposed Fees

We recognize the need to keep legal costs under control. BB&K has a longstanding commitment to the delivery of legal services to municipalities and public agencies, resulting in efficiencies that are unmatched by any other law firm. We address complex legal issues with creativity and speed at a fair and reasonable cost.

We understand the City is asking for a fixed fee amount, however with such a complex receivership as this appears to be, quoting a Not To Exceed amount will be difficult. To this end, we propose starting with a meeting with the City to fully understand the level of opposition and other determining factors. From this, we will be able to give the City a budget range for this work. In addition, our goal is to give the City the basis for getting back legal fees spent on this work so that it becomes a net-neutral event for the City of Banning. We have been successful in this approach with many other cities in similar situations.

Hourly Rates

Hourly rates are only half the equation when calculating the cost of legal services. Given the depth and breadth of our experience, we often get the job done in much less time, resulting in lower overall totals.

Mark Easter	$295 per hour
Sam Emerson	$250 per hour
Paralegals and Law Clerks	$170 per hour

If other attorneys are brought in to work on this matter, we propose a blended hourly rate of $250 per hour.

Reimbursements

BB&K does not charge for routine word processing, secretarial, and office costs, including telephone and fax charges. We would bill for postage, legal research, and any cost of printing or reproducing documents, photographs, or other items necessary for legal representation.

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worked as a Deputy City Attorney and Associate Attorney for a public entity law firm. Ms. Pope's full curriculum vitae is attached to this Proposal as Exhibit D.

Daniel J. Pasek—*Receivership Attorney*

Mr. Pasek has substantial experience in obtaining inspection warrants, premise inspections, and receivership petitions. Mr. Pasek works extensively on receivership actions for several cities and counties throughout California and has successfully obtained the appointment of a receiver in several cases to ensure the rehabilitation of substandard and dangerous properties.

Mr. Pasek's is a graduate of the University of La Verne School of Law and was admitted to the State Bar of California in 2013. He has been a member of the S&W team since 2015, and previously worked for Riverside County Counsel and Thompson Reuters Westlaw. Mr. Pasek's full curriculum vitae is attached to this Proposal as Exhibit D.

In addition to the above named senior attorneys, attorneys James McKinnon, William Kelly, Gina Cervino, Tammy Louie Thai, and Rene Farjeat are also designated and qualified to work on any matter for the City.

III. Proposed Fee Schedule

S&W employs software which allows its prosecutors and staff to enter time contemporaneously as work is completed. This ensures that all time-keeping is accurate and is not recreated at the end of each week or each month. We bill by the tenth of an hour and are committed to clear and accurate descriptions of all work performed. We do not have minimum billing increments, nor do we bill for training, internal communication, legal updates, secretarial work, or other similar expenses. We also provide annual trainings to our clients on various topics, free of charge, as our way of proving to cities that we are committed to the cause.

S&W proposes the following hourly rates for all services:

- **$195** per hour for attorney services.
- **$115** per hour for paralegals and law clerks.
- **No Charge** for secretarial and administrative services.

All rates are subject to a three percent cost of living adjustment on January 1st of each year.

Reimbursement of costs advanced by S&W on behalf of the City, as well as other expenses, will be billed in addition to the amounts billed for fees. These normally include costs for court filing fees, process server fees, messenger fees, property title research and litigation guarantees, printing and document reproduction, and other costs necessary for legal representation. We have no mark-up on these costs and we make no separate charges for administrative support. Our fees already include all overhead costs associated with our legal services.

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CITY OF BANNING
BANNING UTILITY AUTHORITY REPORT

TO: **BANNING UTILITIY AUTHORITY**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Art Vela, Public Works Director**
Holly Stuart, Management Analyst

MEETING DATE: **September 13, 2016**

SUBJECT: **Discussion and Consideration of Adopting Resolution 2016-14 UA, "Approving the Filing of an Application for an Integrated Regional Water Management Planning Grant, Authorizing Staff to Enter into a Proposition 1 Grant Agreement with the State of California, Department of Water Resources and Authorizing Staff to Execute a Memorandum of Understanding with the Participating Agencies"**

RECOMMENDATION:

The Banning Utility Authority adopt Resolution No. 2016-14 UA:

1. Authorizing the City Manager or his designee to execute and submit an Integrated Regional Water Management ("IRWM") Planning Proposition 1 grant application along with a required Regional Acceptance Process application for establishing an IRWM region to the State of California, Department of Water Resources ("DWR").

2. Authorizing the City Manager or his designee to enter into an IRWM Proposition 1 grant agreement with the State of California, DWR, and to execute all related documents including a Memorandum of Understanding ("MOU") with the participating agencies.

3. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the IRWM Proposition 1 grant.

JUSTIFICATION:

The City of Banning currently does not lie within an existing IRWM region with an accepted IRWM plan and has therefore been unable to apply for past water planning and infrastructure funding opportunities.

Proposition 1 currently has allocated funding specifically for the development of new IRWM plans. The approval of Resolution No. 2016-14 UA will allow staff to submit both a Proposition 1 grant application to fund the preparation of an IRWM plan and an application to develop a new IRWM region.

A MOU must be signed by all of the participating agencies in order to form a Regional Water Management Group that manages an IRWM region. An MOU will also strengthen the Proposition 1 grant application.

BACKGROUND:

IRWM is a collaborative effort to manage all aspects of water resources in the region through the State of California. IRWM crosses jurisdictional, watershed, and political boundaries; involves multiple agencies, stakeholders, individuals and groups. The intended purpose of IRWM is to address the issues and differing perspectives of all entities involved through mutual beneficial solutions.

IRWM program funding is available for planning, disadvantaged community involvement, implementation and companion grant programs that support sustainable groundwater planning and water-energy programs and projects. Staff is seeking planning funds from this program for the preparation of an IRWM Plan. Funds in the amount of $5 million are available for the planning portion of the program with maximum funds being awarded in the amount of $1 million per regional plan. The City, along with participating members, may obtain an award based on preference due to the fact that it is for the development of a new plan and the proposed region will be identified as a disadvantaged community based on the population income of the regional benefit area. The development of a plan will enable the identified region to integrate and implement water management solutions and will identify projects that would be beneficial to the region.

In order to become an authorized region and apply for funding, the City must participate in the development of a Memorandum of Understanding ("MOU") with other potential participating agencies and the DWR. Currently, staff is collaborating with potential participating agencies to accomplish this goal. The City of Banning, identified as the lead agency, is currently working on preparing the MOU. Identified participating regional group member agencies include the City of Banning, Banning Heights Water District, High Valleys Water District, Cabazon Water District, Riverside County Flood Control and San Gorgonio Pass Water Agency. Additionally, stakeholders will be identified and may include Morongo Band of Mission Indians, federal and state entities and special interest groups.

The MOU attached to this staff report is in draft form pending minor revisions from other agencies. Staff is requesting that authorization be given to execute the MOU once it is finalized and approved by the City Attorney. An approved MOU will strengthen the Proposition 1 grant application, which is due on September 23, 2016.

As mentioned, in order for the City of Banning to be eligible for an award of funding, agencies must work together to form an authorized approved region through the State of California, DWR. In order to become an approved region, along with entering into an MOU with participating agencies, a Regional Acceptance Process ("RAP") application must be completed and submitted to the DWR. The DWR allows for the simultaneous submittal of both the grant application and the RAP application. Only accepted and authorized DWR regions will be awarded IRWM grant funding.

In order to successfully maneuver through the process, the services of RMC Water and Environment ("RMC") have been obtained. RMC is a California-based environmental engineering company that has been working with the DWR and local agencies since 2003 to develop and foster the IRWC concept and plans. The firm has worked with 22 regions across California on all aspects of IRWM program funding, development and implementation. Riverside County Flood Control is funding the agreement with RMC for the preparation and submittal of the grant application and RAP application.

The IRWM planning grant application is due Friday, September 23, 2016 and the RAP application will be submitted simultaneously with the grant application for consideration. Grant awards will be announced in January of 2017.

FISCAL IMPACT:

If an authorized region is established by the DWR and grant funds are awarded, it is estimated that the IRWM Plan cost may range from $300,000 to $700,000. It is anticipated that the region would be established as a disadvantaged community resulting in a required 5% match ranging from approximately $15,000 to $35,000 for the region of which said match would be equally split amongst the participating members.

OPTIONS:

1. Adopt Resolution No. 2016-14 UA.
2. Reject Resolution No. 2016-14 UA. which the City would continue to be unable to submit for future funding opportunities that have the prerequisite that Cities be part of an IRWM region with and IRWM plan.

ATTACHMENT:

1. Resolution No. 2016-14 UA
2. Draft MOU

Reviewed by:



Art Vela,
Public Works Director

Reviewed by:



Rochelle Clayton,
Administrative Services Director/
Deputy City Manager

Approved by:



Michael Rock,
City Manager

ATTACHMENT 1

(Resolution No. 2016-14 UA)

RESOLUTION NO. 2016-14 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF BANNING, CALIFORNIA, APPROVING THE FILING OF AN APPLICATION FOR AN INTERGRATED REGIONAL WATER MANAGEMENT PLANNING GRANT AND AUTHORIZING STAFF TO ENTER INTO A PROPOSITION 1 GRANT AGREEMENT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES AND AUTHORIZING STAFF TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE PARTICIPATING AGENCIES

WHEREAS, the City of Banning, in collaboration with Banning Heights Water District, High Valleys Water District, Cabazon Water District, Riverside County Flood Control, and San Gorgonio Pass Water Agency ("participating members") are uniting efforts to become an approved region through the State of California, Department of Water Resources as part of the Integrated Regional Water Management program; and

WHEREAS, if established by the State of California, Department of Water Resources, the City of Banning would act as the lead agency; and

WHEREAS, the participating members must enter into a Memorandum of Understanding to participate as region members and strengthen the Proposition 1 grant application. The attached MOU is in draft form pending minor revisions from other agencies; and

WHEREAS, the participating members must complete a Regional Acceptance Process application in order to be established as a region and submit the application in conjunction with the request for grant funds; and

WHEREAS, the participating members will collaboratively work to submit an Integrated Regional Water Management Planning grant application by Friday, September 23, 2016 seeking funds for the development of an Integrated Regional Water Management Plan identifying regional water management solutions and projects: and

WHEREAS, if an authorized region is established by the State of California, Department of Water Resources and grant funds are awarded, it is estimated that the Integrated Regional Water Management Plan preparation cost may range from $300,000 to $700,000; and

WHEREAS, it is anticipated that the region would be established as a disadvantaged community resulting in a required 5% match ranging from approximately $15,000 to $35,000 which would be split amongst the participating members.

NOW, THEREFORE, BE IT RESOLVED by the Banning Utility Authority of the City of Banning as follows:

SECTION 1. The Banning Utility Authority adopts Resolution No. 2016-14 UA authorizing the City Manager or his designee to execute and submit an Integrated Regional Water Management Planning Proposition 1 grant application along with the required Regional Acceptance Process application for establishing a region to the State of California, Department of Water Resources.

SECTION 2. The City Manager or his designee is authorized to enter into an Integrated Regional Water Management Proposition 1 grant agreement with the State of California, Department of Water Resources, and to execute all related documents including an MOU with the participating agencies once approved by the City Attorney.

SECTION 3. The City Manager or his designee is authorized to make necessary budget adjustments, appropriations and transfers related to the Integrated Regional Water Management Proposition 1 grant and required matching funds.

PASSED, ADOPTED AND APPROVED this 13th day of September, 2016.

_____
Arthur L. Welch, Chairman
Banning Utility Authority

ATTEST:

_____
Marie A. Calderon, Secretary

APPROVED AS TO FORM AND LEGAL CONTENT:

_____
John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

CERTIFICATION:

I, Marie Calderon, Secretary of the Banning Utility Authority of Banning, California, do hereby certify that the foregoing Resolution No. 2016-14 UA was duly adopted by the Banning Utility Authority of the City of Banning, California, at a Regular Meeting thereof held on the 13th day of September, 2016, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Marie A. Calderon, Secretary
Banning Utility Authority

ATTACHMENT 2

(Draft Memorandum of Understanding)

MEMORANDUM OF UNDERSTANDING
TO CONDUCT INTEGRATED REGIONAL WATER MANAGEMENT PLANNING
FOR THE SAN GORGONIO REGION

This Memorandum of Understanding ("MOU") is made and entered into this _____day of _____ 2016 ("Effective Date") among the CITY OF BANNING, BANNING HEIGHTS MUTUAL WATER COMPANY, CABAZON WATER DISTRICT, HIGH VALLEYS WATER DISTRICT, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY, each hereinafter individually called "AGENCY" and collectively "AGENCIES" .

RECITALS

A. WHEREAS, the Department of Water Resources is administering a grant program for Integrated Regional Water Management or "IRWM" Planning and;

B. WHEREAS, the AGENCIES are willing to cooperate and work collaboratively with the stakeholders of the Banning and San Gorgonio Pass area to form an IRWM Region through the Department of Water Resources' IRWM Regional Acceptance Process, prepare an IRWM Plan and implement a regional planning process for the geographic area described on Exhibit 'A' attached hereto ("Planning Region") if accepted by the Department of Water Resources in the Regional Acceptance Process; and

C. WHEREAS, the AGENCIES collectively cover the entire planning area to be covered by this IRWM Plan that contains significant need for water resources projects and programs; and

D. WHEREAS, the AGENCIES collectively have made significant investments in planning for flood control, floodplain and stormwater management, water conservation,

water supply and reliability, recycled water, habitat preservation, conservation and water quality and related water management strategies; and

E. WHEREAS, the AGENCIES collectively and with the Stakeholder Advisory Committee represent entities significant to water management planning in the area; and

F. WHEREAS, the AGENCIES have the authority and willingness to act in the best interest of the Planning Region in planning and implementing IRWM efforts; and

G. WHEREAS, the AGENCIES are committed to conduct planning efforts in an open accessible process including the Stakeholder Advisory Committee and the public; and

H. WHEREAS, the CITY OF BANNING is willing to take the lead administrative role in contracting for planning, making applications for funding and implementing funded efforts on behalf of all potential project proponents and stakeholders within the Planning Region; and

I. WHEREAS, the AGENCIES collectively have the institutional and fiscal capacity and systems to carry out planning and implementation efforts; and

J. WHEREAS, the AGENCIES are collectively willing to provide funding or in-kind assistance as set forth herein and as mutually agreeable in separate board actions; and

L. WHEREAS, the AGENCIES will each benefit from their participation in this MOU.

NOW, THEREFORE, the AGENCIES hereby mutually agree as follows:

1. The CITY OF BANNING shall facilitate work required to create and maintain an IRWM Plan and submit grant applications for funding consideration under the IRWM Program.

2. Each AGENCY hereby designates its Chief Executive, or the Chief Executive's designated representative, to represent its board as the person charged with the authority to review and approve the IRWM Plan and other IRWM related documents and efforts conducted by or on behalf of the IRWM Planning Region. Approval of IRWM Plans, documents and efforts shall be based on a consensus of the AGENCIES' designated representatives, to be further defined in the IRWM Plan section discussion on governance to be prepared.

3. The MOU authorizes that applications be made to the California Department of Water Resources or other State or Federal departments to obtain IRWM Planning and Implementation Grants pursuant to the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Public Resources Code Section 79740 et seq.), or future sources of funding and to enter into agreements to receive grant funds for the Planning Region. The City Manager of CITY OF BANNING, or their designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such applications, and execute grant agreements with the California Department of Water Resources, contract to disburse funds to designated partners or sub-grantees, and to make changes as needed to contracts or other documents to implement the IRWM process to the benefit of the Planning Region.

4. This MOU authorizes the establishment of a Stakeholder Advisory Committee (hereinafter "Committee") subject to the terms of this MOU and any applicable rules that the AGENCIES may promulgate. The AGENCIES will review and select by consensus members, to be further defined in the IRWM Plan section discussion on governance that will be prepared, of the Committee from stakeholder organizations in the Planning Region. Stakeholders represent their agency or organization and serve at the pleasure of the

AGENCIES and shall not be required (but may be asked) to contribute funds except in-kind services. No more than one representative of any organization shall be named to the Committee. The representative shall represent all interests of the organization and the Planning Region. The Committee acts in an advisory role to the AGENCIES for plan goals and priorities outreach and project integration. Stakeholders need not be a member of the Committee to participate in the planning process. The Committee may become dormant if no planning efforts are ongoing or it is no longer needed.

5. The IRWM Plan, grant applications and related efforts provided for in this MOU aggregate, compile and integrate existing plans and documents as well as solicit new projects and programs. Nothing in these plans, documents or actions, limits the authority of the AGENCIES or their powers or modifies any of the referenced plans, ordinances or actions of the AGENCIES, committee members or stakeholders.

6. Nothing contained within this MOU binds the parties beyond the scope or term of this MOU unless specifically documented in subsequent MOU amendments or contracts.

7. The AGENCIES shall provide a share of funding for management of the IRWM Program, and intend to provide a share of funding for the preparation of IRWM Planning and Implementation Grant applications, preparation of and initial IRWM Plan and updates, and management of IRWM Planning and Implementation Grant contracts with the California Department of Water Resources, as follows:

a. The CITY OF BANNING, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY shall equally share funding for a

consultant, or mutually agreed upon in-kind services, to manage the IRWM Program.

b. The AGENCIES intend to provide a share of funding for a consultant to prepare IRWM Planning and Implementation Grant applications. The appropriate funding share will be calculated and announced on a case by case basis as grant opportunities become available and may incorporate reimbursement from recipients of grant awards via administrative fees charged to the grant.

c. The AGENCIES intend to provide a share of funding for a consultant to prepare an IRWM Plan and subsequent updates. The CITY OF BANNING, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY agree to equally share match costs for the initial planning grant to establish the IRWM Program. The funding share for future efforts to be provided by the AGENCIES shall be determined in the future during the scoping of the IRWM Plan and updates to reflect requirements by the Department of Water Resources or otherwise necessary. The cost to update the IRWM plan may be offset by IRWM Planning Grant awards.

d. The AGENCIES intend that grant recipients would bear a share of funding needed to manage IRWM Planning and Implementation Grant contracts with California Department of Water Resources via an administrative fee taken out of grant awards. The appropriate funding share will be calculated on case by case basis as grants are awarded.

8. The AGENCIES cannot be assured of the results or success of the IRWM plan and application for funding. Nothing within this MOU should be construed as creating a promise or guarantee of future funding nor shall any liability accrue to the AGENCIES from any third party or one of the AGENCIES should funding not be forthcoming. Nor shall any additional liability accrue to the CITY OF BANNING by its willingness to act as lead for contracting and application on behalf of the AGENCIES.

9. The term of this MOU is indefinite, unless replaced by other agreements or terminated by any of the AGENCIES with 120 days notice. .

10. Withdrawal of AGENCIES or addition of other agencies not included will be allowed with the majority concurrence of the AGENCIES and upon execution of this agreement's terms by their governing boards.

11. Any notices sent or required to be sent to any party shall be mailed to the following addresses:

CITY OF BANNING

BANNING HEIGHTS MUTUAL WATER COMPANY

CABAZON WATER DISTRICT

HIGH VALLEYS WATER DISTRICT
7091 Bluff Street
Banning, CA 92220

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501

SAN GORGONIO PASS WATER AGENCY

12. Each AGENCY, to the fullest extent permitted by law, shall defend, indemnify and hold harmless the other AGENCIES, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages,

losses, expenses and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with the performance of the work performed pursuant to this MOU; such obligation shall not apply to any loss, damage or injury, as may be caused solely and exclusively by the fault or negligence of an AGENCY.

13. This MOU is to be construed in accordance with the laws of the State of California.

14. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.

15. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.

16. This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsel. No provision contained herein shall be construed against DISTRICT solely because, as a matter of convenience, it prepared this MOU in final form.

17. Any waiver by AGENCIES of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective AGENCIES to require from the others exact, full and complete compliance with any terms of the MOU

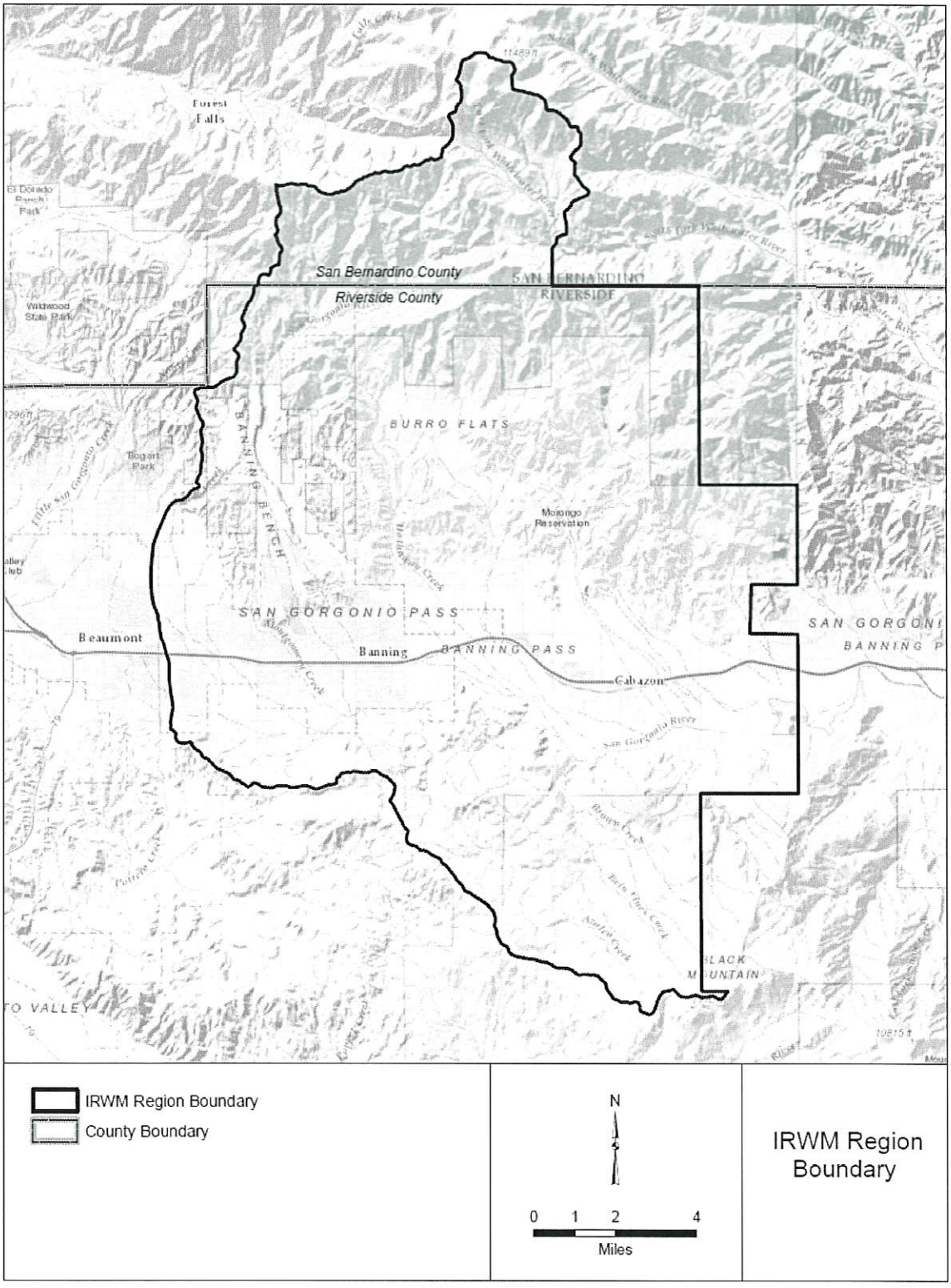
shall not be construed as in any manner changing the terms hereof, or stopping the respective AGENCIES from enforcement hereof.

18. This MOU may be executed and delivered in any number of counterparts or copies, hereinafter called "COUNTERPART", by the parties hereto. When each party has signed and delivered at least one COUNTERPART to the other parties hereto, each COUNTERPART shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the parties hereto.

19. This MOU is intended by the AGENCIES hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOU shall not be changed or modified except by the written consent of all AGENCIES hereto.

ATTACHMENT A

MAP OF THE PLANNING REGION



RECOMMENDED FOR APPROVAL:	**CITY OF BANNING**
By_____	By_____
XXXXXXXX	XXXXXX,
APPROVED AS TO FORM:	ATTEST:
XXXXXXXX	XXXXXXXX
By_____	By_____
XXXXXXX	XXXXXXX

RECOMMENDED FOR APPROVAL:	**BANNING HEIGHTS MUTUAL WATER COMPANY**
By_____ XXXXXXXX	By_____ XXXXXX,
APPROVED AS TO FORM:	ATTEST:
XXXXXXXX County Counsel	XXXXXXXX Clerk of the Board
By_____ XXXXXXX	By_____ XXXXXXX
Dated_____	(SEAL)

RECOMMENDED FOR APPROVAL:

By_____
XXXXXXXX

CABAZON WATER DISTRICT

By_____
XXXXXX,

APPROVED AS TO FORM:

XXXXXXXX
County Counsel

By_____
XXXXXXX

ATTEST:

XXXXXXXX
Clerk of the Board

By_____
XXXXXXX

RECOMMENDED FOR APPROVAL:	**HIGH VALLEYS WATER DISTRICT**
By_____ XXXXXXXX	By_____ XXXXXX,
APPROVED AS TO FORM:	ATTEST:
XXXXXXXX County Counsel	XXXXXXXX Clerk of the Board
By_____ XXXXXXX	By_____ XXXXXXX

RECOMMENDED FOR APPROVAL:

By _____
JASON UHLEY
General Manager-Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and Water Conservation District Board of Supervisors

APPROVED AS TO FORM:

GREG PRIAMOS
County Counsel

By _____
AARON GETTIS
Deputy County Counsel

Dated _____

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By _____
Deputy

(SEAL)

RECOMMENDED FOR APPROVAL:

By_____
XXXXXXXX

SAN GORGONIO PASS WATER AGENCY

By_____
XXXXXX,

APPROVED AS TO FORM:

XXXXXXXX
County Counsel

By_____
XXXXXXX

ATTEST:

XXXXXXXX
Clerk of the Board

By_____
XXXXXXX

CITY OF BANNING
BANNING UTILITY AUTHORITY REPORT

TO: **BANNING UTILITIY AUTHORITY**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Art Vela, Public Works Director**
Holly Stuart, Management Analyst

MEETING DATE: **September 13, 2016**

SUBJECT: **Adopt Resolution No. 2016-16 UA, "Approving the Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer of Palm Desert, CA"**

RECOMMENDATION:

The Banning Utility Authority adopt Resolution No. 2016-16 UA approving the Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer of Palm Desert, CA dated July of 2016.

JUSTIFICATION:

On May 28, 2014 the California Department of Public Health ("CDPH")adopted the final drinking water Maximum Contaminant Level ("MCL") for Chromium-6 at 10 parts per billion ("ppb"). The MCL took effect on July 1, 2015. Up to nine (9) of the City of Banning's operating wells are impacted by Chromium-6 and do not meet the final MCL.

Hazen and Sawyer was hired by the City to complete a Chromium-6 Treatment and Compliance Study ("Study"). Now complete, the Study evaluated Best Available Technologies ("BAT") to determine which of the BATs would be the most reliable and cost effective. The Study was reviewed by Public Works staff and is ready for final consideration by City Council.

BACKGROUND:

On October 27, 2015, the Banning Utility Authority approved Resolution 2015-16 UA awarding a Professional Services Agreement for the preparation of a Chromium-6 Study to Hazen and Sawyer in the amount of $89,630.

The purpose of the Chromium-6 Study was to develop a strategy to comply with the final Chromium-6 MCL. In order to accomplish this task, Hazen and Sawyer, evaluated several compliance scenarios such as alternative sources of supply, well modifications, blending and treatment. At the conclusion of this initial step, it was determined the most viable option was to treat the impacted wells.

The next step in the analysis included examining the BATs in order to determine which of the treatment technologies would be the most reliable and cost effective. As a result it was recommended that the strong base anion exchange ("SBA") system with centralized regeneration is the most appropriate approach for the City to comply with the new standard.

The Study estimates that capital costs will range from $12M to $27M and annual operation and maintenance costs will range from $0.7M to $0.8M. It is anticipated that funding for the construction and operation of the required facilities will include grant funding, low interest loans and user fees (rates).

Public Works staff has reviewed and is recommending approval of the Study.

In accordance with an approved variance to the standard issued to the City by the State Water Resources Control Board, the City has until January 1, 2020 to comply with the new Chromium-6 MCL.

FISCAL IMPACT:

There is no direct fiscal impact with the approval of Resolution No. 2016-06 UA. Any expenditures for activities (planning, design and construction) related to complying with the new Chromium-6 MCL, will require City Council approval prior to the commencement of that activity.

OPTIONS:

1. Adopt Resolution No. 2016-16 UA.
2. Reject Resolution No. 2016-16 UA and provide alternative direction to staff.

ATTACHMENT:

1. Resolution No. 2016-16 UA
2. City of Banning Chromium-6 Treatment and Compliance Study

Reviewed by:

Art Vela,
Public Works Director

Reviewed by:

Rochelle Clayton,
Administrative Services Director/
Deputy City Manager

Approved by:

Michael Rock,
City Manager

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ATTACHMENT 1

(Resolution No. 2016-16 UA)

RESOLUTION NO. 2016-16 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF BANNING, CALIFORNIA, APPROVING THE CHROMIUM-6 TREATMENT AND COMPLIANCE STUDY MEMORANDUM PREPARED BY HAZEN AND SAWYER OF PALM DESERT

WHEREAS, the California Department of Public Health ("CDPH"), effective July 1, 2015, adopted the final drinking water Maximum Contaminant Level ("MCL") for Chromium-6 at 10 parts per billion ("ppb") as approved by the Office of Administrative Law on May 28, 2014; and

WHEREAS, up to nine (9) of the City of Banning's operating wells do not meet the final MCL; and

WHEREAS, on October 27, 2015, the Banning Utility Authority approved Resolution 2015-16 UA awarding a Professional Services Agreement for the preparation of a Chromium-6 Treatment and Compliance Study ("Study") to Hazen and Sawyer in the amount of $89,630; and

WHEREAS, the purpose of the Study was to develop a strategy to comply with the new Chromium-6 MCL, including an analysis of the best available technology and cost estimates for design, construction and operation of the recommended treatment facilities; and

WHEREAS, in July of 2016 Hazen and Sawyer completed the attached Study and City staff request Banning Utility Authority approval of the Study.

NOW, THEREFORE, BE IT RESOLVED by the Banning Utility Authority of the City of Banning as follows:

SECTION 1. The Banning Utility Authority adopts Resolution No. 2016-16 UA approving the Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer of Palm Desert date July of 2016.

PASSED, ADOPTED AND APPROVED this 13th day of September, 2016.

_____

Arthur L. Welch, Chairman
Banning Utility Authority

ATTEST:

_____
Marie A. Calderon, Secretary

APPROVED AS TO FORM AND LEGAL CONTENT:

_____
John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

CERTIFICATION:

I, Marie Calderon, Secretary of the Banning Utility Authority of Banning, California, do hereby certify that the foregoing Resolution No. 2016-16 UA was duly adopted by the Banning Utility Authority of the City of Banning, California, at a Regular Meeting thereof held on the 13th day of September, 2016, by the following vote, to wit:

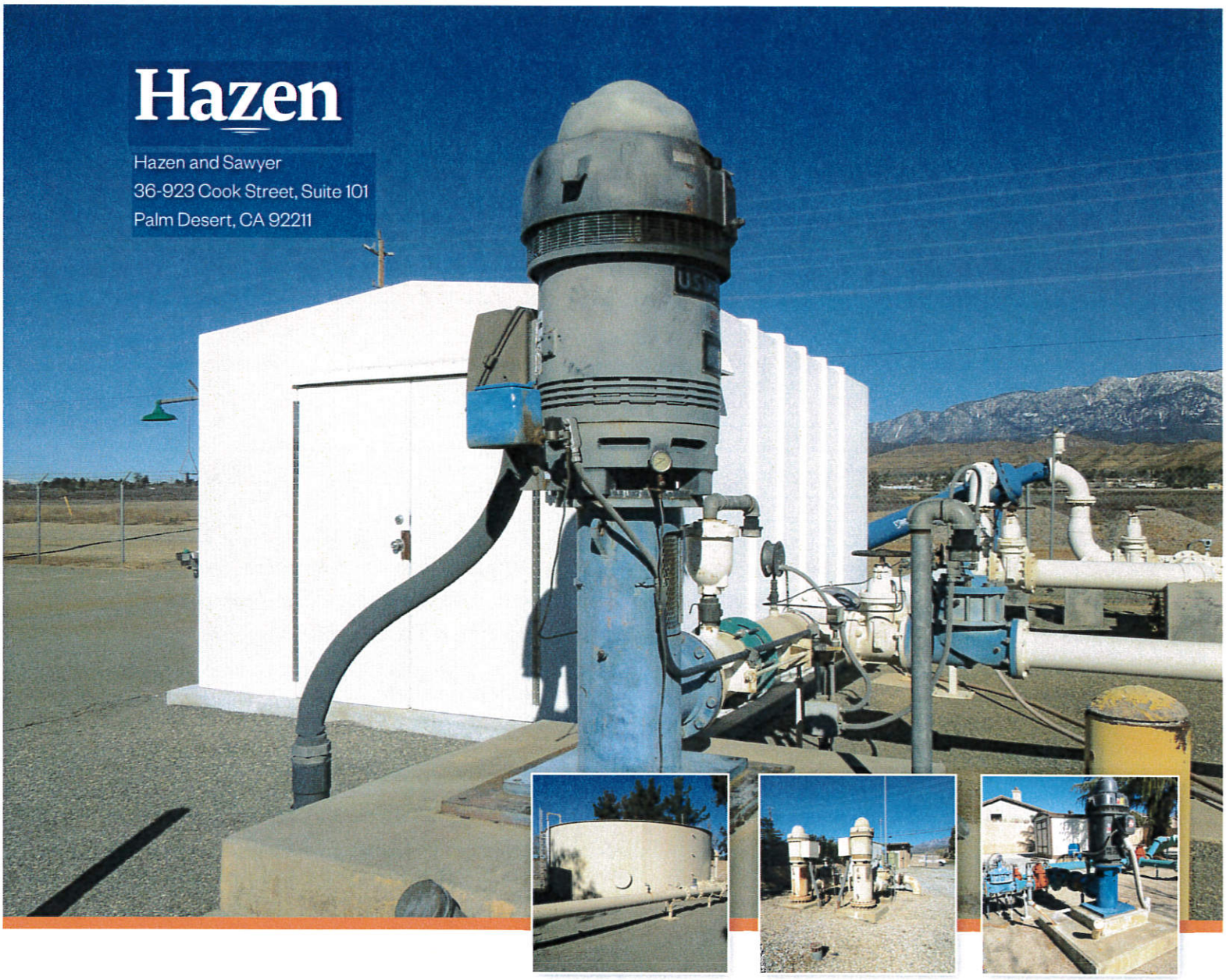
AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Marie A. Calderon, Secretary
Banning Utility Authority

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ATTACHMENT 2

(City of Banning Chromium-6 Treatment and Compliance Study prepared by Hazen and Sawyer date July 2016)



Hazen and Sawyer
36-923 Cook Street, Suite 101
Palm Desert, CA 92211

Proud History
Prosperous Tomorrow

City of Banning Chromium-6 Treatment and Compliance Study Memorandum

July 2016

Hazen and Sawyer
36-923 Cook Street, Suite 101
Palm Desert, CA 92211 • 760-834-8573

Hazen and Sawyer
36-923 Cook Street, Suite 101
Palm Desert, CA 92211 • 760-834-8573

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Definitions

Abbreviation	Definition
AACE	Authority for Total Cost Management
ADD	Average Day Demand
AFY	Acre-Foot/Year
BAT	Best Available Technology
BV	Bed Volume
BCVWD	Beaumont Cherry Valley Water District
CCPP	Calcium Carbonate Precipitation Potential
cf	cubic feet
Cr3	Trivalent Chromium
Cr6	Hexavalent Chromium
CRRF	Central Resin Regeneration Facility
CVWD	Coachella Valley Water District
DDW	Division of Drinking Water
FTE	Full-time Employee
gpm	Gallons per Minute
IRIS	Integrated Risk Information System
IX	Ion Exchange
LSI	Langelier Saturation Index
M	Million
MCC	Motor Control Center

Abbreviation	Definition
MCL	Maximum Contaminant Level
MDD	Maximum Day Demand
MGD	Million Gallons per Day
NTP	National Toxicology Program
NPDWR	National Primary Drinking Water Regulations
O&M	Operations and Maintenance
OEHHA	Office of Environmental Health Hazard Assessment
PHG	Public Health Goal
PHD	Peak Hour Demand
PLC	Programmable Logic Controller
RCF	Reduction Coagulation Filtration
RCMF	Reduction Coagulation Filtration/Microfiltration
RCRA	Resource Conservation and Recovery Act
RTWM	Rothberg, Tamburini, and Winsor Model
SBA	Strong Base Anion Exchange
SCADA	Supervisory Control and Data Acquisition
Study	Study Memorandum
SWRCB	State Water Resources Control Board
TCLP	Toxicity Characteristic Leaching Procedure
TDS	Total Dissolved Solids
TDH	Total Dynamic Head
TENORM	Technologically Enhanced Naturally Occurring Radioactive Material
TTLC	Total Threshold Limit Concentration
UWMP	Urban Water Management Plant
UCMR3	Third Unregulated Contaminant Monitoring Rule
USEPA	United States Environmental Protection Agency
VFD	Variable Frequency Drive
VOC	Volatile Organic Compound
WBA	Weak Base Anion Exchange
WQTS	Water Quality and Treatment Solutions

Executive Summary

The State of California released a new maximum contaminant level (MCL) for hexavalent chromium (Cr6) in drinking water, effective July 1, 2014. Nine of the City of Banning's (City, or Banning) groundwater wells are impacted by naturally occurring Cr6, as well as two co-owned wells with the Beaumont-Cherry Valley Water District (BCVWD). This Cr6 Treatment and Compliance Study aimed to identify the most reliable and cost effective approach for Cr6 compliance. Multiple compliance approaches were evaluated, including alternative sources of supply, well modifications, blending, and treatment. Based on the most viable options, scenarios were developed to determine the treatment configurations, including individual wellhead treatment, clustered treatment, and clustered treatment with blending. The most viable Best Available Technologies (BATs) listed by the State of California were examined to develop cost estimates and identify potential future risks in selection of different options.

Study Approach

The Study used a systematic approach to develop the compliance strategy including the following steps:

- **Define goals**. Cr6 treatment targets dictated the need for and size of treatment facilities. Targets of 60% and 80% of the MCL 6 (µg/L) and 8 µg/L, respectively), were evaluated. Decision criteria were defined to compare compliance scenarios.
- **Identify impacted wells**. Water quality and production records were analyzed to identify wells impacted by Cr6 and quantify the overall impact of Cr6 on the City of Banning water supply.
- **Develop compliance scenarios**. Based on geographical location and water quality, compliance scenarios were developed to evaluate both non-treatment (blending) and treatment approaches. Treatment facilities were sited for individual wells or wells were clustered together for treatment at a plant. The hydraulic impact of treatment location and clustering was also considered to identify required well pump modifications.
- **Summarize costs.** Estimates of capital, operations and maintenance, and lifecycle costs were developed for the treatment and blending scenarios.
- **Scenario evaluation.** The treatment and blending scenarios were compared with respect to the decision criteria to select the recommended compliance strategy that best fits the City's needs.

Treatment scenarios were evaluated in terms of cost, operational complexity, implementation complexity, and other water quality benefits, to site and select the technologies at each required treatment facility. Multiple scenarios were included in the evaluation; however, after considering infrastructure, flexibility, and cost demands, an approach with two clustered treatment facilities and two wellhead treatment facilities with SBA treatment technology was carried forward for further analysis.

Study Findings

The City of Banning's potable water distribution system is comprised of 21 active groundwater wells and 3 wells co-owned with BCVWD with a total nominal production capacity of 24,300 gallons per minute (gpm) (34.99 million gallons per day (MGD), or 39,199 acre-feet per year (AFY)) and a dry year (historical low) production capacity of 17,825 gpm (25.67 MGD, or 28,754 AFY). Maximum day demand

in 2015 was 6,791 gpm – an approximate reduction of 27 percent from the prior 4-year average, which represents approximately 28 percent of the City's current nominal supply and 38 percent of the City's current dry year supply. Nine of the City's wells are impacted by Cr6 as well as two of the co-owned wells. Non-treatment and blending approaches were found not to be viable approaches; therefore, City wells will require treatment for compliance. Demand projections indicate estimated supply deficits excluding non-compliant wells range from 4,000 gpm to 11,000 gpm in the short-term (2020) and from 10,000 gpm to 17,000 gpm in the long-term (2035). These ranges account for the difference in wet and dry year supplies. These demand and supply projections were based on a conservative approach, due to the uncertainty of the drought, sustainability of conservations measures, and City growth.

Treatment technologies evaluated included Weak Base Anion Exchange (WBA), Strong Base Anion Exchange (SBA), and Reduction, Coagulation and Filtration/Microfiltration (RCF/RCMF). Treatment technologies were assessed in this study based on lifecycle costs and operability considerations (chemical consumption, residuals waste generation, and staffing requirements). For SBA, onsite regeneration was evaluated for the initial BAT comparison. Treatment capital cost estimates (AACE Class 4, accuracy range -30% to +50%) ranged from approximately $17M to $61M across the various technologies, with annual O&M ranging from $0.5M to $0.98M across technologies (**Table 1**).

Table 1. Summary of Cr6 Treatment Costs for Various BATs

BAT	TOTAL PROJECT CAPITAL ($M)	ANNUAL O&M ($M/Year)	ANNUALIZED CAPITAL + ANNUAL O&M LIFECYCLE ($M/Year)
WBA	18 to 38	0.67 to 0.98	1.4 to 2.6
SBA	17 to 36	0.5 to 0.54	1.2 to 2.1
RCF	23 to 48	0.86 to 0.93	1.8 to 3.1
RCMF	28 to 61	0.86 to 0.98	2.1 to 3.7

SBA was estimated as the least costly treatment technology on a lifecycle basis; however, there are multiple ways to implement SBA at the City of Banning wells. To evaluate this, a cost and operational comparison was performed for SBA with onsite or offsite resin regeneration with hazardous brine disposal or treatment. It was found that the option of regenerating offsite at a centralized resin regeneration facility (CRRF) offered the simplest operation. This approach has minimal treatment equipment at each treatment location including bag filters and conventional SBA vessels. Regeneration would be accomplished by trucking the resin from each treatment location to a centralized regeneration facility.

There are two options for the CRRF: (1) contract with another water agency to participate in a regional CRRF, or (2) include a CRRF at the Foothill West Treatment Cluster. For the latter, the Foothill West CRRF could also include a brine treatment process. The lowest capital cost was option (1), to regenerate SBA resin at a regional CRRF (**Table 2**). Regeneration frequencies for this option were estimated at approximately 10 to 15 total regenerations annually for the City of Banning system based on the current average well utilization.

Table 2: Cost Summary for SBA with Resin Regeneration at Regional CRRF

	Cr6 Facilities
Well C3	• 900 gpm SBA treatment with 300 gpm bypass to serve a total well capacity of 1,200 gpm • New well pump and motor
Well C6	• 700 gpm SBA treatment with 300 bypass for total well capacity of 1,000 gpm. • New well pump and motor • New 50,000 gallon reservoir and 1,000 gpm firm capacity booster station
Foothill West Cluster (Well M3, C2, C4)	• 2,500 gpm SBA treatment with 1,000 gpm bypass to serve a total well capacity of 3,500 gpm • Potential CRRF facility including provisions for resin regeneration and potentially brine treatment • 4,700 ft 12-in raw water transmission mains piping • 900 ft 18-in raw water transmission main piping • 1 MG reservoir • 3,500 gpm finished water pump station • PRV from Foothill West Zone to upper Main Zone
M12 Cluster (Well M10, M11, M12, C6)	• 2,800 gpm SBA treatment with 1,100 gpm bypass to serve a total well capacity of 3,900 gpm • 4,100 ft 12-in raw water transmission mains piping • 1,900 ft 16-in raw water transmission main piping • 1 MG reservoir • 3,900 gpm finished water pump station
CAPITAL COST ($M)	**$12M to $27M**
ANNUAL O&M ($M/YEAR)	**$0.7M to $0.8M**
LIFECYCLE COST ($M/YEAR)	**$1.2M to $2.0M**

Recommendations

SBA with centralized regeneration was identified as the most viable approach for Cr6 compliance at Banning wells. This approach includes minimal treatment equipment at each treatment location such as bag filters and conventional SBA vessels. Regeneration would be accomplished by trucking the resin from each treatment location to a centralized regeneration facility, either a regional CRRF, or a CRRF located at the Foothill West Treatment Cluster.

It is recommended that Banning initiate discussions with the only other water agency with a CRRF, the Coachella Valley Water District (CVWD), to determine the contract requirements and refine the cost estimates associated with participating in the regional CRRF. Based on these negotiations, the City will be able to determine whether including a CRRF at the Foothill West Cluster is needed as part of the current compliance approach or whether it could be added later to support future growth. The City may decide to move forward with the preliminary design of the Foothill West CRRF so that there is the option to incorporate this cost in the rate study and in funding applications.

Depending on the City's resources and funding availability, the City may consider evaluating treatment phasing study during preliminary design to prioritize design and construction of treatment for compliance,

or potentially defer the construction of a portion of the treatment facilities. Hydraulic modeling analysis may be used to simulate demand and supply projections and identify any distribution system constraints.

Next Steps

The next steps for the City of Banning are to proceed with the tasks outlined in the Cr6 Compliance Plan including conducting a rate study, preparing funding applications, initiate discussions of participating in the regional CRRF approach with CVWD, and begin preliminary design. The City may also consider evaluating treatment phasing during preliminary design. To inform the preliminary design, pilot testing could be conducted define actual resin regeneration and brine treatment requirements for the City of Banning wells. Site tours could also be conducted of existing similar SBA and brine treatment facilities to give the City a better perspective of the treatment equipment and operational requirements.

1. Introduction and Study Objectives

In July 2014, the California State Water Resources Control Board Division of Drinking Water (SWRCB-DDW) set a new Chromium-6 (Cr6) maximum contaminant level (MCL) of 10 µg/L. Cr6 occurs naturally in the groundwater at the City of Banning (City, or Banning) and nine of the wells within Banning's potable water distribution system have observed Cr6 concentrations near or above the MCL. The City of Banning contracted Hazen and Sawyer to conduct a Cr6 Treatment and Compliance Study (Study) to recommend an efficient and cost effective approach for complying with the Cr6 MCL. The study aimed to analyze the options for removing Cr6 (and other co-occurring constituents if applicable) from the groundwater, and to develop a timetable for design and construction of the recommended treatment facilities. The Study included a treatment process evaluation to assess and compare treatment technologies, including costs and non-cost factors such as footprint, performance, residuals waste, water loss, operational complexity, and removal of other constituents of concern. The City of Banning goals for Cr6 compliance considered for the Study included the following:

- Achieve compliance with the Cr6 MCL for current and projected future water demands
- Identify a robust compliance approach that allows operational flexibility and minimizes operation and maintenance complexity
- Avoid stranded assets
- Reduce chemical and residuals handling requirements
- Identify potential project risks

1.1 Background

Chromium is a naturally occurring element found in rock (including California's state rock, serpentinite), soil, and groundwater. It is the 11th most common element found in the Earth's crust. Chromium is commonly present in the environment in primarily two forms: Cr3 and Cr6. While Cr3 is an essential nutrient for humans, Cr6 is extremely mobile and soluble, and is a probable human carcinogen. Cr6 can be found naturally in the environment, but it can also occur as an industrial byproduct in manufacturing processes for stainless steel, chrome plating, dyes, pigments, leather tanning, and wood preserving. Cr6 occurs naturally in Banning due to the erosion of local sediments.

In the past few years, the toxicology of Cr6 was re-evaluated in a National Toxicology Program (NTP) study.[1] Based primarily on this study, the U.S. Environmental Protection Agency (USEPA) released its draft assessment of Cr6 toxicology for public comment in September 2010. The document identified Cr6 as a likely human carcinogen through ingestion, and proposed a reference dose of 0.0009 mg/kg/day, which was much lower than the current reference dose of 0.003 mg/kg/day for total chromium. However, significant public comments were received and an external peer review panel recommended that the United States Environmental Protection Agency (USEPA) consider the results of peer-reviewed toxicology research prior to reissuing the Integrated Risk Information System (IRIS) Cr6 assessment and

[1] National Toxicology Program, 2008. Toxicology and Carcinogenesis Studies of Sodium Dichromate Dihydrate (CAS No. 7789-12-0) in F344/N Rats and B6C3F1 Mice (Drinking Water Studies). National Institutes of Health (NIH) Publication No. 08-5887.

to date, the assessment is still underway. Cr6 and total Cr (sum of Cr3 and Cr6) were part of the third Unregulated Contaminant Monitoring Rule (UCMR3), which together with the toxicology assessment could set the stage for a modification of the current total Cr MCL of 100 µg/L.

At 50 µg/L for total chromium, the State of California has a lower MCL than the federal limit. In addition, in July 2014 the SWRCB-DDW set a new Cr6 MCL of 10 µg/L. The MCL was set by DDW as close as feasible from a cost and technology feasibility perspective to the California (CA) Office of Environmental Health Hazard Assessment (OEHHA)'s Public Health Goal (PHG) of 0.020 µg/L. Compliance is calculated for a quarterly running annual average of monthly sampling based on rounding calculations such that 10.4 µg/L is in compliance, but 10.5 µg/L is not.

On September 4, 2015, Senate Bill 385 (SB385) was signed by the Governor of California, authorizing DDW to grant additional time for public water systems to come into compliance without being deemed in violation of the Cr6 MCL. Specifically, SB385 requires a Compliance Plan that will bring the system into compliance as soon as feasible, but no later than January 1, 2020. Banning's Cr6 Compliance Plan has been submitted and approved by DDW.

1.2 The City of Banning

The City of Banning, incorporated in 1913, evolved from a railroad and stagecoach stop between Arizona and Los Angeles. The City of Banning currently supplies a population of approximately 30,000 through 11,006 water connections and a total of 21 active potable groundwater wells, with an additional 3 wells co-owned with BCVWD[2]. The City of Banning's mission is to supply high quality water to utility customers, as well as provide resource planning for a long term reliable water supply. Banning's water system is shown in **Figure 1** and described as follows:

- 21 total active potable groundwater wells, which are operated as needed throughout the year.
- 3 co-owned wells with BCVWD of which the City is entitled to half of the capacity. This capacity is accessed by the City through an interconnection with BCVWD near the intersection of Highland Springs Avenue and Sun Lakes Boulevard.
- Wells have depths ranging from 1,000 to 1,500 feet deep.
- Of the Cr6 impacted wells, C2, C3, C4, and C5 currently pump directly into a forebay tank located at each individual well site, which is subsequently pumped into the distribution system via an additional booster station.
- Of the Cr6 impacted wells, C6, M3, M10, M11, and M12 pump directly into the distribution system.
- There are a total of 13 existing reservoirs (including forebay tanks at Wells C2, C3, C4, and C5) that have a total above ground storage capacity of 19.7 million gallons (MG)[3].

[2] City of Banning 2010 Urban Water Management Plan
[3] Ibid.

The City's distribution system is currently configured with six different pressure zones: Foothill East, Foothill West, Mountain North, Mountain South, Main (Upper Main / Lower Main), and Lower 1. It should be noted that, although the valves are in place, the Upper Main and Lower Main Zones are currently operated as a single pressure zone pending the construction of a proposed Lower Main reservoir in order to avoid having wells pump into a closed zone. The City of Banning experiences high distribution system pressures in the southern portion of the (Lower) Main Zone upwards of 200 psi, and will continue to experience high pressures until the proposed Upper Main / Lower Main zone division is complete.

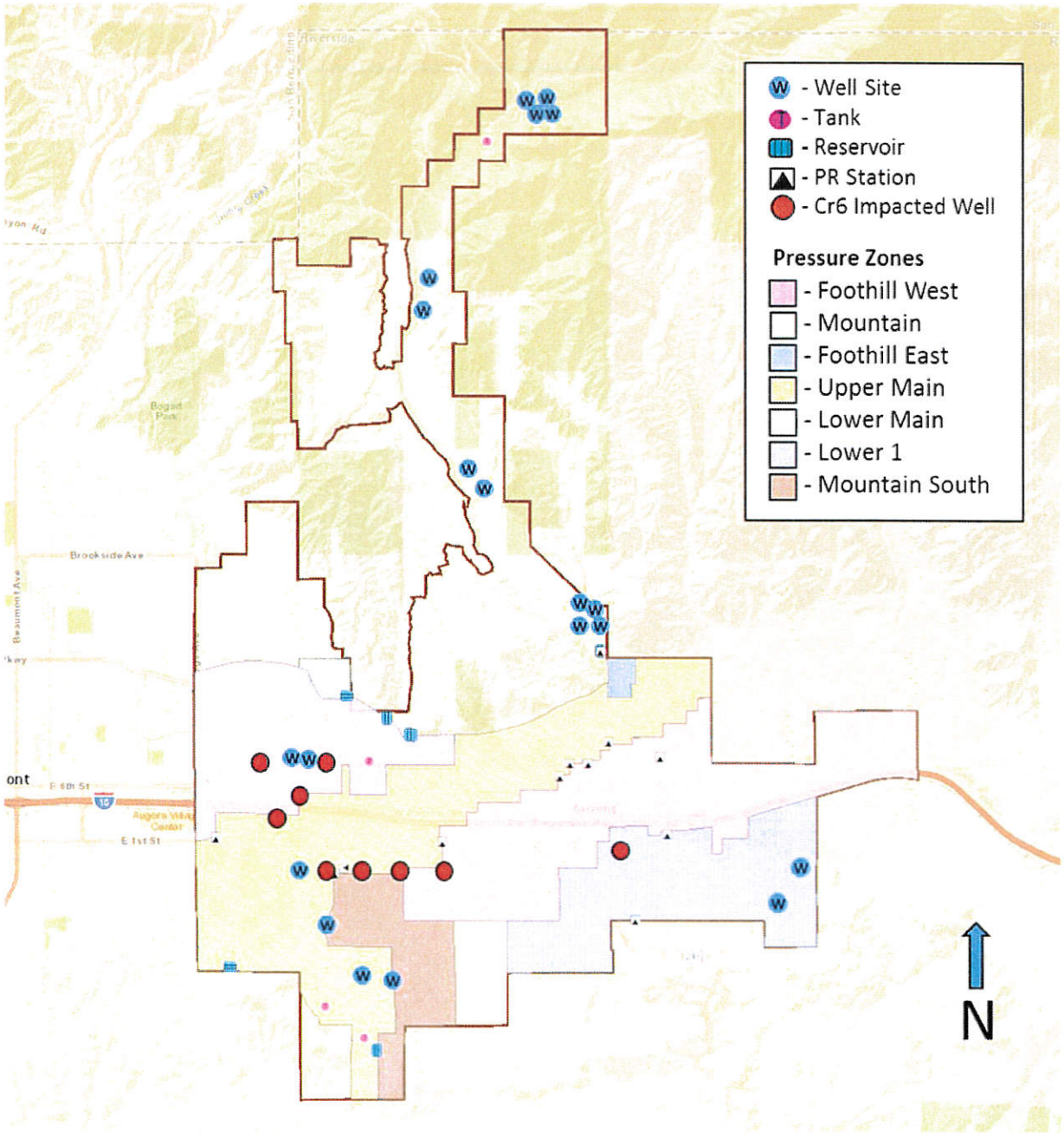


Figure 1: City of Banning Existing Potable Water Distribution System

1.3 Study Approach and Report Organization

The Cr6 Treatment and Compliance Study analyzed the costs and benefits of removing Cr6 and developed a compliance strategy for design and construction of recommended treatment facilities. The Study used a systematic approach to develop the compliance strategy including the following steps:

- **Define goals**. Cr6 treatment targets dictated the need for and size of treatment facilities. Targets of 60% and 80% of the MCL (6 µg/L and 8 µg/L, respectively), were evaluated. Decision criteria were defined to compare compliance scenarios.
- **Identify impacted wells**. Water quality and production records were analyzed to identify wells impacted by Cr6 and quantify the overall impact of Cr6 on the City of Banning water supply.
- **Develop compliance scenarios**. Based on geographical location and water quality, compliance scenarios were developed to evaluate both non-treatment (blending) and treatment approaches. Treatment facilities were sited for individual wells or wells were clustered together for treatment at a plant. The hydraulic impact of treatment location and clustering was also considered to identify required well pump modifications.
- **Summarize costs.** Estimates of capital, operations and maintenance, and lifecycle costs were developed for the treatment and blending scenarios.
- **Scenario evaluation.** The treatment and blending scenarios were compared with respect to the decision criteria to select the recommended compliance strategy that best fits the City's needs.

This report summarizes the Study findings and is organized in the following sections:

- Section 1 provides background for the project, including a discussion of the Cr6 regulation and overview of the Banning water system.
- Section 2 describes Banning's current water supply, infrastructure, and system demands.
- Section 3 presents a summary of available water quality information.
- Section 4 outlines approaches that can be taken to comply with the Cr6 MCL.
- Section 5 provides background information on the available Cr6 treatment technologies.
- Section 6 presents the scenarios that were evaluated and resulting cost estimates.
  Section 7 summarizes the Study conclusions

2. System Supply and Demand

2.1 Groundwater Well Capacity and Infrastructure

The City of Banning obtains 100 percent of its water supply from local groundwater aquifers through the use of 21 groundwater wells, and an additional three co-owned wells with BCVWD, for a total design capacity of 24,300 gpm, or 39,199 acre-feet per year. During a dry year (historical low), the capacity of the wells decrease in response to decreased precipitation and subsequent recharge to a total dry year capacity of 17,825 gpm, or 28,754 acre-feet per year[4]. Nine of the 21 wells that the City owns and operates are impacted with Cr6, seven of which have Cr6 concentrations that are projected to exceed the MCL (Wells C2, C3, C4, C6, M10, M11, M12), and two that, although currently less than the MCL, are close enough to the MCL to require treatment planning (Wells C5 and M3). Two of the three co-owned BCVWD wells are also impacted (Wells 25 and 26).

The nine Cr6 impacted wells represent approximately 40 percent of the City's total nominal production capacity, consisting of approximately 9,600 gpm of the City's total 24,300 gpm well capacity. The capacities of the Cr6 impacted wells are summarized in **Table 3** below. The capacities used in this Study for the purposes of sizing and evaluating treatment systems were estimated to be the greater of the nominal well capacity or historical field test results, rounded up to the nearest 100 gpm.

Table 3: Banning Cr6 Impacted Well Capacities

Well	Nominal Production Capacity (gpm)[1]	Historical Field Test Range (gpm)[2]	Capacity Used for Treatment Evaluation (gpm)[3]
C2	1,100	1,095	1,100
C3	1,200	910 – 1,107	1,200
C4	1,350	1,240 – 1,310	1,400
C5	1,100	890	1,100
C6	1,000	950	1,000
M3	950	540 - 810	1,000
M10	890	856	900
M11	700	570 - 587	700
M12	1,000	1,080 – 1,150	1,200
		Total	**9,600**

[1] Based on City of Banning Well Data Sheet.
[2] Based on field pump test data (See Appendix A).
[3] Greater of the nominal production capacity or historical high field test capacity, rounded up to the nearest 100 gpm.

Wells, C2, C3, C4, and C5 currently pump directly into a forebay tank located at each individual well site, which is subsequently pumped into the distribution system via an additional booster station. Each of these booster stations is equipped with a constant speed pump(s) and a "look-down" pump throttling system where a control valve restricts the booster station flow in order to maintain a constant level in the forebay to prevent excessive starting and stopping of the well and booster pumps. The City has indicated that this configuration was developed to mitigate entrained air in the groundwater, although it is unclear at this time if entrained air in the groundwater is still an issue. At Well C2, there is a dual-zone booster station

[4] City of Banning 2010 Urban Water Management Plan

that can convey water to either the Upper Main or the Foothill West Pressure Zones. Wells C6, M3, M10, M11, and M12 pump directly into the distribution system. Well M12 has currently been taken off of the potable water distribution system and connected to a non-potable system that currently serves the Sun Lakes Community's Champions Golf Course; however, the City may reincorporate Well M12 back into the potable system with the addition of proposed treatment.

A summary of the wells co-owned with BCVWD is provided in **Table 4**. The City is entitled to 50 percent of the co-owned well capacity based on the agreement with BCVWD. These wells are located within the BCVWD potable water distribution system and their capacity is accessed by the City through a metered interconnection with BCVWD located near the intersection of Sun Lakes Boulevard and Highland Springs Avenue, which feeds into the Upper Main Zone. City staff must call BCVWD to manually activate the interconnection, which currently provides one-way flow, although it could potentially flow bi-directionally. City staff have indicated that this interconnection is currently hydraulically limited to approximately 1,000 gpm, although this interconnection could potentially be upsized. There are also future stub-outs for interconnections, although those interconnections have not been made at this time.

Table 4: City of Banning / BCVWD Co-owned Wells[5]

Well	Total Capacity (gpm)	Banning Capacity Allocation (gpm)
24	2,500	1,250
25	2,900	1,450
26	1,500	750
Total	**6,900**	**3,450**

2.2 Water Demands

Existing water demands were calculated based on City well production data from 2010 to 2015. Well production data were utilized as this represents the actual demand on the system including customer usage and non-revenue water. Demands were relatively consistent from 2010 to 2014 and there was a sharp decrease in demand in year 2015 (**Figure 2**), likely due to drought-related conservation efforts. A trend in increasing percentage of total production produced by impacted wells was also observed in recent years, which can be attributed to less availability of groundwater in the canyon well storage units due to drought.

Well utilization, which is expressed as a percentage of water actually produced by a well compared to its nominal production capacity, ranged between 8 percent and 36 percent for the impacted wells from 2010 to 2015, with an average of 20 percent to 32 across all impacted wells for an overall average impacted well utilization of 25 percent. For the purposes of this Study, 25 percent well utilization was assumed for all wells in the development of annual O&M cost estimates. In the future, it is anticipated that the City's well utilization strategy will change with respect to future demands and to optimize system operations and costs.

[5] Beaumont Cherry Valley Water District 2013 Urban Water Management Plan Update

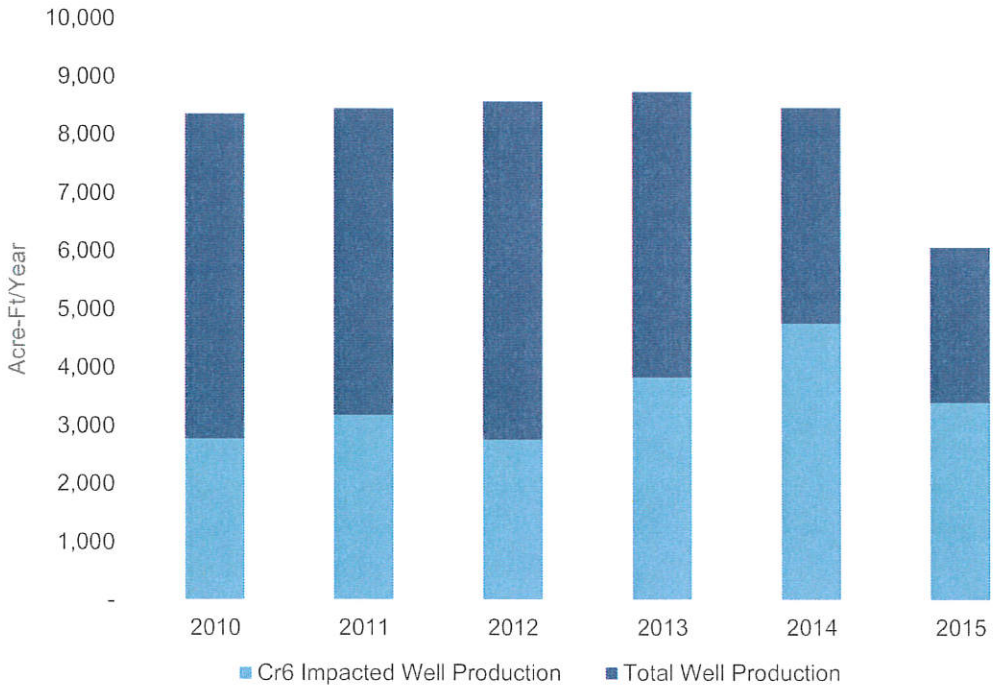


Figure 2: Impacted and Total Banning Well Production

Future demand projections were taken into consideration to estimate how much of the impacted well supply would be required for compliance, and to identify if there are any apparent opportunities for phasing in treatment of impacted wells. Demand projections were based on those made in the 2010 UWMP. While two different projection methods were utilized (population-based, and land use-based), it was observed that recent demand data most closely aligned with the population-based projections; therefore, the population-based projections were utilized for the purpose of this Study. Although actual demand data indicates a recent drop off and deviation from the projections due to drought-related conservation efforts, due to the uncertainty of the sustainability of the conservation measures, City population growth, and City land development, the 2010 UWMP population-based projections were utilized as a conservative approach. Maximum day demand projections were made based on a factor of 2.24 times average day demand, which is consistent with the maximum day demand factor in the City of Banning Water System Hydraulic Modeling Report, prepared by MWH (May 2002). Refer to **Figure 3**.



Figure 3: Demand Projections

The demands from 2010 to 2015 as well as short-term (2020) and long-term (2035) demand projections were compared to the existing City water supply in normal and dry years with and without impacted wells to determine if there is enough supply to serve the City now and in the future. While the demand analysis shown in **Table 5** indicates that there is a currently a surplus supply without impacted wells under normal supply years, there are estimated deficits without impacted wells of approximately 4,000 gpm in the short-term and 9,800 gpm in the long-term. During dry years without the impacted wells, there is an existing estimated deficit of approximately 800 gpm, with estimated deficits of approximately 10,500 gpm in the short-term and 16,200 gpm in the long-term. It should also be noted that these figures do not account for routine well downtime for maintenance purposes and do not capture any distribution system-related constraints for supply transfer (i.e., impacted wells are located central to demand concentrations and replacing their supply with a more remote supply may be limited by existing pipeline sizes, etc.). For short-term and long-term planning, it is in the interest of the City to address the Cr6 impacts to ensure that the supply of impacted wells as well as future wells that may be impacted continue to be part of the City's supply portfolio.

Table 5: Demand and Supply

	Annual Demand (AFY)	Average Day Demand (gpm)	Max Day Demand (gpm)[2]	Nominal Well Capacity (Historical High)		Dry Year Well Capacity (Historical Low)	
				Supply Surplus/ Deficit (gpm)[3]	Supply Surplus/ Deficit (gpm) Excluding Impacted Wells (gpm)[4]	Supply Surplus/ Deficit (gpm)[5]	Supply Surplus/ Deficit (gpm) Excluding Impacted Wells (gpm)[4]
2010	8,365	5,186	9,363	14,937	3,137	8,462	-3,338
2011	8,454	5,241	9,401	14,899	3,099	8,424	-3,376
2012	8,575	5,316	9,479	14,821	3,021	8,346	-3,454
2013	8,743	5,420	9,401	14,899	3,099	8,424	-3,376
2014	8,468	5,250	8,865	15,435	3,635	8,960	-2,840
2015	6,723	4,168	6,791	17,509	5,709	11,034	-766
Short-term Projection (2020)[1]	11,880	7,365	16,497	7,803	-3,997	1,328	-10,472
Long-term Projection (2035)[1]	15,989	9,912	22,203	2,097	-9,703	-4,378	-16,178

[1] Average annual demand projection based on population-based projection in City of Banning 2010 UWMP Table 3-1.
[2] Maximum day demand projection based a factor of 2.24 times average day demand consistent with the City of Banning Water System Hydraulic Modeling Report, prepare by MWH (May 2002).
[3] Based on a total supply of 24,3000 gpm per 2010 UWMP Well Capacity (Historical High).
[4] Excludes 9,600 gpm for City of Banning and excludes 2,200 gpm for co-owned wells.
[5] Based on a total supply of 17,825 gpm per 2010 UWMP Dry Year Capacity (Historical Low).

3. Water Quality

Historical water quality (**Appendix B**) information was reviewed to define treatment requirements, select applicable treatment technologies, and evaluate parameters that affect operational costs. Available groundwater well data were compiled to create a water quality database for analysis. The database utilized pivot-tables and pivot-figures for trending analysis. To account for data variability and to provide a level of conservatism in facility design, the maximum water quality concentrations were used for evaluation and design.

3.1 Cr6 and Total Cr

Both Cr6 and total Cr data (**Appendix C**) were reviewed to identify wells impacted by the Cr6 MCL and to observe trends in Cr variability over time. Note that there is a difference in accuracy of the analytical methods for Cr6 and total Cr. Cr6 is analyzed using EPA method 218.6 (reporting limit of 0.050 µg/L), while total Cr is typically analyzed using EPA 200.8 (reporting limit 1.0 µg/L). None of the observed maximum Cr6 samples were apparent outliers in these data, therefore treatment was planned based on the maximum observed Cr6 concentration. Compliance planning for nine of the twenty one wells which have chromium concentrations at or near the Cr6 MCL (wells C2, C3, C4, C5, C6, M3, M10, M11, M12) shown in **Figure 4**. The average total Cr and Cr6 concentrations in Banning wells from 2010 to 2015 are shown in **Figure 5** with error bars representing the maximum and minimum readings.

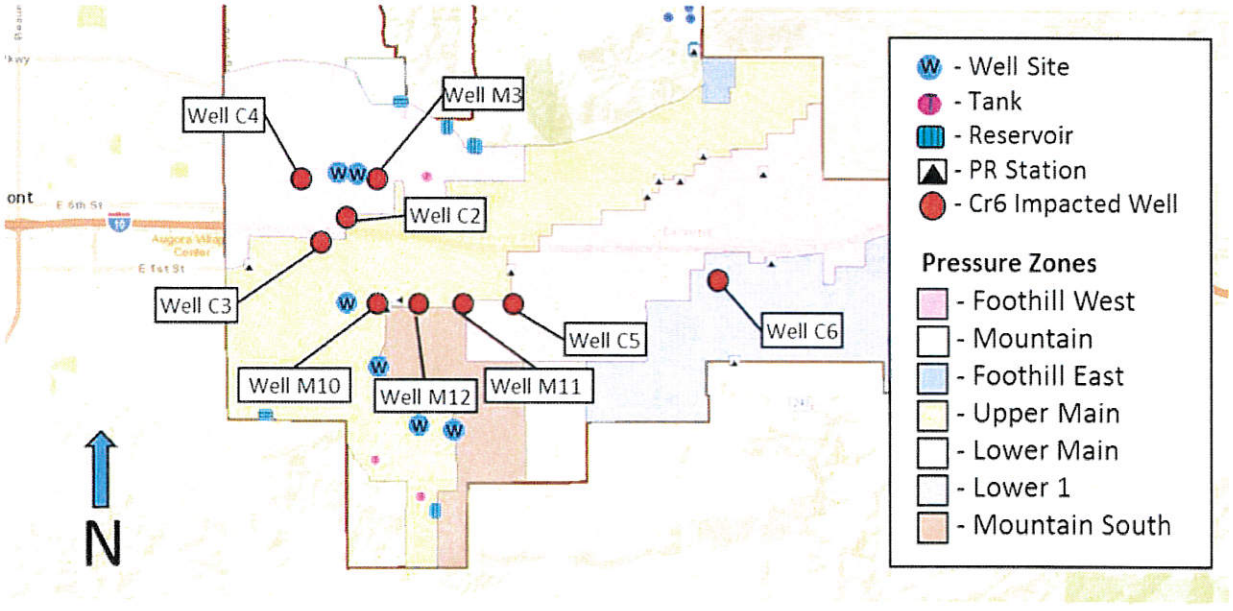


Figure 4: Cr6 Impacted Well Locations

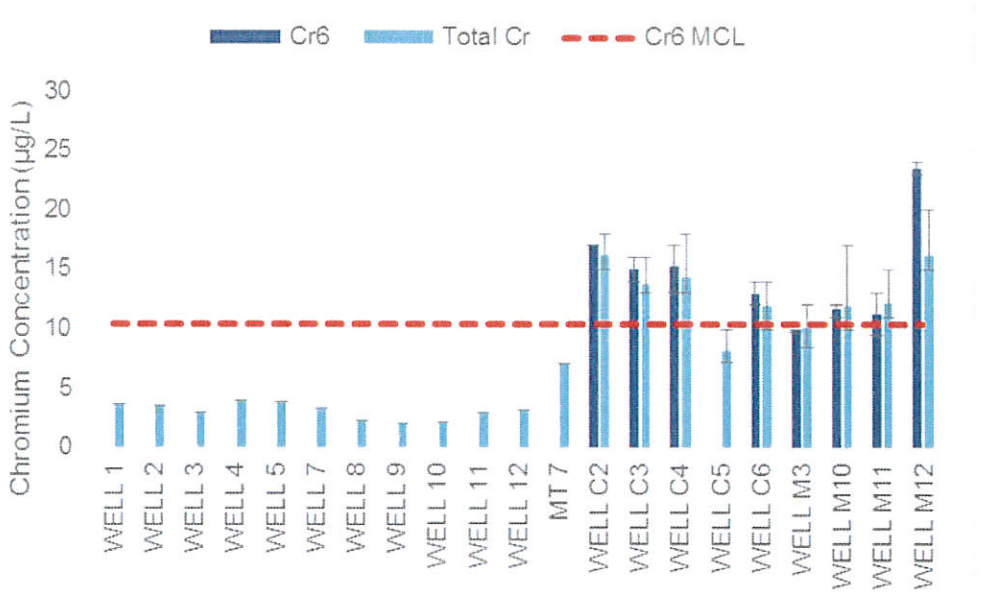


Figure 5: Banning Cr6 Concentration (2010-2015)

3.2 Water Quality Constituents that Impact Treatment Selection

Co-occurring constituents in groundwater can affect treatment selection and operations. For example, if higher levels of nitrate or arsenic are present, it can accumulate and slough off (i.e., chromatographic peaking) in strong base anion exchange systems. Solutions exist for minimizing impacts from nitrate peaking and would require incorporation of safeguards into the design, such as blending of multiple treatment vessels and/or online nitrate monitoring to discharge water in excess of the MCL to waste. Sulfate, alkalinity, total dissolved solids (TDS), pH and calcium can impact the effectiveness of treatment for Cr6 by reducing the resin life (e.g., sulfate competes with Cr6 on SBA resin) or impacting the chemical dosing requirements (e.g., higher alkalinity increases the acid dose needed to reduce the pH for WBA). Additionally, other constituents such as selenium and uranium that are readily removed with anion exchange processes can impact waste disposal options or the effectiveness of waste brine treatment processes. It was found that none of these constituents were present in the Cr6 impacted Banning wells at concentrations requiring treatment or impacting treatment technology selection for Cr6 as discussed below. **Table 6** summarizes the range of concentrations observed for these constituents in the Cr6 impacted Banning wells.

Nitrate. Banning wells that are impacted by Cr6 have low nitrate (maximum concentrations of 11 mg/L as NO_3 compared with the MCL of 45 mg/L as NO_3). While none of these wells require nitrate treatment, nitrate is removed by SBA resin for a short amount of treatment time (usually less than 500 bed volumes (BVs)) compared with Cr6, which has a higher selectivity. Once nitrate is at capacity on the resin ion exchange sites, chromatographic peaking can occur that results in release of nitrate at concentrations two

to four times higher than the influent concentration. Even if chromatographic peaking does occur in this case, the concentration of nitrate would still be less than the MCL.

Arsenic. All of the Cr6 affected wells have arsenic levels at or around 3.5 µg/L, which is slightly above the detectable limit of 2 µg/L, but is well below the arsenic MCL of 10 µg/L. Arsenic is removed in the SBA treatment process through the resin (usually less than 3,000 BVs). Similar to nitrate, arsenic chromatographic peaking can occur that results in release of arsenic at levels two times higher than the influent concentration; however, even if chromatographic peaking dose occur in this case, the concentration of arsenic would still be less than the MCL.

Sulfate. The relatively low sulfate concentrations allow for longer SBA runtimes (approximately 20,000 bed volumes) between regenerations, making SBA an attractive option for Banning wells.

Alkalinity. Banning wells have moderate alkalinity ranging from 100 mg/L to 180 mg/L. At these levels, the estimated CO_2 dose required to reach a pH of 6.0 for WBA range from approximately 180 to 290 mg/L.

TDS. TDS ranges from 130 to 300 mg/L in the Cr6 impacted Banning wells, which is below the recommended secondary MCL for TDS of 500 mg/L and the upper limit of 1,000 mg/ for consumer acceptance.

Calcium. Calcium concentrations in Banning wells ranged from 2 mg/L to 44 mg/L. As part of the treatment assessment, corrosively of the treated water is assessed. A positive LSI should be maintained to prevent corrosive water to the distribution system.

Uranium. Based on these SBA resin regeneration frequency estimates and if the waste brine is treated, the resulting uranium in the solid waste is anticipated to be a low level radioactive waste (despite uranium concentrations in the raw well water being relatively low). This could potentially be mitigated with optimization of the brine treatment process or more frequent regeneration of the resin. Generation of LLRW waste requires disposal at an Energy Solutions Facility in Utah. Additional permitting requirements with CDPH Radiologic Branch will also be required.

Selenium. Selenium concentrations are non-detect (less than 5 µg/L) in the Cr6 impacted Banning wells. Despite being non-detect, selenium could be present in the waste brine at concentrations greater than 1 mg/L, requiring treatment if non-hazardous brine disposal is desired. Compared with chromium and uranium, selenium removal from waste brine requires significantly higher iron doses and produces a larger quantity of hazardous solid waste that would require disposal. This could potentially be mitigated with modification of the resin regeneration process to reduce selenium concentrations by reducing the volume of recycle and thereby increasing the overall volume of liquid waste brine. Pilot testing is important to understand any limitations that selenium may place on the City's treatment options.

Table 6. Banning Well Water Quality (2010 to 2014)

	M3	M10	M11	M12	C2	C3	C4	C5	C6
Cr6 (µg/L)	8.1-10	9.9-12	9.3-13	18-24	14-17	14-16	13-17	5.3-9.6	10-14
Arsenic	<2.0	<2.0	3.2-3.3	3.2-3.2	<2.0	<2.0	<2.0	3.7-3.9	3.9-3.9
Nitrate	7.2-8.2	9.6-11.0	3.7-4.5	6.4-8.0	7.7-11.0	7.4-8.5	4.7-7.5	5.9-6.6	7.1-8.2
Sulfate (mg/L)	35-37	3-4.9	15-18	4.1-6.5	9.3-10	5.9-8.3	9.4-11	7-7.8	16-17
Alkalinity (mg/L as $CaCO_3$)	150-180	100-110	110-140	120-130	150-160	110-140	140-160	110-120	120-150
TDS (mg/L)	250-300	160-180	170-210	170-190	210-240	130-190	180-240	140-180	230-260
pH (s.u.)	7.7-7.9	7.9-8	8.2-8.4	7.8-8.1	7.9-7.9	7.9-8.1	7.7-8.1	8.1-8.3	7.8-7.9
Calcium (mg/L)	39-41	19-22	20-28	24-27	41-44	2-32	36-38	14-16	26-35
Hardness (Mg/L as $CaCO_3$)	150-160	78-82	57-80	80-91	140-150	79-100	120-130	45-53	87-130
Selenium (µg/L)	<5	<5	<5	<5	<5	<5	<5	<5	<5
Uranium (pCi/L)	0.398	n/a	n/a	0.199	0.199	0.696	0.497	0.597	0.298

3.3 Emerging Constituents

The ability of Cr6 treatment options to remove emerging constituents was evaluated to address the potential for selection of an approach that offers the most flexibility and cost savings for future compliance, as well as current compliance.

On the federal level, the Safe Drinking Water Act (SDWA) has several upcoming major regulatory actions that may impact which constituents are regulated in the future, including the preliminary regulatory determinations (RD3) from the third Contaminant Candidate List (CCL3), the draft fourth Contaminant Candidate List (CCL4) that was issued in February 2015, and the Six-Year Review in 2016. Additional pending regulations include the perchlorate draft rule and a draft rule adding eight additional carcinogenic VOCs to the existing VOC regulations.

The final RD3 was released by EPA in January 2016 and included negative determinations for four constituents. The final RD3 decided to delay the final regulatory determination for strontium in drinking water to consider additional data. If the Agency makes a final determination to regulate strontium, EPA will begin the process to propose a National Primary Drinking Water Regulation (NPDWR). The draft CCL4 was issued in February 2015. Changes from CCL3 to CCL4 included the addition of manganese and nonylphenol; the removal of perchlorate (EPA made a positive regulatory determination in 2011); and the removal of the five constituents with preliminary regulatory determinations pending publication of the final RD3. Nitrosamines and chlorate are opined by American Water Works Association (AWWA) to likely be included in the third Six-Year Review. Nitrosamine regulation is uncertain due to high source contribution from food.

In California, several additional constituents have had Public Health Goals (PHGs) decreased and Notification Levels established. A brief description of data for each constituent, is provided in **Table 7** below.

Table 7: Emerging Constituent Concentrations 2010-2015

Parameter	Relevant Limits	Concentrations in Cr6 Impacted Banning Wells
Chlorate	• EPA health reference level (HRL) of 210 µg/L. • Notification level (NL) of 800 µg/L in California. • World Health Organization guideline value of 700 µg/L.	• Chlorate concentrations ranged from 29 µg/L to 130 µg/L in the Banning distribution system and 110 µg/L to 320 µg/L at the BCVWD intertie.
Nitrosamines	• No federal HAL or reference level. • Three nitrosamines (n-nitrosodiethylamine: NDEA, n-nitrosodimethylamine: NDMA, and n-nitrosodipropylamine: NDPA) have NLs in California of 10 ng/L. • NDMA has a PHG of 3 ng/L in California. • No nitrosamine MCLs in California, but require notification if the NL is exceeded.	• No nitrosamine data were available for Banning wells.
1,4-Dioxane	• NL of 1 µg/L in California.	• No detectable 1,4-dioxane concentrations (<0.07 µg/L) for Banning wells.
Antimony	• Federal and California MCL of 6 µg/L. • California Public Health Goal (PHG) of 0.7 µg/L.	• No detectable concentrations of antimony in Banning wells (<6 ug/L).
Molybdenum	• HAL of 40 µg/L • No MCL, NL, or PHG in California.	• There were no detectable concentrations of molybdenum (<1 µg/L).
Perchlorate	• No federal limit. • 6 µg/L MCL in California. • California PHG decreased in 2015 from 6 µg/L to 1 µg/L.	• There were no detectable concentrations of perchlorate (<4 µg/L).
Selenium	• Selenium has a current federal and California MCL of 50 µg/L. California PHG of 30 µg/L.	• 4.6 µg/L in Well M12, non-detect (<5 ug/L) in all other Banning wells.
Strontium	• EPA Health advisory level (HAL) of 4 mg/L for lifetime exposure. • No public health goal, notification level (NL), or MCL.	• There were no detectable strontium concentrations in Banning wells (<0.3 µg/L)
Vanadium	• Vanadium has a NL of 50 µg/L in California and an EPA reference level of 21 µg/L	• There were no detectable vanadium concentrations (<0.2 µg/L)

4. Compliance Approaches

4.1 Alternative Source of Supply

Potential alternative sources of supply identified to replace the Cr6 impacted supply include increased reliance on Banning canyon wells, increased supply from a neighboring water purveyor (BCVWD), or using recycled water to offset potable water demands. These alternatives are displayed graphically in **Figure 6** as listed below and described in the following sections:

1. Inactivate impacted wells
2. Drill additional wells in the Canyon and Banning Bench Storage Unit
3. Increase BCVWD supply
4. Use recycled water to offset demands

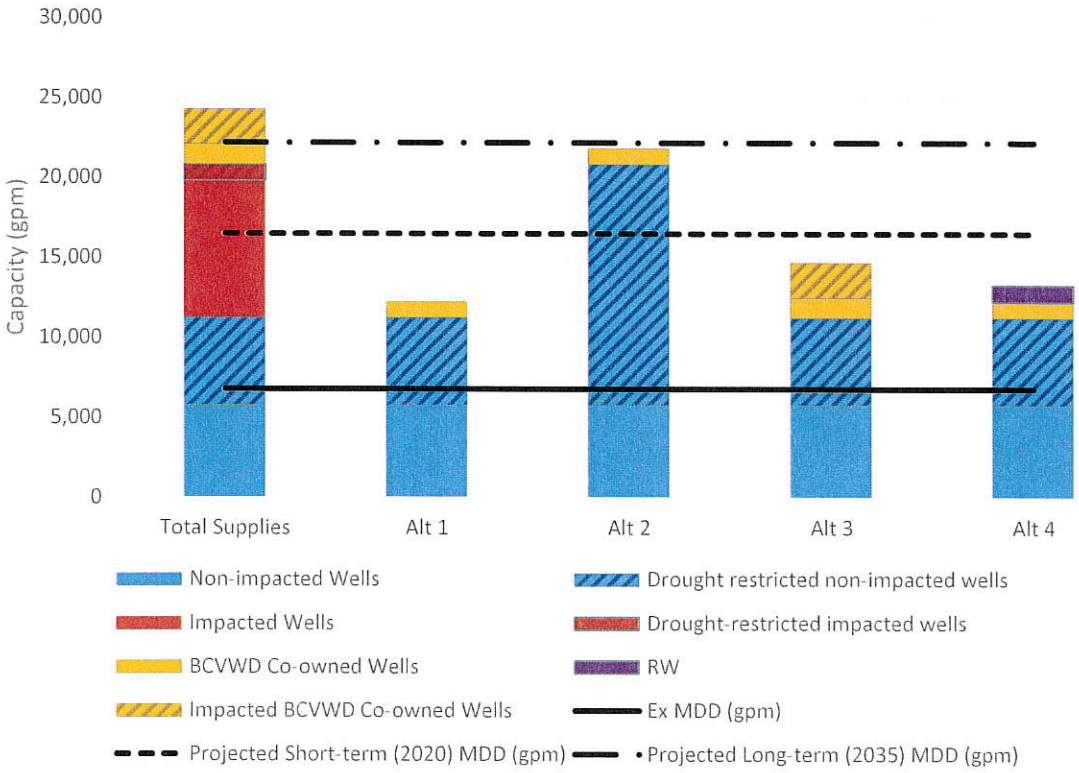


Figure 6: Alternative Supply Comparison

4.1.1 Alternative 1 – Inactivate Impacted Wells

The first option considered for compliance was to inactivate all or a portion of the Cr6 impacted wells and utilize only those wells that are in compliance. If all impacted wells were to be inactivated, it would result

in an approximate 40 percent reduction in total water supplies for the City, not including the impacted co-owned BCVWD wells and the dry year supply reduction in the Canyon Storage Unit. Demand projections indicate estimated supply deficits excluding non-compliant wells range from 4,000 gpm to 11,000 gpm in the short-term (2020) and from 10,000 gpm to 17,000 gpm in the long-term (2035). This range accounts for the difference in wet and dry year supplies. These demand and supply projections were based on a conservative approach, due to the uncertainty of the drought, sustainability of conservations measures, and City growth. Based on these projections, inactivating impacted wells is not a feasible approach; however, the City is currently preparing the 2015 UWMP, and changes in the demand and supply projections could potentially present opportunities for phasing in the construction of treatment facilities.

4.1.2 Alternative 2 – Drill Additional Wells in Canyon Storage Unit

The City of Banning has 12 canyon wells located in the northern canyons in the Canyon and Banning Bench Storage Units that are supplied mostly by percolation from rainfall and surface runoff. These wells consistently have less than 1 ppb of Cr6 concentrations and are operated with higher priority over Banning's remaining wells due to the lower operational cost and good water quality. Data in the 2010 UWMP indicates that well capacities in the Canyon and Banning Bench Storage Units can be impacted up to 51 percent under dry year (historical low) conditions, and City staff have recently confirmed that the current prolonged drought has in fact had a significant impact on the capacity of the canyon wells, with an approximately one-third reduction noted. While the supply and demand analysis shows that these non-impacted wells could potentially serve existing demands, the canyon wells would not alone be able to support neither short-term nor long-term future projected demands. The 2010 UWMP indicates that the safe yields of the Canyon and Banning Bench Storage Units are 4,070 AFY and 1,960 AFY, respectively. This combined total of 6,030 AFY suggests that there may be some limited opportunities for adding well supply in these Storage Units of roughly 2,700 gpm assuming existing and additional wells would continue to have utilizations around 25 percent; however, any additional capacity in these Storage Units could be subject up to a 51 percent reduction under dry year conditions, and the distribution system would need to be analyzed to determine if any improvements would be required in order to convey the supply the long distances from the north throughout the entire city. Based on the apparent limited amount of yield that may be obtained from the Canyon and Banning Bench storage units coupled with the uncertainty of reliable supply given the extent of the current ongoing drought, reliance upon canyon wells as an alternative source of supply was judged to be infeasible by City staff.

4.1.3 Alternative 3 – Increase BCVWD Supply

The City of Banning's service area borders that of the Beaumont-Cherry Valley Water District (BCVWD). There is one existing 12-inch interconnection between the two agencies at the western boundary of Banning's service area near the intersection of Highland Springs Avenue and Sun Lakes Boulevard. The interconnection currently conveys water in a single direction and could be improved to serve water in either direction based on hydraulic gradients. The City has indicated that the capacity of this interconnection is 1,000 gpm, which could potentially be increased. Although an additional capacity of 2,450 gpm would help ensure that City has access to their supply entitlement, it would not actually serve to increase the City's supply portfolio. Additionally, two of the co-owned wells (25 and 26) that are located in the same Beaumont Storage Unit as other Banning wells, are also out of compliance due to Cr6,

representing a combined impacted capacity of 2,200 gpm, and may not be relied upon without treatment. It is not anticipated that increasing deliveries from BCVWD would serve to avoid treatment, and a separate analysis would need to be performed to determine any required distribution system improvements to support deliveries beyond the current contractual limitations. Even if it is determined that BCVWD has a surplus in supply beyond what they may currently wheel to the City, increasing this supply component would decrease the City of Banning's control on their water supply. For these reasons, increased supply from a neighboring water purveyor was not considered a viable approach for Cr6 compliance.

4.1.4 Alternative 4 – Recycled Water Offset

The City currently uses secondary-treated recycled water to recharge the Cabazon Storage Unit and is developing a program to use recycled water for irrigation purposes. Part of the recycled water planning includes upgrading the City of Banning Wastewater Treatment Plant (WWTP) to produce 1,680 acre-ft per year[6] of tertiary-treated water for irrigation of golf courses, parks, medians, greenbelts, and groundwater recharge. The City is also planning to continue discussions to interconnect recycled water systems with BCVWD following the expansion of the WWTP. Banning has recently designated Well M12 as a non-potable well to be used for golf course irrigation, although it may be converted back to a potable well with the proposed treatment. While developing recycled water is part of a comprehensive water supply portfolio, the amount of recycled water used to decrease potable water demands is only 8 percent of the total alternative supply and is not anticipated to be great enough to replace the Cr6 impacted potable supply, and therefore was not considered a viable approach for compliance.

4.2 Well Modification

Well modification could consist of installing packers, an engineered suction, modifying the well flow rate, or a combination thereof, in order to limit or eliminate water produced from poor water quality zones within the well casing screens, and maximize the water produced from the good water quality zones. The goal of well modification would be to produce water with a Cr6 concentration below the MCL in order to avoid treatment. Prior to performing well modification, dynamic flow and chemistry profiling studies are done to understand the production and water quality within the well casing zones, and likelihood of well modification success.

The City performed well profiling studies for the co-owned Wells 25 and 26 in April and June of 2015, respectively. The results of the profiling study for Well 25 indicated that 33 percent of the well's screen sections produce good to excellent water quality, and if combined with some marginal and poor water quality sections, appeared to offer an economically viable solution. The profiling study recommended a phased approach, combining a series of packers with an engineered suction and pumping rate testing. This proposed approach was estimated to reduce Well 25 production up to 35 percent. The results of the profiling study for Well 26 indicated that the majority of the well casing screens produced Cr6 concentrations above the MCL with the exception of the very upper and lower sections that, if viable,

[6] City of Banning 2010 Urban Water Management Plan

could produce a resulting water quality below the Cr6 MCL. Additional testing was recommended to confirm the very bottom screen production capacity and to identify if there is any short circuiting from the higher zones above.[7,8]

Based on the results of well profiling thus far, it can be expected that well modification for the remaining impacted wells may or may not be a potential solution depending on individual well and groundwater basin characteristics. To assess the likelihood of Cr6 compliance through well modification, the City would be required to perform well profiling on every impacted well. Additional field testing may also be required to verify profiling study findings. Any estimated reductions in well capacity due to modification must be weighed against providing treatment. At this point in time, the City is currently evaluating funding opportunities to continue with testing, and conduct well profiling studies on the remaining impacted wells.

4.3 Blending

Blending options were analyzed to assess whether treatment requirements could be eliminated or reduced. Ideally, impacted wells would be blended directly with non-impacted wells for a blend of water that is below the MCL. Alternatively, impacted wells could be blended with distribution system water. In order to avoid circular pumping, the blend water supply must come from a hydraulically-isolated supply independent from where the blended water would be discharged, for example, blending of water from an isolated pressure zone. Attempting to blend within a single pressure zone or within interconnected pressure zones will invariably produce compliance issues due to circular pumping and difficulty in controlling blending flow rates and effluent Cr6 concentrations. Several blending options were evaluated as part of this Study, from system-wide blending to individual well blending. All blending flow capacities were calculated using a target Cr6 blended effluent concentration of 8 ppb, which would allow for blending with supplies treated to 6 ppb while still staying below the MCL with a margin of safety.

To evaluate system-wide blending of all of the Cr6 impacted wells, the capacities and maximum Cr6 concentrations were used to calculate the blending flow requirement, assuming a blending flow Cr6 concentration of 1 ppb (representative of the canyon wells) and a final Cr6 effluent concentration of 8 ppb. The higher the well capacity and Cr6 concentration in the impacted well, the higher the blending flow requirement. The results of the blending calculations, shown in **Table 8**, indicate that a total blending flow of 11,458 gpm would be required to blend all of the impacted wells, which is roughly equal to the City's entire non-impacted supply, not accounting for dry year supply reductions. The dry year capacity of the Canyon wells is further limited to 7,000 gpm, which is insufficient to cover all of the impacted wells. Refer to **Appendix D** for detailed blending calculations.

[7] Dynamic Flow and Chemistry Profile Report: Well 25, prepared by BESST Inc., April 15, 2015
[8] Dynamic Flow and Chemistry Profile Report: Well 26, prepared by BESST Inc., June 8, 2015

Table 8: System-wide Blending Requirements

Well	Capacity Used for Treatment Evaluation (gpm)	Max Cr6 (µg/L)	Blending Flow Req'd (gpm)
C2	1,100	17	1,414
C3	1,200	16	1,600
C4	1,400	17	2,100
C5	1,100	9.6	293
C6	1,000	14	1,000
M3	1,000	12	667
M10	900	12	600
M11	700	13	583
M12	1,200	24	3,200
Total	**9,600**	**-**	**11,458**

In addition to the limitations on available blending supply, the hydraulic logistics must also be considered. The canyon wells are located up to 8 miles from the City's service area, and while although the City has a strong backbone system, because the canyon wells have the ability to serve every one of the City's pressure zones, it would not be feasible to isolate any blended effluent from what would be blended source water. While system-wide blending was not determined to be feasible, localized blending scenarios were also evaluated, which are described in **Section 6.1.**

4.4 Treatment

Best Available Technologies (BATs) for Cr6 treatment were assessed, including Ion Exchange (Strong Base Anion Exchange (SBA) or Weak Base Anion Exchange (WBA)) and Reduction, Coagulation, and Filtration/Microfiltration (RCF/RCMF). Reverse Osmosis is also a BAT but was not included in the technology evaluation due to the higher water loss associated with this technology (15 to 25 percent compared with less than 1 percent for the other BATs). A comprehensive treatment evaluation was performed including assessment of individual wellhead treatment, clustered treatment, and a combination of clustered treatment and blending scenarios (discussed further in **Section 6**).

5. Treatment Technologies

Cr6 treatment technologies were assessed with respect to treatment effectiveness and residuals management (including quantity and quality of waste generated and treatment and disposal options). Additionally, system operations were considered, including staffing requirements and system flexibility with respect to down time. The potential for future cost escalations with respect to availability and cost of chemicals and residuals disposal options is also discussed. WBA, SBA, and RCF/RCMF, can be applied in different configurations to manage waste residuals. For this analysis, the approaches evaluated provide bookends for a range of approaches, as summarized in **Table 9**. Current methods for waste management (e.g., SBA brine recycling and rinse water return, RCF/RCMF backwash water recycling) and process optimization (e.g., RCMF with a 5 minute reduction time) were incorporated into the analysis. The advantages and disadvantages of each technology are summarized in the sections below.

Table 9: Treatment Approaches Evaluated

Technology	Key Features	Waste Handling
WBA	8 to 10-ft diameter carbon steel vessels operated in lead/lag pairs; carbon dioxide and aeration for pH adjustment	WBA resin disposal as hazardous waste, no brine waste handling.
SBA	8 to 10-ft diameter carbon steel vessels operated in parallel; onsite regeneration, on-site brine treatment with non-hazardous brine hauling	Non-hazardous brine hauling or sewer disposal, hazardous solids disposal.
SBA	3-ft diameter FRP vessels housed in a 12x20 conex; onsite regeneration with hazardous brine hauling	Hazardous brine hauling
SBA	12-ft diameter carbon steel vessels with CVWD standard design; haul resin offsite by truck for regeneration at CVWD's CRRF; no waste disposal except at CRRF	None by City, contract with Nearby Water Agency
SBA	12-ft diameter carbon steel vessels operated in parallel; haul resin to Banning CRRF by truck for regeneration; CRRF includes brine treatment with non-hazardous brine sewer disposal	Non-hazardous brine hauling or sewer disposal, hazardous solids disposal.
RCF	Filtration with granular media; backwash water recycled and non-hazardous sludge disposed to the sewer (estimated 1% water loss)	Non-hazardous backwash water sludge to sewer.
RCMF	Filtration with microfiltration membranes; backwash recycled and non-hazardous sludge disposed to the sewer (estimated 1% water loss)	Non-hazardous backwash water sludge to sewer.

5.1 Weak Base Anion Exchange (WBA)

WBA removes Cr6 from the water and converts it into Cr3 on the resin surface. With continuing operation of the resin, Cr6 concentrations in the treated water slowly increase as the resin capacity for Cr6 is used. WBA resin is replaced, rather than regenerated, when the target goal is exceeded. **Figure 7** illustrates a schematic of the WBA treatment process. Particles are removed from the groundwater using bag filters to minimize pressure drop in the resin bed and to minimize the need for backwashing. WBA resins are sensitive to pH and work most effectively for Cr6 removal at a pH of 6.0. pH adjustment can be accomplished using carbon dioxide (CO_2) or acid (sulfuric or hydrochloric). Alkalinity and pH primarily

determine the CO_2 or acid dose necessary, with higher pH and alkalinity requiring more CO_2 or acid. Banning wells have moderate alkalinity (approximately 130 mg/L), resulting in an estimated required CO_2 dose of approximately 300 mg/L. Chemical expenses for pH adjustment were included in the O&M cost estimates.

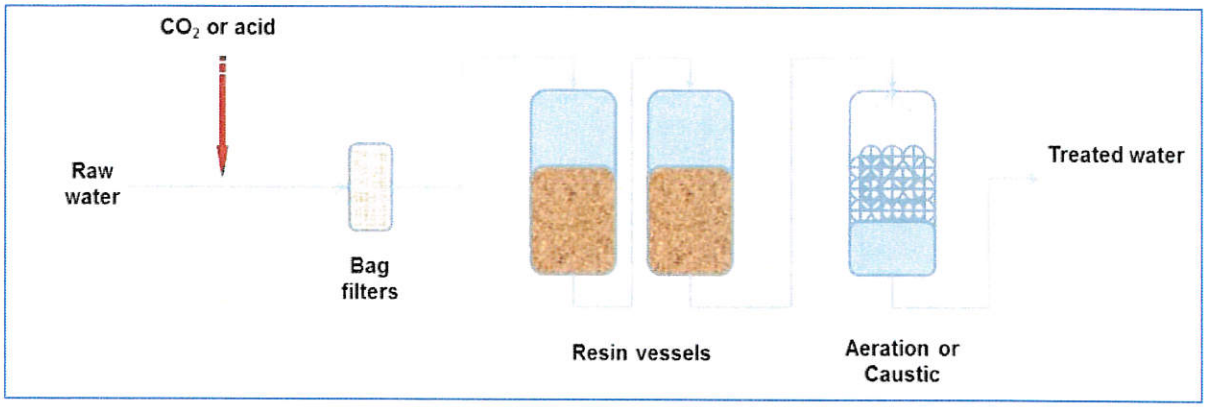


Figure 7: WBA Treatment

Three WBA resins have been identified as having a high capacity for Cr6. These resins can operate for more than 300- to 400-thousand bed volumes (more than three years) before they require replacement. By comparison, SBA resins typically require replacement or regeneration on the order of months. The typical configuration for WBA resin includes trains of two vessels in series (lead/lag). Aeration or caustic is used downstream of the WBA resin to raise the pH of treated water to avoid corrosive water quality conditions in the distribution system. If aeration is used, the treatment system breaks head and additional pumping is required to meet distribution system pressure requirements. In this case, a clearwell and booster pump station are also included in the treatment system design.

Residuals generated by the WBA process include spent resin, flush water generated at resin replacement, and backwash wastewater (although backwash is not expected unless the well is a sand/silt producer and bag filters are ineffective). Spent resin is expected to be a non-RCRA hazardous waste due to a high chromium concentration above the California Total Threshold Limit Concentration (TTLC) and Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) or Low Level Radioactive Waste (LLRW) if significant uranium accumulates. Thus, the spent resin needs to be disposed of to a non-RCRA hazardous waste landfill if disposed in California or at EnergySolutions in Utah if determined to be a LLRW. With naturally occurring uranium in the groundwater and the long life of WBA resin, uranium accumulation on the resin is likely and resin disposal costs are included in O&M cost estimates based on an assumption of non-RCRA hazardous TENORM waste.

Flush water and backwash water are expected to be non-hazardous and can be discharged to the sewer. For WBA, this water loss is predicted to be less than 0.01 percent of the treated water flow. Refer to **Table 10** for advantages and disadvantages of WBA.

Table 10: WBA Considerations

Advantages	Disadvantages
• High capacity for Cr6 (more than three years of operation before resin change out) • Ease of operation • Minimal water loss	• Resin disposal • pH adjustment • Requires booster pumps due to breaking head during aeration

5.2 Strong Base Anion Exchange (SBA)

In the SBA process, water passes through a resin bed and Cr6 is removed by replacing other negatively charged inert ions (e.g., chloride). Similar to WBA, particles are removed using bag filters (strainers) to minimize pressure drop through the resin bed and reduce the need for backwashing. Water passes through the SBA resin, which selectively removes Cr6 from the water. Cr6 in the treated water gradually increases over time as the resin capacity for Cr6 is filled. Other ions with similar charge in the water can also compete with Cr6 and exhaust the resin bed more quickly. Resin capacity can range between 10,000 BVs to more than 20,000 BVs (approximately one month of operation with full utilization) primarily depending on sulfate concentration. SBA is regenerated with a salt (brine) solution when the treated Cr6 concentration reaches the treatment target level. Regeneration involves elution of the Cr6 off the resin into the brine, in the process restoring capacity of the resin for additional Cr6 removal. A process flow schematic depicting the SBA process is provided in **Figure 8**.

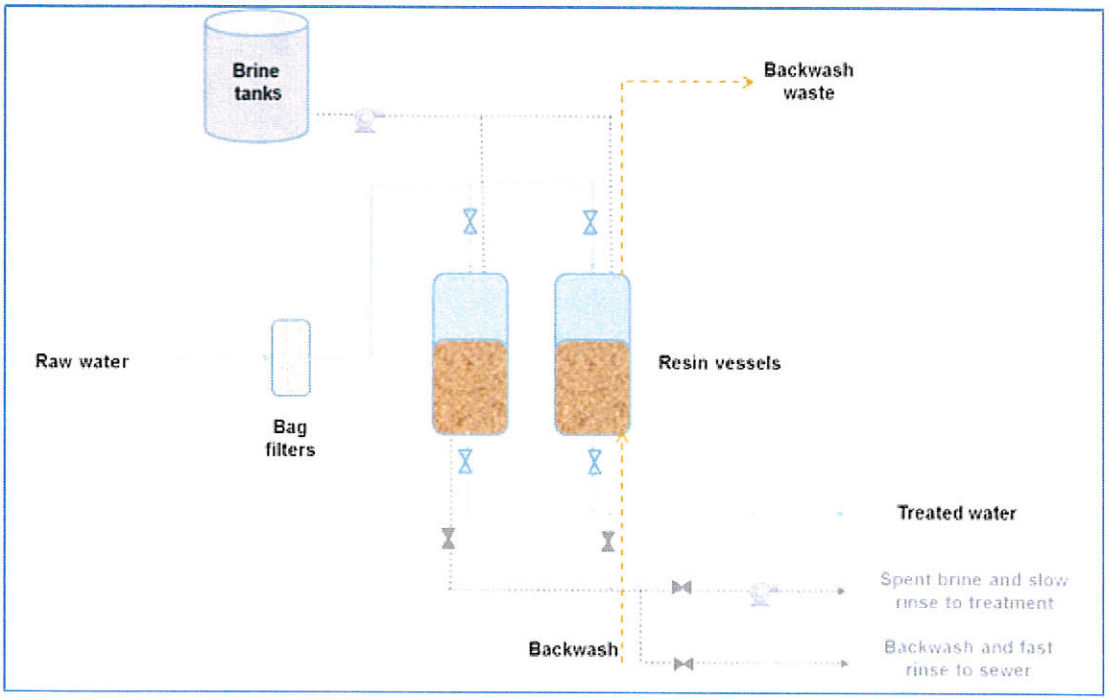


Figure 8: SBA Treatment Process

SBA resin is not sensitive to the pH of the water for effective Cr6 removal (unlike WBA resin), which eliminates the need for pre-treatment pH adjustment. However, post-treatment pH adjustment may be necessary, if the treated water quality is corrosive toward piping materials. Calcium carbonate precipitate potential (CCPP) or Langelier Saturation Index (LSI) can be used as indicators of water corrosivity. Alkalinity is removed by the resin during a short period in each resin service cycle after regeneration, which results in reduced pH in treated water. Treated water alkalinity and pH typically returns to the raw water concentration in a day. If multiple vessels are operated in parallel or water is bypassed around treatment with final blending, changes in alkalinity and pH can be minimized.

Residuals from SBA include spent brine and rinse wastewater produced during the regeneration process, including a slow rinse and fast rinse. Prior to regeneration, a backwash step is sometimes applied to ensure even distribution of resin before brine is added. The final step requires a rinse to remove any residual brine from the resin bed. Brine management is a challenge for SBA applications due to the high anion and TDS concentrations found in the spent brine. Spent brine has been reported to be a non-RCRA hazardous waste due to the high Cr6 concentrations. Recent testing has shown that the brine might contain selenium as well. An example of this was observed for some Coachella Valley wells, where despite low concentrations in the groundwater, concentrations in the brine were present at greater than 1 mg/L making the brine RCRA hazardous waste. Spent brine could be either disposed as a non-RCRA or RCRA hazardous waste or can be treated to remove Cr6 before disposal as a non-hazardous waste. Strategies to minimize residual volumes include regeneration optimization, segmented regeneration, and brine recycle with or without treatment. For SBA with brine recycle, water loss is less than approximately 0.01 percent of the treated water flow.

SBA has been tested extensively from bench- to full-scale for Cr6 removal. All studies have shown that SBA can remove Cr6 effectively and consistently to below 10 µg/L, although the resin life before regeneration varied for raw water qualities, resin products, and test conditions. Sulfate has been identified as having the most impact on resin capacity for Cr6. Banning wells have relatively low sulfate (3 to 37 mg/L), resulting in a manageable required regeneration frequency. **Table 11** summarizes the advantages and disadvantages that are associated with using SBA.

Table 11: SBA Considerations

Advantages	Disadvantages
• More history of applications in drinking water treatment than WBA (i.e. for other constituents including arsenic, nitrate, and perchlorate) • No pH adjustment needed for pre-treatment • Booster pumping not required as system does not break head during treatment • Minimal water loss	• Runtimes dependent on background water quality (especially sulfate) • Regeneration waste brine handling and disposal

Cr6 removal with SBA is straightforward; however, regeneration requirements and subsequent brine management are more complex. For this reason, multiple options for SBA were considered including onsite and offsite resin regeneration, onsite brine treatment, and hazardous brine disposal. For the offsite resin regeneration option, the concept of building and maintaining a centralized regeneration facility as

well as utilizing a central resin regeneration facility being built by Coachella Valley Water District (CVWD) was evaluated.

5.3 Reduction, Coagulation, and Filtration/Microfiltration (RCF/RCMF)

The RCF process involves reduction of Cr6 to Cr3 using ferrous iron, coagulation of Cr3 with ferric hydroxides, and filtration to remove the Cr-associated particles. **Figure 9** illustrates a schematic of the RCF treatment process. Components in the RCF process include ferrous iron addition, a reduction tank that provides time for ferrous iron to reduce Cr6 to Cr3 and coagulate, hypochlorite (or air) addition to oxidize remaining ferrous to ferric, polymer addition to a rapid mixing tank to enhance floc formation (if granular filters), granular media filtration and backwash recovery. For the RCMF process, instead of granular media filtration for particle removal, membrane filtration is used (without the addition of polymer). Testing indicates that granular media filters can reliably remove total Cr to below 5 µg/L, while microfiltration can remove total Cr to below 1 µg/L. In general, RCF and RCMF processes are not as affected by raw water quality (such as nitrate or sulfate) compared with SBA.

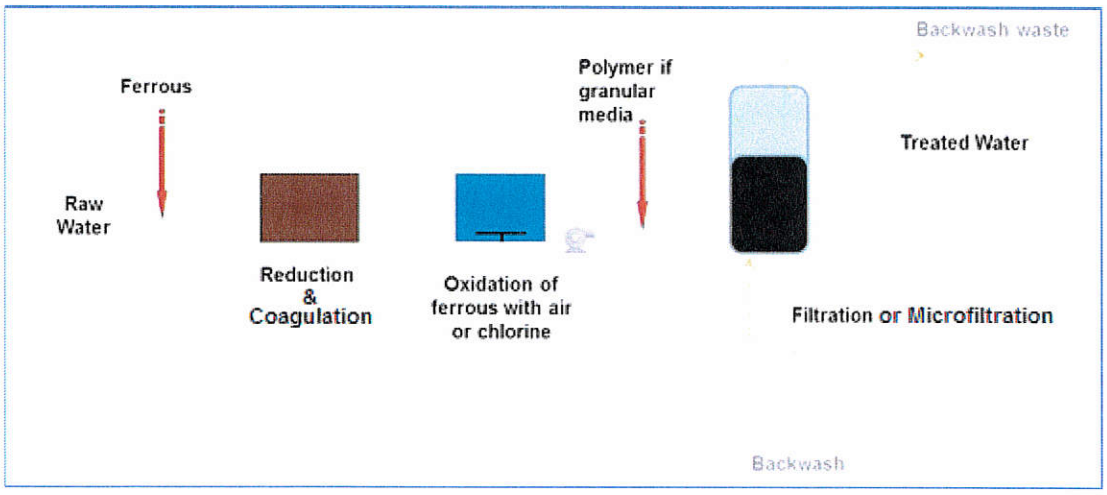


Figure 9: RCF/RCMF Treatment Process

Backwashing makes up about 3 to 5 percent of the flow for RCF and up to 5 to 6 percent for RCMF. Backwash water recovery can be incorporated in the RCF or RCMF process to recycle water and reduce overall system water loss to less than 1 percent. The processed backwash water contains Cr3 and may be discharged directly to the sewer if acceptable to the Banning WWTP. For the RCMF process, chemical cleaning and clean-in-place solutions will also require disposal. **Table 12** summarizes the advantages and disadvantages that are associated with using RCF/RCMF.

Table 12: RCF/RCMF Considerations

Advantages	Disadvantages
• Less susceptible to water quality changes • No pH adjustment typically needed • Filter backwash water can be discharged to sewer, eliminating hazardous waste residuals	• Aeration or chlorine addition is needed • Relatively complex system, larger footprint • Backwash disposal • Repumping likely required

6. Scenario Evaluation

6.1 Treatment System Sizing

Treatment systems were sized using a partial stream treatment approach. This approach bypasses a portion of the raw water around treatment, blending it with the treatment effluent, allowing for the treatment system to be sized to treat only the fraction of water needed to meet the target Cr6 concentration in the final blend. At the request of the City, target Cr6 concentrations 6 µg/L and 8 µg/L were assessed as a conservative approach to provide capacity for fluctuations in groundwater or treated water concentrations. The 2 µg/L differential in treatment target did not significantly reduce the capital cost (systems are similar in size requiring the same number of major equipment components). The treatment target does impact O&M costs. A higher goal of treating to 8 µg/L for example, would reduce operating costs, but would adversely impact any potential blending opportunities by requiring increasing amounts of blending water supply in order to achieve compliance. In operation, these goals could be adjusted to maintain a treated water concentration below the Cr6 MCL. The range in treatment targets of 6 µg/L to 8 µg/L are reflected in the range of O&M estimates (Section 6.7).

6.2 Treatment Configurations and Scenario Development

Several configurations for treatment were evaluated as potential compliance scenarios, including: individual wellhead treatment, clustered treatment, and clustered treatment with blending. These scenarios are described in detail in the following sections.

6.2.1 Scenario A - Individual Wellhead Treatment

Wellhead treatment facilities were sized based on well capacity, maximum Cr6 concentration, a treated Cr6 target of 6 µg/L, and rounded up to the nearest 100 gpm. The resulting treatment system capacity and bypass are presented in **Table 13**. For SBA, WBA, and RCMF treatment technologies, a Cr6 treatment goal of 2 µg/L in treatment system effluent and 6 µg/L in the final blend with bypass were the design criteria used to size the capital facilities. For RCF, the treatment systems are slightly larger with less or no bypass, as the Cr6 concentration in the treatment effluent from these types of systems have been observed as high as 5 µg/L. The individual treatment locations and respective sizing estimates are shown in **Figure 10**.

Table 13: Individual Cr6 Treatment System Sizing

Well	Max Cr6 (µg/L)	Well Capacity (gpm)	Treatment Design Capacity: WBA, SBA, and RCMF (gpm)	Bypass Fraction: WBA, SBA, and RCMF	Treatment Design Capacity: RCF (gpm)	Bypass Fraction: RCF
C2	17	1100	900	18%	1100	0%
C3	16	1200	900	25%	1100	8%
C4	17	1400	1100	21%	1300	7%
C5	9.6	1100	600	45%	900	18%
C6	14	1000	700	30%	900	10%
M3	12	1000	600	40%	900	10%
M10	12	900	600	33%	800	11%
M11	13	700	500	29%	700	0%
M12	24	1200	1000	17%	1200	0%

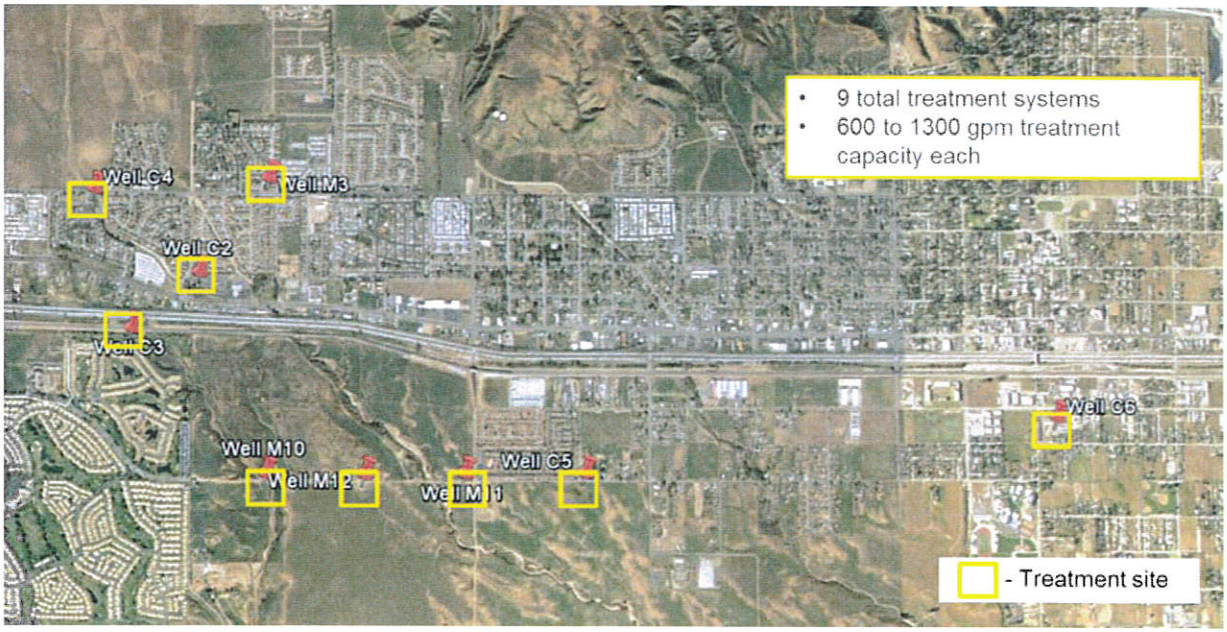


Figure 10: Individual Wellhead Treatment

Individual wellhead treatment would require available footprint at each well site for the equipment associated with the type of selected treatment technology. The space constraints at each site dictated the types of treatment that could be implemented on the respective well sites. During the well site visits, the available space was evaluated and compared against the typical footprint required for each treatment technology (**Table 14**). The SBA with CRRF option was identified as the only individual wellhead treatment option that would fit at all well sites.

Table 14: Available Footprint and Treatment Sizing Viability

Location	Approx. Footprint Available (ft^2)	Conventional SBA	Containerized SBA	SBA With CRRF	WBA	RCF	RCMF
C2	2,800		✓	✓			
C3	4,000	✓	✓	✓			
C4	4,900	✓	✓	✓	✓	✓	✓
C5	1,000			✓			
C6	4,600	✓	✓	✓	✓	✓	✓
M3	5,700	✓	✓	✓	✓	✓	✓
M10	1,700			✓			
M11	2,100		✓	✓			
M12	18,900	✓	✓	✓	✓	✓	✓

6.2.2 Scenario B - Clustered Treatment

Clustered treatment involves piping two or more wells together at centralized treatment sites, with the benefits including minimizing the number of treatment facilities and increasing the potential treatment technologies that could be implemented, as the identified clustered treatment sites would not have the same space constraints as the individual well sites. The City could benefit from close proximity of several impacted wells.

Two clustered treatment sites were identified with the intent of minimizing the lengths of raw water piping that would be required: 1) the M12 well site, hereinafter referred to as the "M12 Cluster", and 2) an undeveloped parcel located on the west side of Highland Home Road just north of West Wilson Street (not currently owned by the City), hereinafter referred to as the "Foothill West Cluster". The M12 Cluster could include Wells C5, M10, M11, and M12, while the Foothill West Cluster could include Wells C2, C4, and M3. Wells C3 and C6 were not included in a cluster due to either long pipe runs or challenges with pipeline alignments; instead, a hybrid treatment option was developed with two clustered treatment facilities and individual wellhead treatment at Wells C3 and C6. **Table 15** summarizes the treatment design capacities for the clustered treatment scenario. Clustered treatment utilize the proximity of the wells, but will still require the addition of pipelines, as well as clearwells and booster pumps (described further in Section 6.4). The clustered treatment configuration with the proposed raw water transmission piping is shown on **Figure 11**.

Table 15: Clustered Treatment Sizing

Well	Max Cr6 (µg/L)	Well Yield	Treatment Design Capacity: WBA, SBA, and RCMF (gpm)	Bypass Fraction: WBA, SBA, and RCMF	Treatment Design Capacity: RCF (gpm)	Bypass Fraction: RCF
C5, M10, M11, M12	14.8	3500	2500	29%	3200	9%
C2, C4, M3	15.7	3350	2400	28%	3100	7%
C3	16	1000	800	20%	1000	0%
C6	14	800	600	25%	800	0%

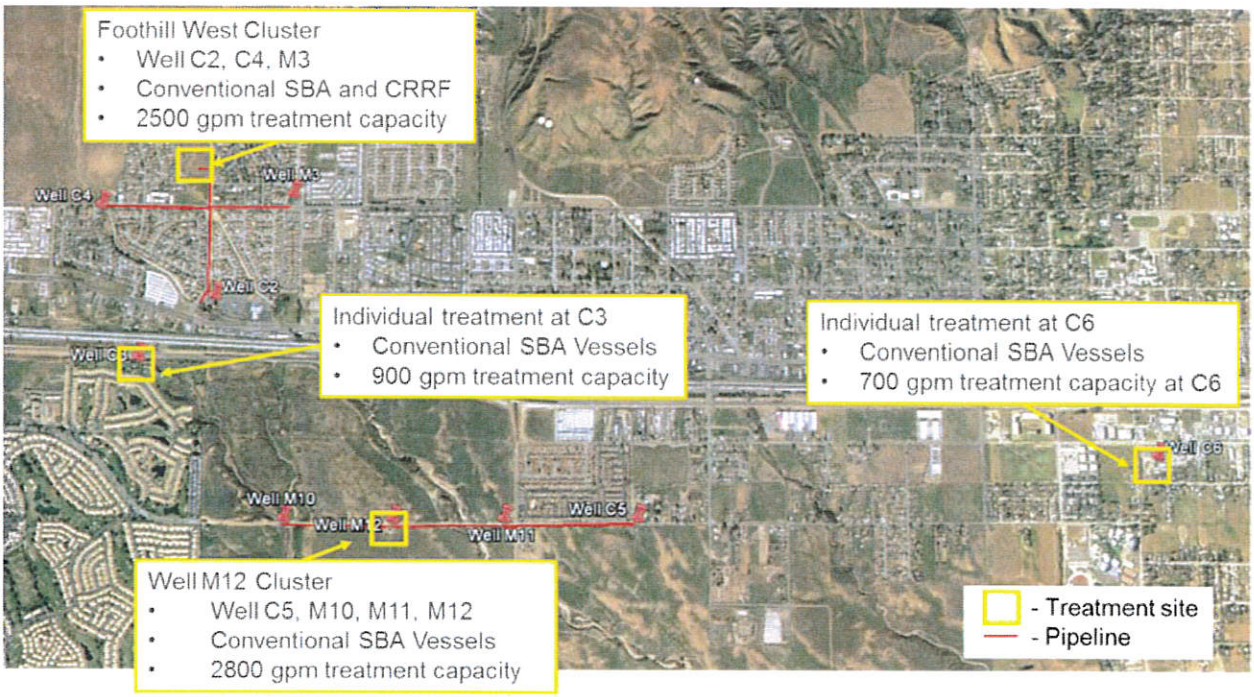


Figure 11: Hybrid Cluster/Individual Treatment

6.2.3 Scenario C - Clustered Treatment with Blending

Building upon the clustered treatment configuration described above, blending options were again considered, albeit on a more localized level, in an effort to potentially reduce or eliminate treatment requirements.

The first localized blending option that was considered was to treat one of either the Foothill West Cluster or the M12 Cluster and use that cluster to blend with the non-treated cluster. This was determined not to be feasible based on the extensive amount of piping, pumping, and pressure reducing that would be required. In addition, it would hinder the operational flexibility of the system, requiring both clusters to be in operation simultaneously. In order to maintain feasible blending flow volume requirements, this option would also require the Cr6 treatment target at the treatment cluster to be less than 2 ppb. This reduced treatment target increased treatment costs, thereby eliminating potential savings from avoiding treatment at the non-treated cluster.

The second localized blending option that was considered was individual well blending at either Well C6 or C3. Blending at Well C6 was determined not to be feasible, as circular pumping could not be avoided based on having no access to blend water from an independent pressure zone. Although Well C6 is located in close proximity to the pressure zone boundary between the (Lower) Main Zone and the Lower 1 Zone, the (Lower) Main Zone directly feeds the Lower 1 Zone through pressure reducing stations, which does not allow for separation of the blending flow and effluent.

Individual blending at C3 was evaluated with two potential blending supply sources: 1) Foothill West Zone distribution system water, and 2) BCVWD. The Foothill West Zone blending water supply would be supplied primarily from the Foothill West Cluster, although the City does have the ability to boost water from the canyon well supply in the (Upper) Main Zone to the Foothill West Zone with the booster station at the Well C2 site. Since Well C3 has a relatively high Cr6 (16 ppb) level and is one of the higher capacity wells, the amount of blending water required assuming the Foothill West Cluster is treated to a Cr6 concentration of 6 ppb is estimated at 4,800 gpm, which would require a long stretch of minimum 20-inch diameter pipeline, and would exceed the mixing capacity of the existing forebay tank at Well C3, which has a storage volume of roughly 30,000 gallons. The connection point of Well C3 to the Foothill West Pressure zone is shown in **Figure 12**, which would occur just upstream of the Highland Springs & Sun Lakes pressure sustaining valve (PSV), and would require approximately 4,600 feet of piping to reach Well C3 (shown in red). Due to site constraints, it would not be possible to install a new blending tank with much more capacity than the existing one. It would also require significantly increasing the capacity of the existing booster station to convey the combined blended effluent.

An approach to reduce this blending flow rate requirement at Well C3 is to treat the blending water (i.e., all sources of supply in the Foothill West Zone) to a Cr6 concentration of less than 2 µg/L, which would reduce the estimated blending flow rate to 1,200 gpm and associated pipeline to 12-inches in diameter. To do this, additional treatment capacity (i.e., no bypass) at the Foothill West Cluster would be required. In order to meet this requirement, all incoming water supplies for the Foothill West pressure zone would not be able to have measurable Cr6 concentrations, significantly restraining distribution system operational flexibility as new supplies are introduced. Additionally, while avoiding treatment at Well C3, additional treatment requirements at the Foothill West Cluster will be needed, eliminating potential treatment cost savings (discussed further in Section 6.3 below).

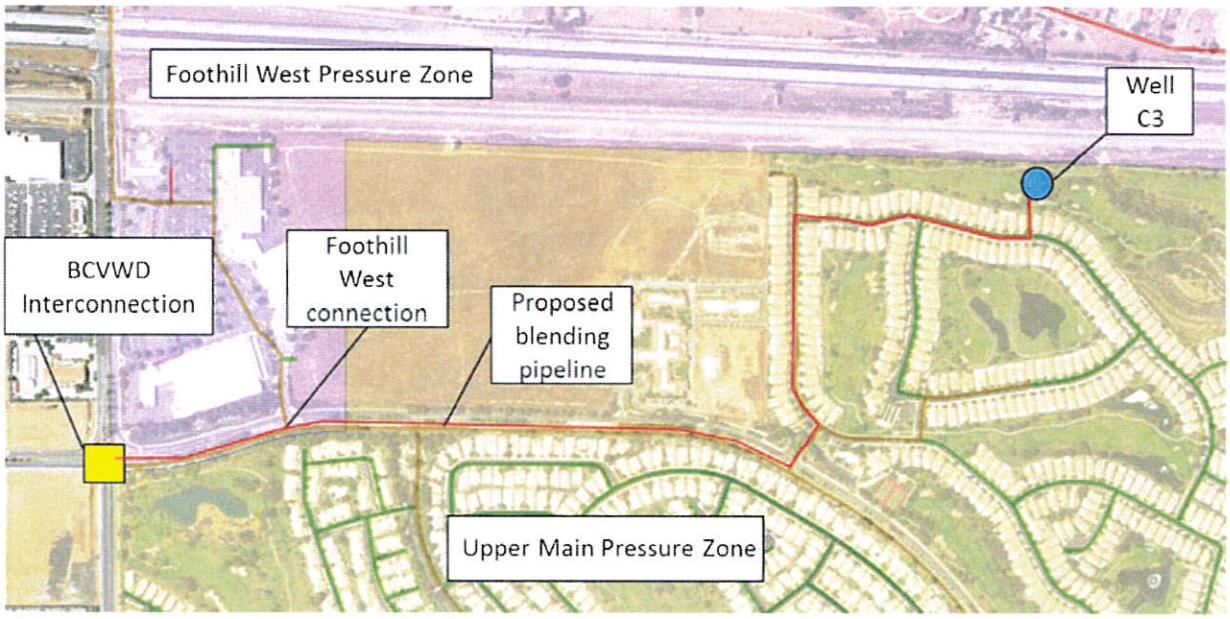


Figure 12: Potential Blending Pipelines

The second potential blending water supply identified for Well C3 was the BCVWD interconnection (see **Figure 12**) was determined not to be a valid blending source as two of the three co-owned wells are also impacted by Cr6. Based on a sample Banning collected at the interconnection in April 2016, a Cr6 concentration of 6.3 µg/L was observed. Based on a 6 µg/L Cr6 concentration, there are similar challenges to those for the first Foothill West Zone blending option. In addition, the interconnection is currently limited to 1,000 gpm and is activated manually where the City must call BCVWD. This option would require an increase in capacity and/or the construction of additional interconnections, automation, and would need to be active every time Well C3 is in operation. Due to the extensive infrastructure, interagency coordination, and hydraulic restrictions, all localized blending options were dismissed and the clustered treatment was considered for further analysis.

6.2.4 Summary of Compliance Scenarios

The individual wellhead, clustered, and blending scenarios are summarized in **Table 16**. The approach for evaluating treatment technologies for the compliance scenarios included the following steps (discussed further in **Section 6.3** below):

1. Compare treatment costs for Scenario A – Wellhead Treatment to Scenario B – Clustered Treatment for the BATs that fit the footprint at each identified treatment location and identify the technology with the lowest lifecycle cost.

2. Evaluate whether lifecycle costs can be further reduced with the addition of blending at Well C3 by comparing the lowest lifecycle cost for Scenario B – Clustered Treatment for the same technology in Scenario C – Blending.

Table 16: Compliance Scenarios Evaluated

Scenario	Cr6 Facilities
A – Individual Wellhead Treatment	Nine Cr6 treatment facilities: • Located at wellhead and ranging in size from 500 to 1,100 gpm
B – Clustered Treatment	Four Cr6 treatment facilities: • Well C3 – 900 gpm • Well C6 – 700 gpm • Foothill West Cluster – 2,500 gpm • M12 Cluster – 2,800 gpm
C – Clustered Treatment with Blending (Blending)	One blending and three Cr6 treatment facilities: • Blending at Well C3 with 4,800 gpm water from Foothill West Pressure Zone • Well C6 – 700 gpm • Foothill West Cluster – 3,500 gpm • M12 Cluster – 2,800 gpm

6.3 Treatment Technology Evaluation

WBA, SBA, and RCF/RCMF treatment technologies were compared based on the estimated total project capital cost, annual O&M costs, and lifecycle costs. The cost estimates were prepared based on the planning and cost assumptions outlined in **Appendix E**. For Scenario A- Wellhead Treatment, SBA was the only technology that could be accommodated within the existing footprint of the well sites. For Scenario B- Clustered Treatment, the costs for four BATs were compared.

The estimated total project capital costs are shown in **Figure 13.** The range in costs reflect the accuracy of estimate at this phase of the project and are consistent with AACE Class 4 costs with an accuracy range of -30% to +50%. It was found that WBA and SBA had the lowest capital cost estimated at approximately $25M to $40M. **Figure 14** shows the lifecycle costs for each technology (annualized debt service for total capital cost plus the annual O&M cost) for each treatment technology based on a 30 year period at a rate of 1.9 percent. SBA for the clustered treatment scenario had the lowest estimated lifecycle cost ($1.3M to $2.1M per year). Based on this finding, SBA was carried forward in the evaluation for further analysis.

In an attempt to reduce compliance costs and potential treatment requirements, blending options at Well C3 were also evaluated (Scenario C - Blending). As mentioned previously, this scenario avoided treatment at Well C3, but required additional capacity at the Foothill West Cluster to produce high quality source water for blending. A comparison of the estimated lifecycle costs for these scenarios is provided in **Figure 15**. In additional to the distribution system operational restrictions associated with Scenario C, there was no significant savings in compliance cost associated with this approach. Based on this finding, SBA treatment for Scenario B – Clustered was carried forward in the evaluation for further analysis.

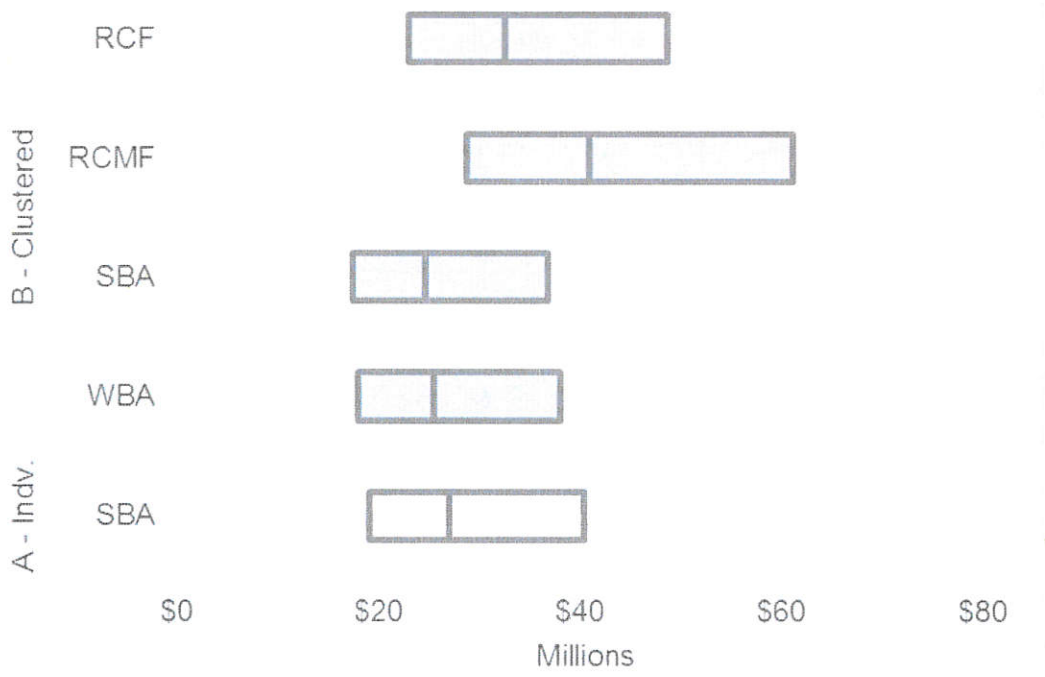


Figure 13: Total Project Capital Cost Comparison for Scenario A and Scenario B

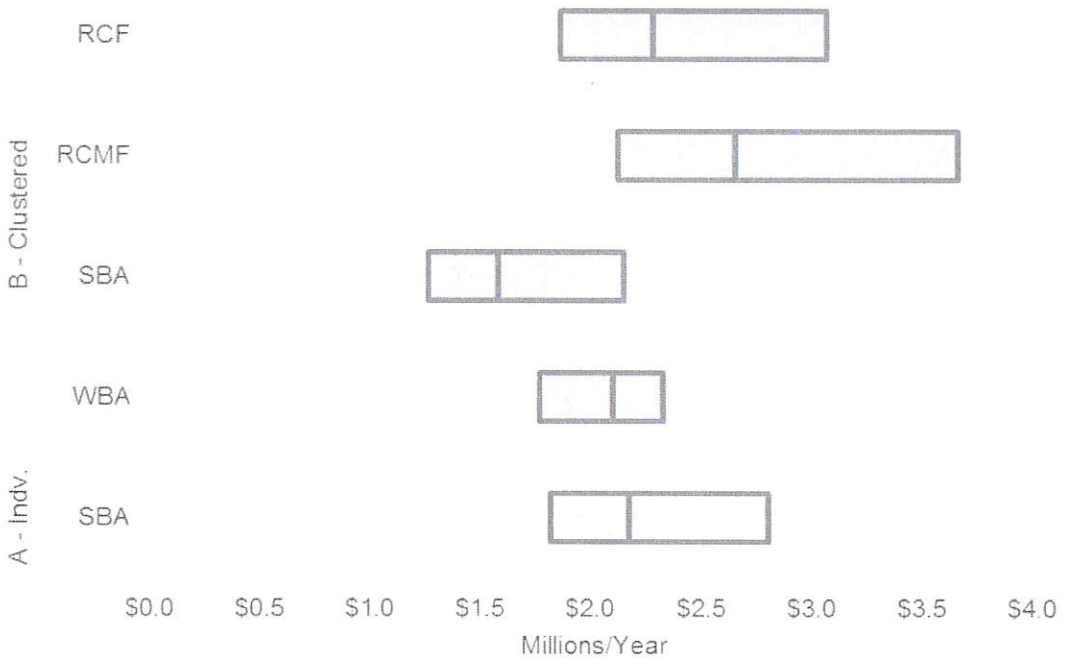


Figure 14: Lifecycle Cost Comparison for Scenario A and Scenario B



Figure 15: Lifecycle Cost Comparison for Scenario B and Scenario C

6.4 SBA Implementation Scenarios

Based on the comparison of estimated lifecycle costs, Scenario B – Clustered Treatment with SBA as the treatment technology was selected for further analysis. There are multiple ways to implement SBA at Banning wells depending on preferences for the type of equipment and preferences for managing the resin regeneration and brine handling requirements at each site:

- **Conventional versus Pre-Engineered Containerized Package SBA systems.** Conventional SBA designs include two to three traditional large diameter (8 to 12 ft diameter, 17 ft tall) steel vessels, while pre-engineered package systems offer eight to twelve fiberglass vessels (3ft diameter) housed in a 10 ft tall shipping container. Examples are shown in **Figure 16**.
- **Onsite versus offsite resin regeneration**. The capacity of resin for Cr6 will fill over time, requiring resin regeneration with a salt brine solution. Regeneration equipment includes a salt briner, rinse tank, waste tank, and associated connected piping and pumps, which can be located at each treatment site or a centralized location (requiring resin trucking to and from the regeneration site).
- **Hazardous brine hauling versus brine treatment**. The waste brine produced from the regeneration process can be hauled and disposed of as a hazardous waste or can be treated to render a non-hazardous liquid brine that can be sent to the sewer. Brine treatment equipment include ferrous and polymer chemical systems, reaction tank, and plate settler.

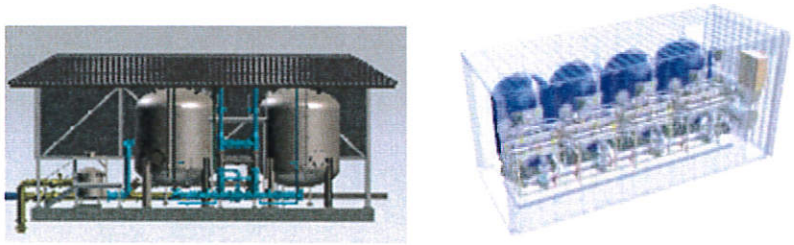


Figure 16. Conventional and Containerized SBA Examples

To evaluate these various SBA implementation options for the City, and building upon Scenario B, additional Scenarios D and E were defined:

- **Scenario D- SBA with Onsite Regeneration**. This scenario included a combination of containerized SBA systems at the individual wellhead treatment locations (Well C3 and Well C6) and conventional SBA systems with brine treatment at the clustered treatment locations (Foothill West and M12). Onsite regeneration would occur at each treatment location. Hazardous brine would be hauled and disposed from Wells C3 and C6, while non-hazardous brine would be sent to the sewer from Foothill West and M12.
- **Scenario E – SBA with Centralized Regeneration**. This scenario includes conventional SBA vessels at each treatment location with the provisions for resin transfer and trucking to a centralized resin regeneration site. Options for the CRRF are as follows:

- **E1- CRRF at a Nearby Water Agency.** CVWD is currently constructing an SBA CRRF with available capacity that could serve as a regional facility.
- **E2- CRRF at Foothill West Cluster**. Resin could be trucked from each treatment site to the Foothill West Cluster for regeneration. The brine waste is hauled and disposed of as a hazardous waste in this scenario.
- **E3- CRRF at Foothill West Cluster with Brine Treatment**. This scenario builds upon E2 to include brine treatment so that the treated non-hazardous brine can be sent to the sewer for mixing with the WWTP. Brine treatment generates hazardous solids that also require disposal.

A summary of the SBA Implementation Scenarios is presented in **Table 17**. The operational details and cost estimates for these scenarios are compared in following sections.

Table 17: SBA Implementation Scenarios Evaluated

Scenario	Cr6 Facilities	Regeneration	Brine Treatment and Residuals Disposal
D – Onsite Regeneration	• Containerized SBA at Well C3 and Well C6 • Conventional SBA at Foothill West and M12 Clusters	Onsite	Hazardous hauling from Wells C3, and C6 and Chemical precipitation treatment at Foothill West and M12 Clusters
E1 – Centralized Regeneration (at Nearby Water Agency)	• Conventional SBA Vessels at Well C3, Well C6, Foothill West Cluster, and M12 Cluster	Offsite at CVWD	None by City of Banning (managed through contract with CVWD)
E2 – Centralized Regeneration (at Foothill Cluster)	• Conventional SBA Vessels at Well C3, Well C6, Foothill West Cluster, and M12 Cluster • Resin hauling to CRRF facility at Foothill West Cluster	Offsite at Foothill West Cluster	No brine treatment, hazardous brine hauling and disposal
E3 – Centralized Regeneration (at Foothill Cluster with Brine Treatment)	• Conventional SBA Vessels at Well C3, Well C6, Foothill West Cluster, and M12 Cluster • Resin hauling to CRRF facility at Foothill West Cluster • Brine treatment facility included at Foothill West CRRF	Offsite at Foothill West Cluster	Brine Treatment (chemical precipitation) included at Foothill West Cluster with non-hazardous brine sent to sewer and hazardous solids disposal

6.5 Well Pump Analysis

The estimated operational impacts to each well pump due to the proposed SBA treatment were assessed for Scenario B - Clustered Treatment. Well pumps were analyzed beginning with field pump test data to estimate new operating points based on treatment impacts and revised total dynamic head (TDH) requirements. There are two notable existing well pumping configurations: (1) wells that pump directly into the distribution system; (2) wells that pump directly into a forebay, which are then boosted into the distribution system via a separate booster station. For the purpose of this Study, for wells proposed in clustered treatment facilities that currently pump into forebays, it was assumed that the forebays and booster stations will be removed and that the well pumps will pump directly to the clustered facility. This

configuration will allow the City to remove the existing tanks and booster stations, thereby reducing the number of facilities to maintain, limit the number of pumping stages, and increase the operational efficiency. The City has expressed their desire to either eliminate or replace the existing "look-down" throttling system with variable frequency drive (VFD) pumps where applicable for energy efficiency reasons.

SBA treatment, which includes pumping through two bag filters and ion exchange (IX) vessels in parallel, would introduce additional headloss into the well pumping system, estimated at 25 psi under fouled condition and 11 psi under clean condition, which includes the bag filters, vessels, and associated piping and appurtenances. Based on information provided by containerized treatment vendors, the headloss between a containerized design and conventional SBA design should be relatively similar; therefore, one set of hydraulic results has been applied for these SBA treatment scenarios. For Wells C2, C3, C4, and C5, since they currently pump into reservoirs, the addition of SBA treatment and any increase in destination elevation would increase the TDH requirement for the well pump moving up the pump curve and decreasing flow, which often requires a new higher head pump and higher horsepower motor. For Wells M3, M10, M11, and M12, since they currently pump directly into the distribution system and the clustered treatment scenario proposes to break head with a finished water clearwell after treatment, the TDH requirement for these well pumps would be greatly decreased while moving down the pump curve and increasing flow, often resulting in a new bowl assembly with lower required head and lower horsepower motor (de-staging). Alternatively, during preliminary design, the provision of an entirely new pump assembly for construction phasing, warranty, or other reasons may be considered. For Well C6, since the (Lower) Main Zone is currently interconnected with the (Upper) Main Zone, the well experiences high discharge pressures upwards of 200 psi. Conventional SBA treatment equipment has a standard working pressure rating of 125 psi; therefore, it will be necessary to break head at Well C6 to isolate the treatment system from the distribution system pressure by installing an estimated 50,000 gallon finished water clearwell and 1,000 gpm firm capacity booster station. Recommendations were developed for each well based on the existing configuration and the estimated impacts from SBA treatment under the proposed treatment scenario, summarized in **Table 18**. Detailed hydraulics calculations for each well pump have been included in **Appendix A**. Recommended improvements were made for any well that did not meet the following criteria under the proposed treatment conditions:

- New estimated overall efficiency of 60 percent minimum.
- New estimated operating point within 70 to 120 percent of the existing pump's best efficiency point (BEP).

Table 18: Well Treatment Impacts and Recommended Improvements

Location	Well	Current Flow (gpm)	Current Overall Efficiency	Estimated New Flow (gpm)	Estimated New Overall Efficiency	Flow Change	Recommendation
Foothill West Cluster	C2	1095	63%	730	54%	-33%	New Pump
	M3	540	44%	980	27%	81%	De-Stage Pump
	C4	1310	61%	1030	56%	-21%	New Pump
M12 Cluster	C5	890	65%	580	55%	-35%	New Pump
	M10	856	74%	1075	52%	26%	De-Stage Pump
	M11	587	66%	815	44%	39%	De-Stage Pump
	M12	1080	65%	1550	48%	44%	De-Stage Pump
Individual Treatment	C3	940	74%	1387	48%	48%	New Pump
	C6	1107	60%	920	56%	-17%	New Pump, Break Head

In addition to the well pump improvements, the Foothill West Cluster will require the following improvements:

- Approximately 4,700 feet of 12-inch and 900 feet of 18-inch raw water transmission main piping to convey the raw well water from the existing well site to the proposed treatment site;
- 1 million gallon (MG) finished water clearwell to equalize flow and provide operational flexibility;
- 3,500 gpm firm capacity finished water pump station to deliver the treated water from the clearwell into the distribution system;
- Pressure reducing station from Foothill West Zone to Upper Main Zone to replace the capacity lost from decommissioning the C2 Booster Station that pumps into the Upper Main Zone.

In addition to the well pump improvements, the M12 Cluster will require the following improvements:

- Approximately 4,100 feet of 12-inch and 1,900 feet of 16-inch raw water transmission main piping to convey the raw well water from the existing well site to the proposed M12 treatment site;
- 1 MG finished water clearwell to equalize flow and provide operational flexibility;
- 3,900 gpm firm capacity finished water pump station to deliver the treated water from the clearwell into the distribution system.

6.6 SBA Operations Comparison

Treatment system operations including chemical consumption, waste generation, and staffing requirements were evaluated for the SBA Scenarios (**Table 19**). Chemical and residuals handling requirements relate to number of treatment locations and whether brine treatment is included in the process. The trucking requirements for resin, chemicals, and waste handling are dependent on the required regeneration frequency for the resin. Due to Banning's high water quality, regenerations are infrequent (**Table 20**), with an estimated total annual average of 13 regenerations for the Banning system with a potential peak month of four regenerations (100% utilization of wells during peak demand). These estimates are based on a projected resin life of approximately 20,000 bed volumes based on Banning water quality. The range of regenerations presented represent the range in treatment goal of 6 to 8 µg/L, where the lower goal requires more frequent resin regeneration.

Table 19: Operations Comparisons for SBA Treatment Scenarios

	D- SBA with Onsite Regeneration	E1 – Centralized Regeneration (at Nearby Water Agency)	E2 – Centralized Regeneration (at Foothill Cluster)	E3 – Centralized Regeneration (at Foothill Cluster with Brine Treatment)
Residuals Waste	• 2.3 kgal of hazardous brine from C3 and C6 to Phibrotech per regeneration at $1.12/gal (up to $3.00/gal) • 2.7 to 11 kgal[1] of non-hazardous brine from Foothill West and M12 per regeneration sent to sewer for WWTP mixing	• Resin regeneration offsite, no waste handling by the City	• 4.5 kgal of hazardous brine to Phibrotech per regeneration at $1.12/gal (up to $3.00/gal)	• 4.5 to 18 kgal[1] of non-hazardous brine per regeneration sent to sewer for WWTP mixing • 1000 lbs/regen of LLRW iron solids at $1.61/lb at Energy Solutions in UT
Total Staff	• 2.1	• 0.8	• 2.1	• 2.1
Operability	• Onsite brine treatment operations are more complex. Hazardous brine disposal (containers) requires additional permitting and warrants cost risk analysis. Infrequent regenerations (one to three months) result in manageable hazardous brine trucking requirements.	• Simplest operations with no waste residuals to manage. Infrequent regenerations (one to three months) result in manageable resin trucking requirements.	• Regenerations (one to three months) result in batch processing of brine.	• Onsite brine treatment operations are more complex. Infrequent regenerations (one to three months) result in batch processing of brine.

[2]Range in estimated non-hazardous brine generation reflects differing brine treatment method if selenium is present in the waste brine.

Table 20: Regeneration Frequency

Location	Annual Average SBA Regenerations	Max Month SBA Regenerations (100% Well Utilization)
Total System	9 - 13	3 - 4
C3	1.1 - 1.9	0.4 - 0.6
C6	0.9 - 1.4	0.3 - 0.5
M12 Cluster	3.6 - 4.6	1.1 - 1.5
Foothill West Cluster	3.4 - 5	1.2 - 1.7

6.7 SBA Cost Summary

Capital, annual O&M, and lifecycle costs (presented as the sum of annualized capital and annual O&M) were estimated for each SBA scenario and are presented in the figures below. **Figure 17** presents the total project capital cost estimates. The range in costs reflect the accuracy of estimate at this phase of the project and are consistent with AACE Class 4 costs with an accuracy range of -30% to +50%. SBA with regeneration at the CVWD CRRF was the lowest capital cost option as it has the least amount of equipment (bag filters and SBA vessels only as compared to regeneration equipment including briner, pumps, rinse tanks, and waste tanks), followed by the other SBA options.

Annual O&M costs are presented in **Figure 18**. For the SBA options, ranges are included in the O&M to represent the sensitivity of cost estimates to key assumptions, including:

- SBA with CRRF at a nearby water agency (Scenario E1) – these costs include equipment for the bag filters and SBA vessels only, and a range of operating costs should the City decide to participate in CVWD's CRRF for resin regeneration. A cost estimate of $36 to $46 per cubic foot of resin regenerated was assumed. Actual rates may increase or decrease based negotiated rates between Banning and CVWD.

- SBA with hazardous brine disposal (Containerized systems in Scenario D and Scenario E2) – these costs do not include onsite brine treatment; instead, they involve hauling the hazardous brine directly to a disposal facility. Regeneration steps that result in non-hazardous brine or rinse water are recycled. The error bars here represent the range of hazardous brine disposal quotes for facilities that will accept this waste.

- SBA with brine treatment (Clusters in Scenario D and Scenario E3) – these costs include the treatment of SBA hazardous brine to render non-hazardous brine for hauling and hazardous solids for disposal. There are currently no third party operating facilities for the treatment of SBA brine from Cr6 treatment facilities and these processes may require optimization for effectiveness. The brine treatment process will vary depending on the constituents present and their concentrations (e.g. selenium, uranium). The error bars here represent a range of brine treatment requirements.

Annual O&M costs were estimated at $0.50M to $0.69M depending on the SBA approach. Scenario E2 CRRF at Foothill West with hazardous brine hauling had the lowest estimated O&M cost; however, this estimate would be impacted significant if the hazardous brine disposal cost increased. In this case, a brine treatment process could be added, as reflected in the estimate for Scenario E3.

Based on the estimated total project capital and annual O&M costs, lifecycle costs were also prepared (**Figure 19**). Lifecycle costs are presented as the sum of annual O&M and capital debt service based on a 30-year lifecycle and assumed SRF loan rate of 1.9%. While the accuracy bands of the cost estimates overlap, Scenario E1 - SBA with CRRF at a nearby water agency had the lowest point estimate lifecycle cost relative to the other treatment options. A summary of treatment cost estimates is presented in **Table 21**.

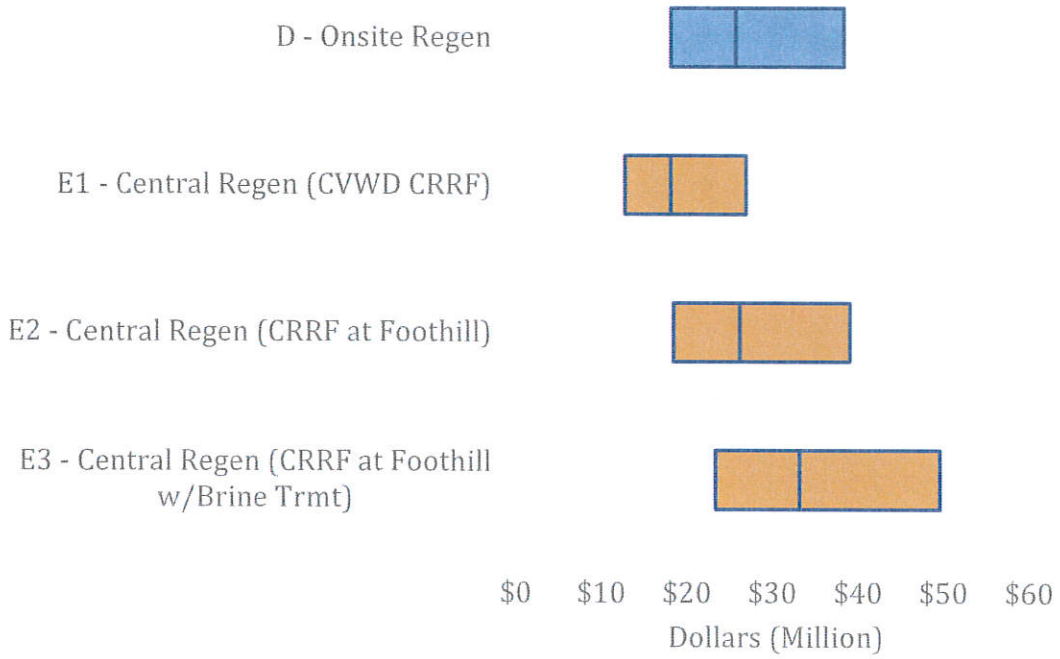


Figure 17. Capital Cost Comparison

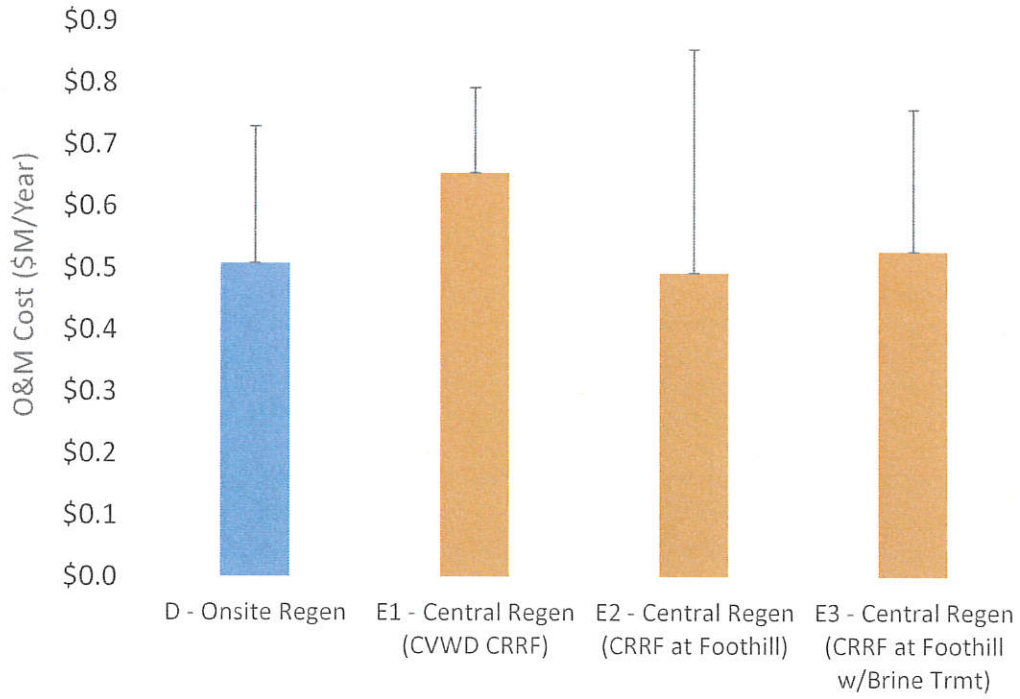


Figure 18. Annual O&M Cost Comparison

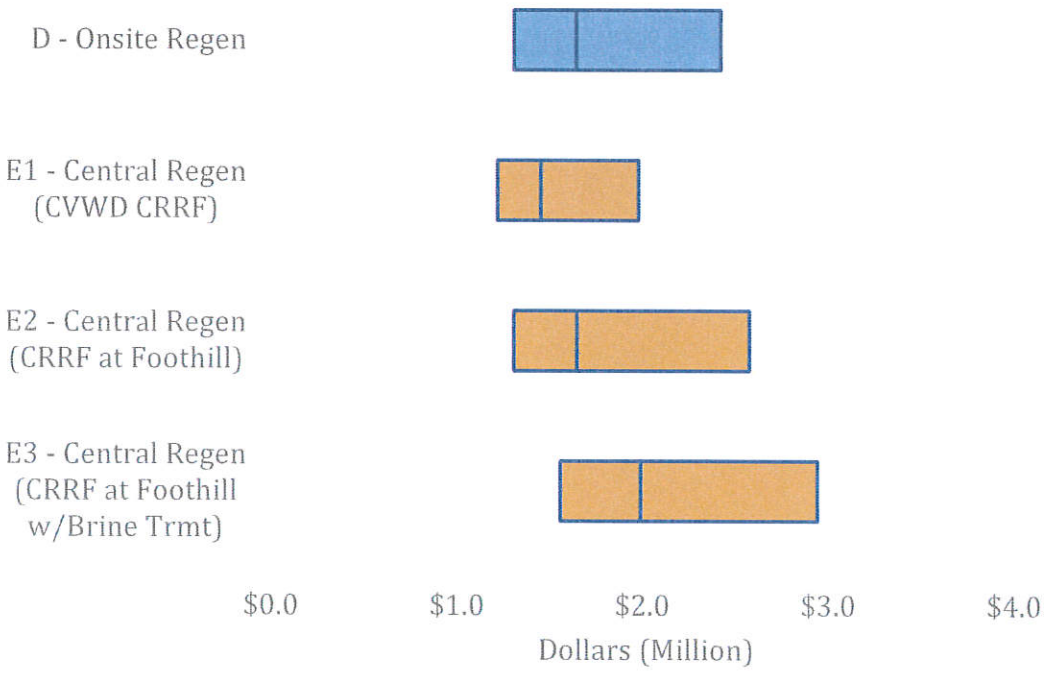


Figure 19. Lifecycle Cost Comparison

Table 21: Summary of Point Estimate SBA Treatment Costs

	D- SBA with Onsite Regeneration	E1 – Centralized Regeneration (at Nearby Water Agency)	E2 – Centralized Regeneration (at Foothill Cluster)	E3 – Centralized Regeneration (at Foothill Cluster with Brine Treatment)
CAPITAL COST ($M)	**25**	**18**	**26**	**33**
Well C3	3.3	2.3	2.3	2.3
Well C6	3.2	2.5	2.5	2.5
Foothill West Cluster	9.1	6.2	14.3	21
M12 Cluster	9.9	6.6	6.6	6.6
ANNUAL O&M ($M/YEAR)	**0.51**	**0.66**	**0.49**	**0.53**
Well C3	0.09	0.12	0.10	0.12
Well C6	0.09	0.13	0.10	0.12
Foothill West Cluster	0.17	0.19	0.15	0.14
M12 Cluster	0.15	0.22	0.15	0.14
LIFECYCLE COST ($M/YEAR)	**1.6**	**1.4**	**1.3**	**2.0**

6.8 Decision Criteria Process

A systematic approach to recommending a compliance scenario was used to compare the SBA scenarios. This approach included scoring each scenario against decision criteria outlined by the City. With the use of a decision matrix approach, factors that are not easily quantified are assessed for the value added to the project. **Table 22** shows the decision criteria selected by the City. These criteria were used to categorize the differences between the SBA scenarios, accounting for the advantages and disadvantages of each SBA approach.

Table 22: Decision Criteria

Criteria	Definition
Treatment Flexibility	Impacts from intermittent or seasonal use
O&M Complexity	Equipment complexity and staff requirements
Chemical and Residuals Handling	Chemical deliveries and generation of liquid and solid wastes – frequency of generation, trucking, and disposal options
Environmental Impacts / Community Acceptance	Treatment plant footprint, permitting, and public acceptance
Cost	• Total Project Capital Cost • Annual O&M Cost • Lifecycle Cost = Annualized Capital + Annual O&M
Risk	Future escalation of operational cost burden Price volatility in chemicals and/or residuals disposal

Treatment flexibility examines the impact of intermittent use on the treatment process. For SBA, there are operational considerations for the resin. Resin manufacturers recommended as a best practice flushing 24 to 48 hours (for approximately 2 bed volumes). For extended shutdowns longer than a week, resin manufacturers recommend that the resin be submerged in brine and backwashed at start-up. These

recommended best practices may vary based on resin type and manufacturer and could potentially impact resin warranty (if available). For the SBA scenarios, both short and long term shut downs are manageable with a well operations plan; however, Scenario E1- Offsite Regeneration at a Nearby Agency may present additional constraints as in this scenario the City does not have provisions to store the resin in brine during an extended period shut-down. In this case, continued weekly flushing may be needed.

O&M complexity addresses the type of equipment associated with each process and the level of staffing required to operate the treatment process. Additional treatment introduces more equipment complexity. The addition of resin regeneration and brine treatment facilities increases O&M complexity and the estimated number of full-time equivalent operations staff needed. It is anticipated that these treatment facilities will be classified as T3 treatment facilities in accordance with Title 22 of the California Code of Regulations, requiring minimum operator certifications for a chief operator and shift operators at T3 and T2, respectively.

Chemical and residuals handling requirements relate to number of treatment locations and whether brine treatment is included in the process. The trucking requirements for resin, chemicals, and waste handling are dependent on the required regeneration frequency for the resin. Scenario E1 includes offsite resin regeneration at CVWD and therefore involves hauling of resin only and no residual waste. This is compared to the other SBA options that involve the handling of brine either as a hazardous liquid or once treated as a non-hazardous liquid with hazardous solids that also require disposal.

Environmental and community impacts including public acceptance were compared for SBA options. Scenario E1 with offsite regeneration at CVWD has the lowest impact in this category as it has the smallest treatment footprint and involves no waste handling by the City (waste is managed through the contract with CVWD). For the other offsite resin regeneration options (Scenarios E2 and E3) the additional treatment equipment associated with regeneration and brine treatment are centralized at the Foothill West Cluster, where property will be acquired to provide ample available footprint for treatment and also minimizing community impact by trucking waste from one centralized site. The environmental and community impact will be greatest for Scenario D where resin regeneration occurs at each treatment site. In this option, hazardous waste is generated at each treatment location requiring disposal.

Cost estimates (presented above in **Section 6.7**) indicated that the lowest capital cost option was Scenario E1, followed by D and E2, which were nearly equivalent. The highest capital option for SBA was Scenario E3, as this option has the additional treatment equipment associated with the brine treatment process. O&M cost estimates were lowest for Scenarios E2 and E3 where the CRRF is located at the Foothill West Cluster. The O&M estimate for Scenario E1 was the highest, but has the most uncertainty as this rate will be determined based on contract negotiations with another water agency. The resulting lifecycle costs (as represented by the annual O&M cost plus the debt service on project capital) were lowest for Scenario E1, as the lower capital cost for this option resulted in a lower lifecycle cost.

Risk was assessed with respect to potential escalation in operating costs and for the City to remain unbeholden to waste haulers or vendors. Scenario E3 presented the lowest risk in this category as the City would remain in complete control of the regeneration and brine treatment process, ultimately disposing of the brine for mixing at the City's WWTP. Scenarios D and E2 involve hazardous brine hauling that could be subject to future increases or changing quality requirements for disposal. This

uncertainty is already apparent in the waste disposal quotes gathered for this Study. The risk of Scenario E1 can be managed through the contract terms. If there is a desire for a regional approach to Cr6 waste management, generally an agreement in place between water agencies will be lower risk than with vendors who operate for profit and under other agencies' permits.

Decision criteria were compared and the technical team including Hazen and Sawyer and City staff assigned scores for each SBA scenario (**Figure 20**). Scenario E1 scored the highest based on the lower capital cost required for this option and the lower associated waste handling risk. This was followed by Scenarios E2 and E3, where the City would remain independent by operating their own CRRF located at the Foothill West cluster. Scenario D scored the lowest. The concept of operating two different types of systems and managing the residuals from each of the four treatment locations was scored lower than the centralized resin regeneration options.

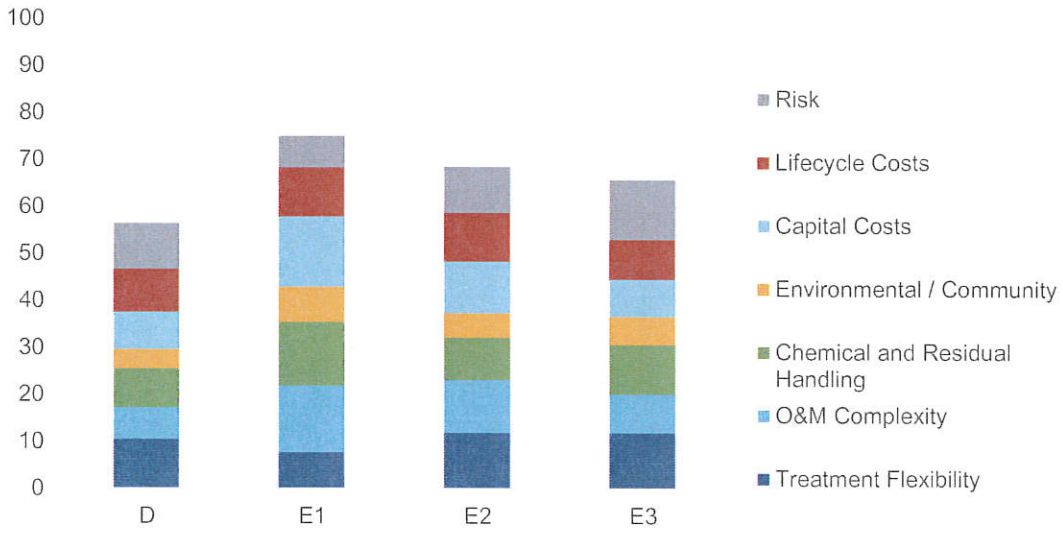


Figure 20: Scoring Chart

7. Conclusions

7.1 Study Findings

Approximately 40 percent of the City of Banning's water supply is impacted by the new Cr6 MCL, including nine of the City's 21 wells and two of the three co-owned wells with BCVWD. This Study considered multiple compliance approaches for these wells, including alternative sources of supply, well modifications, blending, and treatment. Based on the most viable options, several compliance scenarios were evaluated to determine treatment configurations, including individual wellhead treatment, clustered treatment, and clustered treatment with blending.

Blending as a compliance approach was also evaluated. System wide blending was not an option as the volume of blend water required exceeded the capacity of high quality water from the Canyon wells and it would not be possible to isolate the blending water from the effluent water. Localized blending options at wells C3 and C6 were also considered. Blending at Well C6 was determined not to be feasible, as circular pumping could not be avoided based on having no access to blend water from an independent pressure zone.

Blending at Well C3 was evaluated with two potential blend water supply sources: 1) Foothill West Zone distribution system water, and 2) BCVWD. The Foothill West Zone blending water supply would be supplied primarily from the Foothill West Cluster. To reduce the blend water flow rate requirement to a feasible volume, the water from the Foothill West Zone needs to have a Cr6 concentration of less than 2 µg/L. To achieve this, additional treatment capacity (i.e., no bypass) at the Foothill West Cluster would be required. Additionally, all incoming water supplies for the Foothill West pressure zone cannot have measurable Cr6 concentrations, which could significantly restrain distribution system operational flexibility. While blending allowed for treatment to be avoided at Well C3, the additional treatment requirements at the Foothill West Cluster offset any potential cost savings. Blending with BCVWD water was also determined to be infeasible. It was found that water from the BCVWD connection had Cr6 concentrations of approximately 6 µg/L, requiring a large blend water flow and an increase in capacity and/or the construction of additional interconnections. Due to the extensive infrastructure, interagency coordination, and hydraulic restrictions, all localized blending options were dismissed and the clustered treatment was considered for further analysis.

Best available treatment technologies considered for Banning wells included WBA, SBA, and RCF/RCMF. Technologies were assessed based on lifecycle costs and operability considerations (chemical consumption, residuals waste generation, and staffing requirements). While the accuracy range of lifecycle costs overlap for each of the alternatives, it was found that SBA treatment technology located at clustered treatment facilities was the lowest point estimate lifecycle cost compared with WBA and RCF/RCMF. The resulting proposed treatment facilities are summarized in **Table 23**.

Table 23: Cr6 Treatment Facilities

Treatment Location	Total Well Capacity (gpm)	Treatment Capacity (gpm)	Bypass (gpm)	Improvements[1]
Well C3	1200	900	300	• 900 gpm SBA treatment with 300 gpm bypass to serve a total well capacity of 1,200 gpm • New well pump and motor
Well C6	1000	700	300	• 700 gpm SBA treatment with 300 bypass for total well capacity of 1,000 gpm. • New well pump and motor • New 50,000 gallon reservoir and 1,000 gpm firm capacity booster station
Foothill West Cluster (Well M3, C2, C4)	3500	2500	1000	• 2,500 gpm SBA treatment with 1,000 gpm bypass to serve a total well capacity of 3,500 gpm • Potential CRRF facility including provisions for resin regeneration and potentially brine treatment • 4,700 ft 12-in raw water transmission mains piping • 900 ft 18-in raw water transmission main piping • 1 MG reservoir • 3,500 gpm finished water pump station • PRV from Foothill West Zone to upper Main Zone
M12 Cluster (Well M10, M11, M12, C6)	3900	2800	1100	• 2,800 gpm SBA treatment with 1,100 gpm bypass to serve a total well capacity of 3,900 gpm • 4,100 ft 12-in raw water transmission mains piping • 1,900 ft 16-in raw water transmission main piping • 1 MG reservoir • 3,900 gpm finished water pump station

[1]Additional distribution system and site specific improvements beyond what are noted above may be required and will be confirmed during the design process.

There are multiple ways to implement SBA at Banning wells depending on preferences for the type of equipment and preferences for managing the resin regeneration and brine handling requirements at each treatment site. Regeneration frequencies for the Banning system were estimated at 10 to 15 regenerations annually based on current demands. Additional compliance scenarios were developed to assess SBA options including conventional versus pre-engineered containerized package SBA equipment, onsite versus offsite resin regeneration, and hazardous waste hauling versus treatment of the brine waste generated during the regeneration process. These options were compared in the following scenarios:

- **Scenario D - SBA with Onsite Regeneration**. This scenario included a combination of containerized SBA systems at the individual wellhead treatment locations (Well C3 and Well C6) and conventional SBA systems with brine treatment at the clustered treatment locations (Foothill West and M12). Onsite regeneration would occur at each treatment location. Hazardous brine would be hauled and disposed from Wells C3 and C6, while non-hazardous brine would be sent to the sewer from Foothill West and M12.
- **Scenario E – SBA with Centralized Regeneration**. This scenario includes conventional SBA vessels at each treatment location with the provisions for resin transfer and trucking to a centralized resin regeneration facility. Options for the CRRF are as follows:

- **E1- CRRF at a Nearby Water Agency.** CVWD is currently constructing an SBA CRRF with available capacity to serve as a regional facility.
- **E2- CRRF at Foothill West Cluster**. Resin could be trucked from each treatment site to the Foothill West Cluster for regeneration. The brine waste is hauled and disposed of as a hazardous waste in this scenario.
- **E3- CRRF at Foothill West Cluster with Brine Treatment**. This scenario builds upon E2 to include brine treatment so that the treated non-hazardous brine can be sent to the sewer for mixing with the WWTP. Brine treatment generates hazardous solids that also require disposal.

Scenarios E1, E2, and E3 emerged as the most viable options. Scenario E1 had the lowest lifecycle cost, but requires contracting with another water agency. Scenario E3 could allow for the City to be un-beholden to other agencies or waste haulers, but has the highest estimated capital cost and most complex treatment process. Point estimates for capital costs for these options ranged from $18M to $33M (with -30% to +50% accuracy). Annual O&M estimates for these options ranged from $0.5M to $0.7M per year. A summary of these options is provided in **Table 24**.

Table 24: Cost Summary for SBA with Centralized Resin Regeneration

	SBA with Centralized Resin Regeneration (Range of Scenarios E1, E2, E3)
CAPTIAL COST ($M)	**$18M to $33M**
Well C3	$2.4M
Well C6	$2.5M
Foothill West Cluster	$6M to $21M
M12 Cluster	$6.6M
ANNUAL O&M ($M/YEAR)	**$0.5M to $0.7M**
LIFECYCLE COST ($M/YEAR)	**$1.5M to $2.0M**

7.2 Recommendations

SBA with centralized regeneration was identified as the most viable approach for Cr6 compliance at Banning wells. This approach has minimal treatment equipment at each treatment location including bag filters and conventional SBA vessels. Regeneration would be accomplished by trucking the resin from each treatment location to a centralized regeneration facility. There are two options for the CRRF: (1) contract with another water agency to participate in a regional CRRF, or (2) include a CRRF at the Foothill West Treatment Cluster. For the later, the Foothill West CRRF could also include a brine treatment process.

It is recommended that Banning initiate discussions with CVWD to determine the contract requirements and refine the cost estimates associated with participating in the regional CRRF. Based on these negotiations, the City will be able to determine whether including a CRRF at the Foothill West Cluster is

needed as part of the current compliance approach or whether it could be added later to support future growth. The City may decide to move forward with the preliminary design of the Foothill West CRRF so that there is the option to incorporate this cost in the rate study and in funding applications.

Depending on the City's resources and funding availability, the City may consider evaluating treatment phasing study during preliminary design to prioritize design and construction of treatment for compliance, or potentially defer the construction of a portion of the treatment facilities. Hydraulic modeling analysis may be used to simulate demand and supply projections and identify any distribution system constraints.

7.3 Next Steps

The next steps for the City of Banning are to proceed with the tasks outlined in the Cr6 Compliance Plan including conducting a rate study, preparing funding applications, initiate discussions of participating in the regional CRRF approach with CVWD, and begin preliminary design. The City may also consider evaluating treatment phasing during preliminary design. To inform the preliminary design, pilot testing could be conducted define actual resin regeneration and brine treatment requirements for the City of Banning wells. Site tours could also be conducted of existing similar SBA and brine treatment facilities to give the City a better perspective of the treatment equipment and operational requirements.

Appendix

Appendix A ..... Well Pump Hydraulic Calculations
Appendix B ..... . Water Quality
Appendix C ..... Chromium Concentrations
Appendix D ..... . Blending Analysis
Appendix E ..... . Basis of Cost Estimates

Appendix A: Well Pump Hydraulic Calculations

Table 1 and Table 2 show the recommended pump alterations for the WBA and RCF/RCMF technologies, respectively.

Table 1: Well Pump Analysis and Recommendation for WBA Treatment

Well	Pressure Zone	Current Flow	Current Efficiency	Estimated New Flow	Estimated New Efficiency	Flow Change	Recommendation
C2	Upper Main Pressure Zone	1095	63%	775	49%	-29%	New Pump
M3	Mountain Pressure Zone	540	44%	990	26%	83%	De-Stage Pump
C4	Mountain Pressure Zone	1310	61%	1060	56%	-19%	New Pump
C5	Lower Main Pressure Zone	890	65%	610	53%	-31%	New Pump
M10	Upper Main Pressure Zone	856	74%	1080	51%	26%	De-Stage Pump
M11	Upper Main Pressure Zone	587	66%	810	45%	38%	De-Stage Pump
M12	Upper Main Pressure Zone	1080	65%	1555	47%	44%	De-Stage Pump
C6	Lower 1 Pressure Zone	940	74%	1390	47%	48%	De-Stage Pump
C3	Upper Main Pressure Zone	1107	60%	950	53%	-14%	New Pump

Table 2: Well Pump Analysis and Recommendation for RCF/RCMF Treatment

Well	Pressure Zone	Current Flow	Current Efficiency	Estimated New Flow	Estimated New Efficiency	Flow Change	Recommendation
C2	Upper Main Pressure Zone	1095	63%	1095	63%	0%	none
M3	Mountain Pressure Zone	540	44%	1010	25%	87%	De-Stage Pump
C4	Mountain Pressure Zone	1310	61%	1310	61%	0%	none
C5	Lower Main Pressure Zone	890	65%	890	65%	0%	none
M10	Upper Main Pressure Zone	856	74%	1085	50%	27%	De-Stage Pump
M11	Upper Main Pressure Zone	587	66%	835	40%	42%	De-Stage Pump
M12	Upper Main Pressure Zone	1080	65%	1600	45%	48%	De-Stage Pump
C6	Lower 1 Pressure Zone	940	74%	1410	45%	50%	De-Stage Pump
C3	Upper Main Pressure Zone	1107	60%	1107	60%	0%	none

Well C2

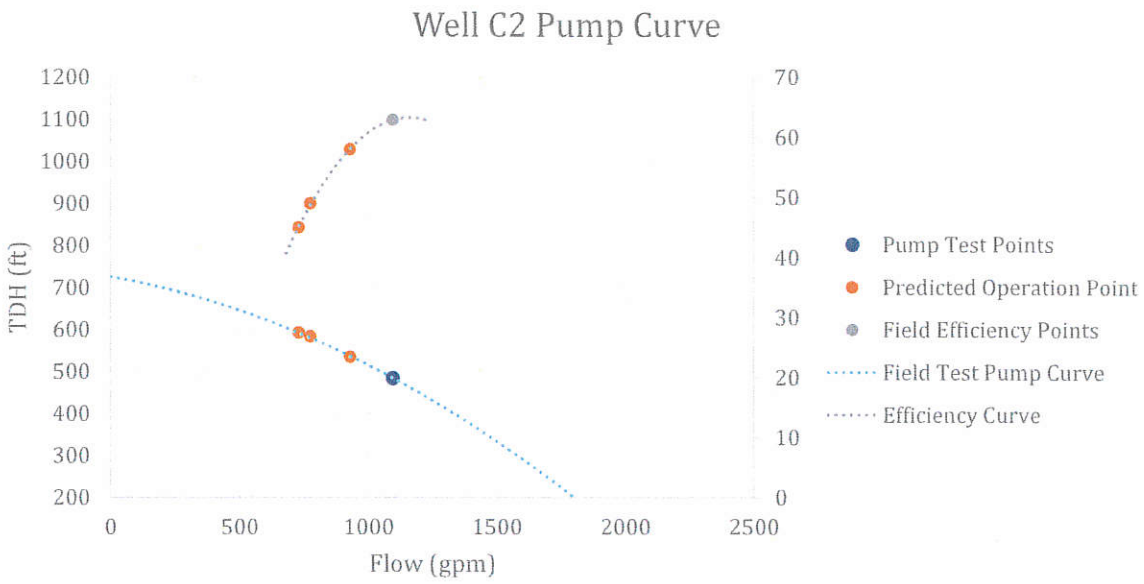


Figure 1: Well C2 Pump and Treatment Analysis

Table 3: Well C2 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
730	593.65	45	SBA
775	584.41	49	WBA
930	535.9	58	RCF

Well C3

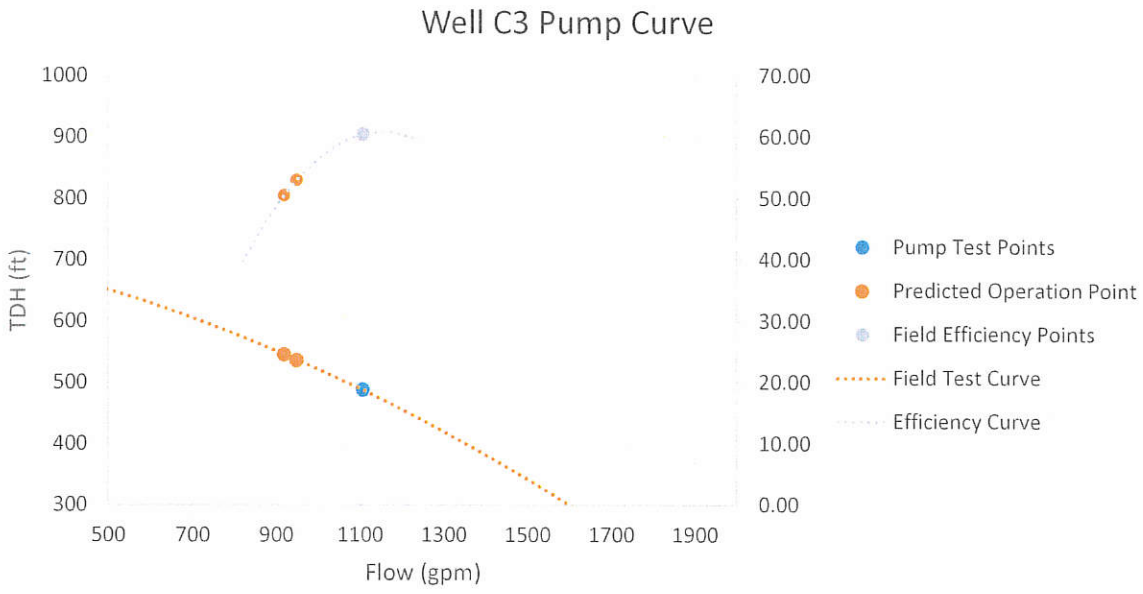


Figure 2: Well C3 Pump and Treatment Analysis

Table 4: Well C3 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
920	545.75	50.50	SBA
950	537	53.00	WBA
1107	488	60.44	RCF

Well C4

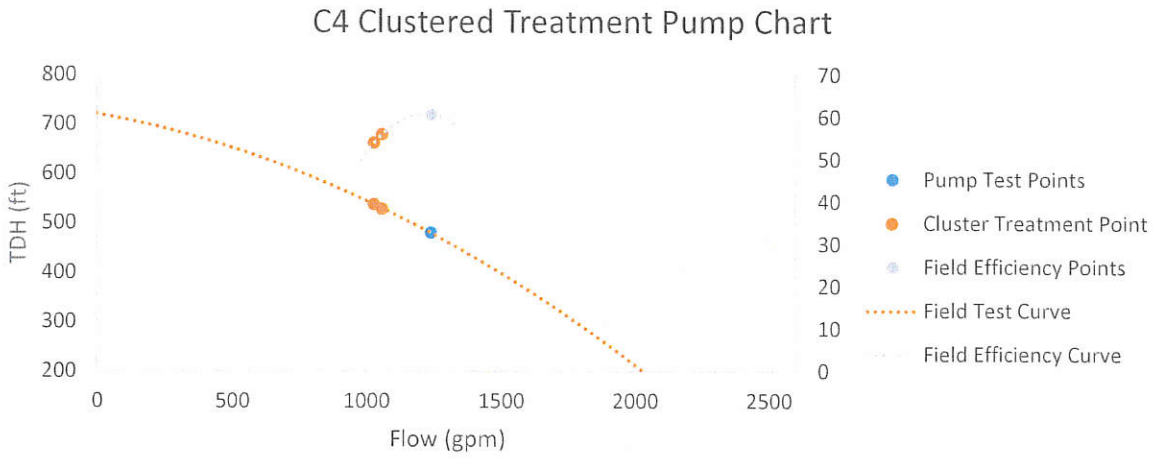


Figure 3: Well C4 Pump and Treatment Analysis

Table 5: Well C4 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
1030	538.75	54	SBA
1060	529.51	56	WBA
1240	481	60.64	RCF

Well C5

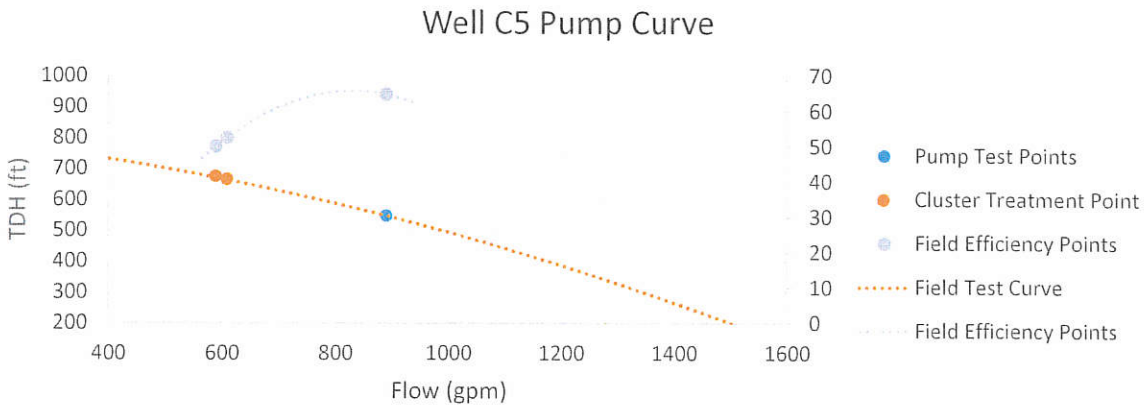


Figure 4: Well C5 Pump and Treatment Analysis

Table 6: Well C5 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
590	676	50	SBA
610	667	52.5	WBA
890	618	64.74	RCF

Well C6

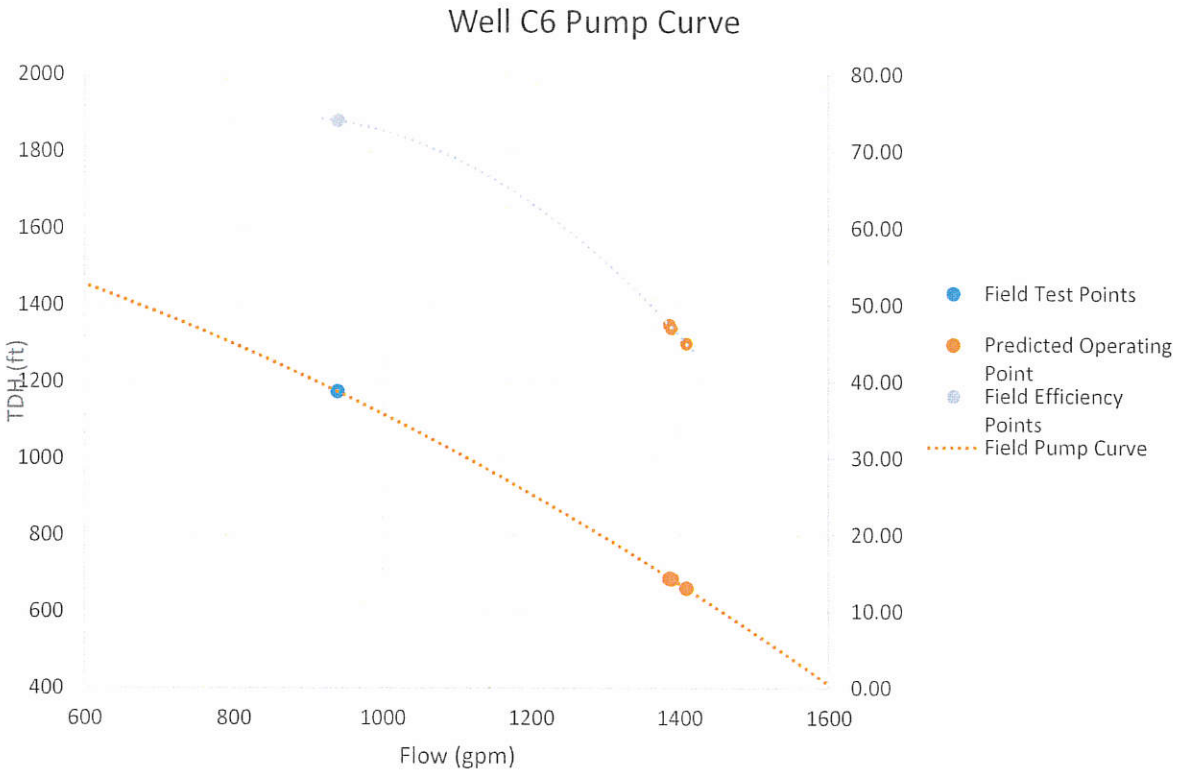


Figure 5: Well C6 Pump and Treatment Analysis

Table 7: Well C6 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
1387	688	47.50	SBA
1390	686	47	WBA
1410	662	45	RCF

Well M3

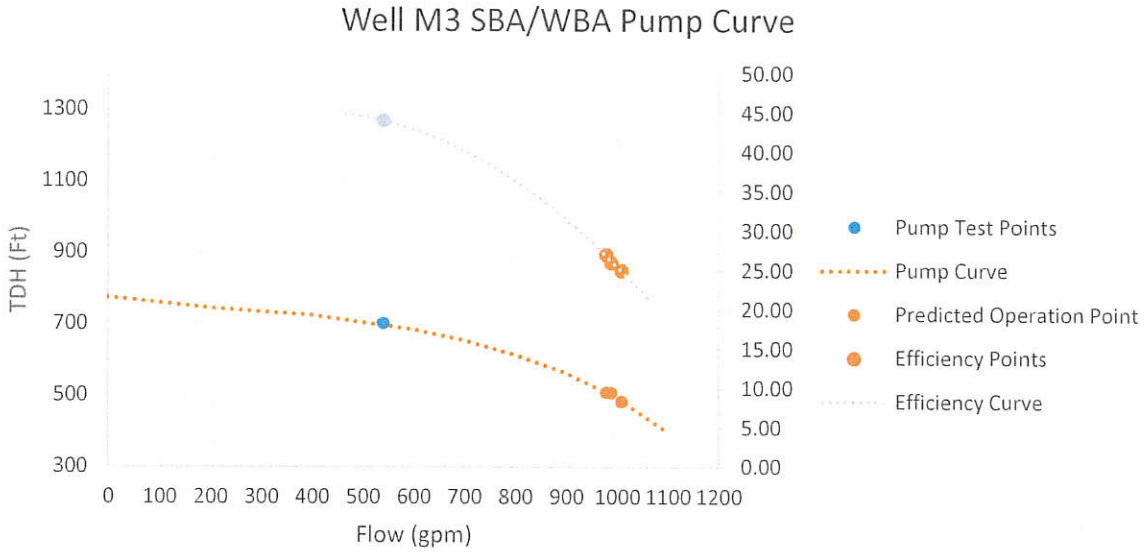


Figure 6: Well M3 Pump and Treatment Analysis

Table 8: Well M3 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
980	510	27	SBA
990	509	26	WBA
1010	485	25	RCF

Well M10

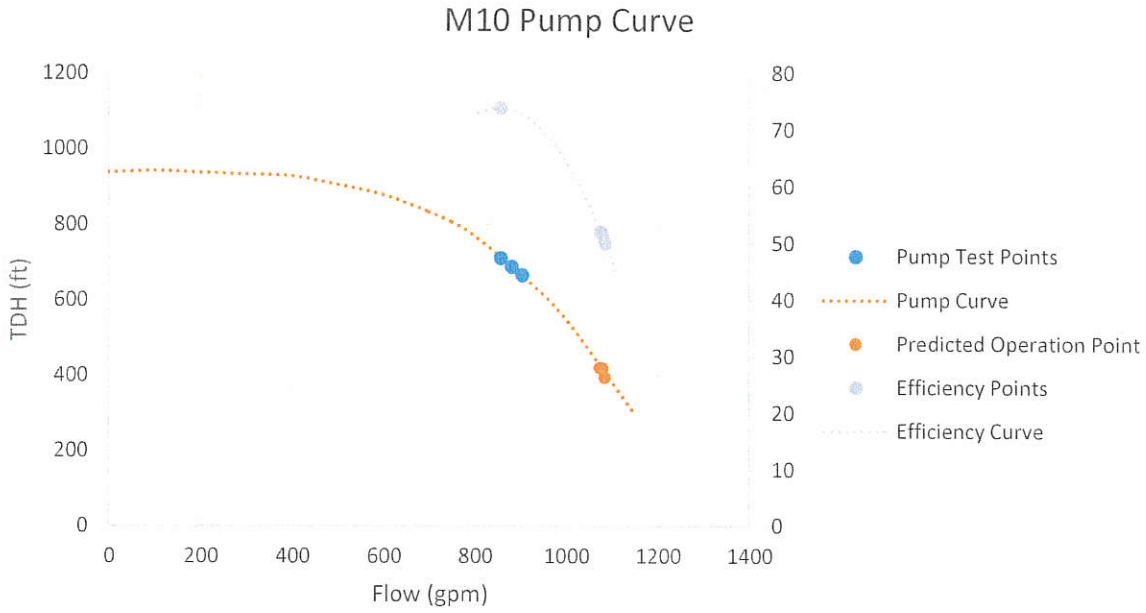


Figure 7: Well M10 Pump and Treatment Analysis

Table 9: Well M10 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
1075	421.34	52	SBA
1080	420.185	51	WBA
1085	395.93	50	RCF

Well M11

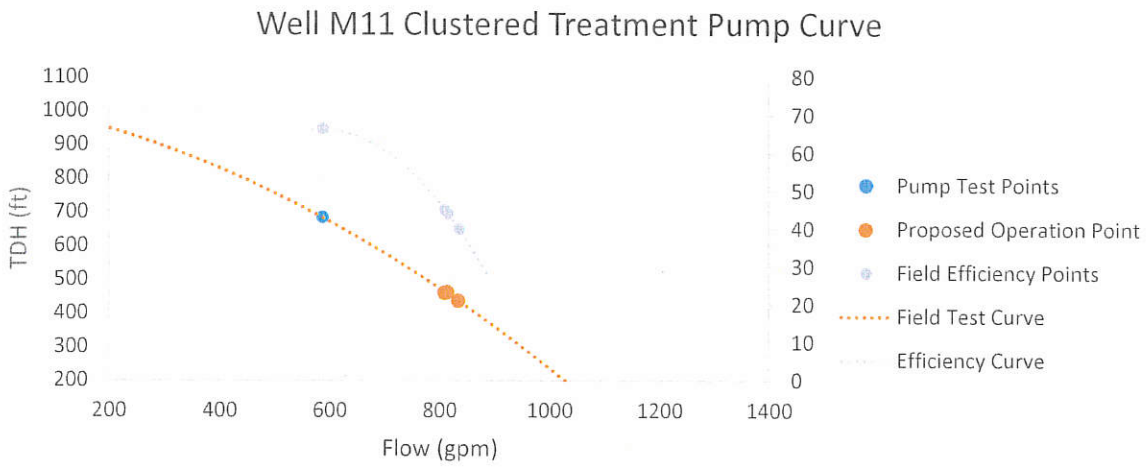


Figure 8: Well M11 Pump and Treatment Analysis

Table 10: Well M11 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
815	462.66	44	SBA
810	461.505	45	WBA
835	437.25	40	RCF

Well M12

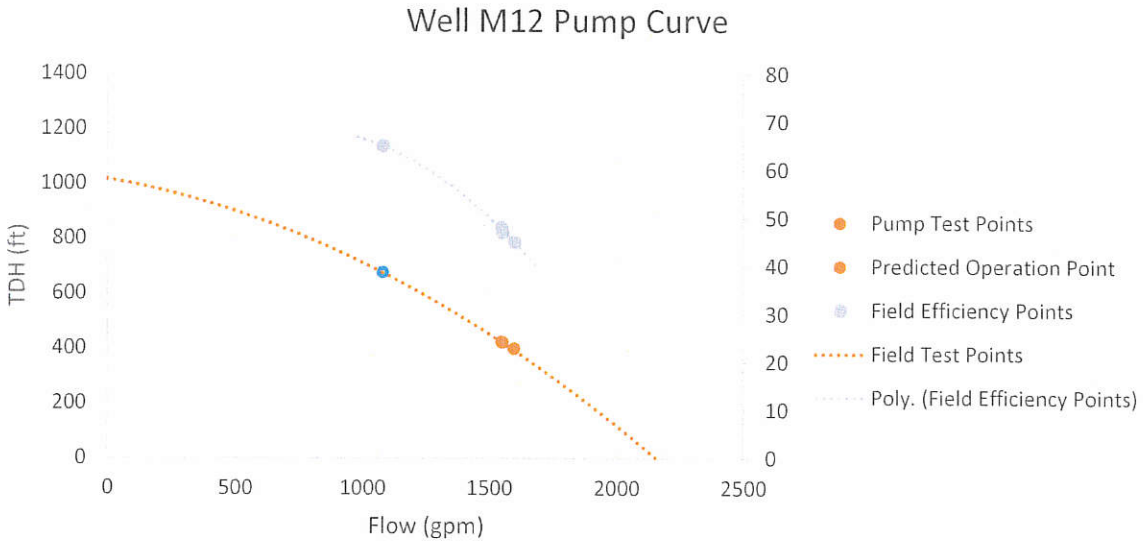


Figure 9: Well M12 Pump and Treatment Analysis

Table 11: Well M12 Treatment Operating Points

Q (gpm)	TDH (ft)	Eff (%)	
1550	426.21	48	SBA
1555	425.055	47	WBA
1600	400.8	45	RCF

Appendix B: Water Quality

	WELL C2				WELL C3				WELL C4				WELL C5				WELL C6				WELL 1				WELL 2			
Row Labels	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
ALKALINITY	5	150	160	158	5	110	140	132	5	140	160	156	5	110	120	118	3	120	150	133	4	130	140	138	4	130	150	143
BICARBONATE	5	190	200	198	5	140	160	156	5	180	190	188	5	140	150	146	3	150	180	163	4	160	170	168	4	160	180	173
CALCIUM	5	41	44	42.8	5	25	32	29.8	5	36	38	37	5	14	16	15.6	3	26	35	31	4	37	41	39.5	4	36	41	39
CARBONATE	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CHLORIDE	5	8.9	11	10.28	5	9.2	12	11.02	5	7.1	10	8.02	5	11	14	13	3	12	13	12	4	2.4	2.8	2.625	4	2.7	3.7	3.225
HARDNESS	5	140	150	146	5	79	100	94.4	5	120	130	124	5	45	53	50.8	3	87	130	112	4	140	150	147.5	4	140	150	147.5
PH, LABORATORY	5	7.9	7.9	7.9	5	7.9	8.1	8	5	7.7	8.1	7.98	5	8.1	8.3	8.26	3	7.8	7.9	7.9	4	7.5	7.8	7.675	4	7.4	7.6	7.525
SODIUM	5	24	26	25.4	5	30	33	31.2	5	24	27	26	5	44	51	49.2	3	31	34	32	4	7.9	9.2	8.575	4	8.6	11	9.9
SPECIFIC CONDUCTANCE (E.C.)	5	380	390	382	5	310	320	318	5	340	360	356	5	300	310	308	3	340	390	370	4	310	380	347.5	4	310	340	330
TURBIDITY	5	0.26	0.26	0.26	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	0.36	0.36	0.36	4	ND	ND	ND	4	0.25	0.25	0.25
SULFATE	5	9.3	10	9.72	5	5.9	8.3	6.62	5	9.4	11	10.4	5	7	7.8	7.58	3	16	17	16	4	16	18	17.5	4	16	21	19
IRON (FE)	5	ND	110	55	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MANGANESE (MN)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MAGNESIUM	5	9.3	9.5	9.46	5	4.3	5.9	5.46	5	7.4	9.1	8.04	5	2.5	3.1	2.8	3	5.2	9.5	7.8	4	12	13	12.5	4	12	13	12.75
POTASSIUM	5	1.3	1.5	1.38	5	1.5	1.8	1.62	5	1.3	1.5	1.42	5	1.4	1.7	1.48	3	1.3	1.7	1.5	4	3.1	3.1	3.1	4	3.1	3.2	3.15
ALUMINUM (AL)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
ANTIMONY	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
ARSENIC (AS)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	3.7	3.9	3.8	3	3.9	3.9	3.9	4	ND	ND	ND	4	ND	ND	ND
ASBESTOS	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
BARIUM (BA)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	20	20	20	4	ND	ND	ND	4	ND	ND	ND
BERYLLIUM	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CADMIUM (CD)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CHROMIUM (Total Cr) (ug/L)	4	15	18	16.25	5	13	16	13.8	5	13	18	14.4	5	7.2	10	8.16	3	10	14	12	4	3.6	3.6	3.6	4	3.5	3.5	3.5
Chromium-6	3	17	17	17	3	14	16	15	3	13	17	15	ND	ND	ND	ND	3	12	14	13	ND	ND	ND	ND	ND	ND	ND	ND
CYANIDE	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
FLUORIDE	5	0.3	0.4	0.32	5	0.5	0.9	0.6	5	0.3	0.3	0.3	5	0.2	1.4	1.12	3	0.3	0.7	0.5	4	0.3	0.7	0.5	4	0.4	0.8	0.625
MERCURY (HG)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
NICKEL	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
NITRATE	6	7.7	11	9.3	6	7.4	8.5	7.8	6	4.7	7.5	5.4	6	5.9	6.6	6.3	3	7.1	8.2	7.8	5	3	4.7	3.9	4	2.8	9.5	5.2
NITRITE AS NITROGEN (N)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
PERCHLORATE	6	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND	3	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
SELENIUM (SE)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
THALLIUM	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
COPPER (CU)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
LEAD (PB)	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
GROSS ALPHA	5	0.92	1.56	1.33	5	0.66	1.55	1.19	5	1.32	1.6	1.49	5	0.887	1.32	1.06	2	1.82	2.21	2.02	4	0.25	1.22	0.68	4	0.252	0.73	0.49
RADIUM 228	0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	1	0.0115	0.0115	0.0115	1	ND	ND	ND	ND	ND	ND	ND	1	0.218	0.218	0.218
Uranium	1	0.199	0.199	0.199	1	0.696	0.696	0.696	1	0.497	0.497	0.497	1	0.597	0.597	0.597	1	0.298	0.298	0.298	ND	ND	ND	ND	ND	ND	ND	ND
Benzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Carbon Tetrachloride	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,4-Dichlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,1- Dichloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2- Dichloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2- Dichloropropane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,1-Dichloropropene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Ethylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Methyl tert butyl Ether	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Styrene	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,2,2-Tetrachloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,1,1-Trichloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,1,2-Trichloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Trichlorofluoromethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Trichlorotrifluoroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Vinyl Chloride	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Xylenes (m+p)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Xylenes (ortho)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Xylenes (Total)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Alachlor	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Atrazine	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Bentazon	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Benzo(a)pyrene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Carbofuran	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Chlordane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dalapon	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
DEH-Adipate	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	ND	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND
DEH-Phthalate	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Dinoseb	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Diquat	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Endrin	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Endothall	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Glyphosate	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Heptachlor	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Heptachlor Epoxide	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Hexachlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Hexachlorocyclopentadine	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND

Row Labels	WELL C2				WELL C3				WELL C4				WELL C5				WELL C6				WELL 1				WELL 2			
	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
Lindane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Methoxychlor	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Molinate	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Pentachlorophenol	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Pichloram	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Polychlorinated Biphenyls (Total PCB's)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Simazine	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
2,4,5-TP Silvex	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
DIOXIN	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Thiobencarb	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND
Toxaphene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bromodichloromethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bromoform	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Chloroform	6	0.5	0.51	0.506667	4	0.51	0.51	0.51	4	0.5	0.51	0.506667	4	0.5	0.51	0.506667	1	ND	ND	ND	6	0.51	0.51	0.51	6	ND	ND	ND
Dibromochloromethane	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,1,2-Tetrachloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,1- Dichloroethene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2,3-Trichlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2,4-Trichlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2,4-Trimethylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,2-Dichlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,3,5-Trimethylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,3-Dichlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,3-Dichloropropane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
1,3-Dichloropropene (total)	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND
2,2-Dichloropropane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
2,4-D	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
2-Butanone(MEK-EPA 8260)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
2-Chlorotoluene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
3-Hydroxycarbofuran	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
4-Chlorotoluene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
4-Methyl-2-Pentanone(MIBK)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Aldicarb (TEMIK)	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
Aldicarb Sulfone	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Aldicarb Sulfoxide	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Aldicarb TEMIK)	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Aldrin	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Chloromethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bis(2-chloroethyl)ether (Non-NELAP)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bromobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bromochloromethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Bromomethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Carbaryl (Sevin)	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Chlorobenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Chloroethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
cis-1,2-Dichloroethene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
cis-1,3-Dichloropropene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
DEH-Adiptat	5	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Ethylene dibromide	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dibromochlorometeane	5	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Dibromochloropropane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dibromomethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dicamba	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dichlorodifluoromethane	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Dieldrin	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Hexachlorobutadiene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Isopropylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
MBAS	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	3	0.08	0.08	0.08	4	ND	ND	ND	4	ND	ND	ND
Methiocarb (MESUROL)	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	9	ND	ND	ND	9	ND	ND	ND
Methomyl	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Methylene Chloride	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Naphthalene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
n-Butylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
n-Isopropyltoluene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
n-Propylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Oxamyl (Vydate)	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Propachlor	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Propoxur (BAYGON)	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
sec-Butylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Strene	5	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
tert-Butylbenzene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Tetrachloroethene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Toluene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
trans-1,2-Dichloroethene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
trans--1,3-Dichloropropene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND
Trichloroethene	6	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	6	ND	ND	ND	6	ND	ND	ND

Row Labels	WELL 3				WELL 4				WELL 5				WELL 7				WELL 8				WELL 9				WELL 10			
	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
ALKALINITY	5	130	220	170	4	130	140	138	2	130	140	135	4	120	140	135	4	130	150	145	4	150	170	165	4	110	140	133
BICARBONATE	5	150	270	204	4	160	180	170	2	160	170	165	4	150	170	165	4	160	190	180	4	180	210	200	4	130	160	152.5
CALCIUM	5	35	59	45.6	4	34	39	36.25	2	35	37	36	4	34	41	38.25	4	35	42	39.5	4	38	43	41.5	4	31	40	37.25
CARBONATE	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CHLORIDE	5	2.5	15	7.76	4	1.7	2.4	2.175	2	2.1	3	2.55	4	1.8	2.5	2.175	4	2.2	4.1	2.875	4	1.5	2.2	2	4	1.2	1.5	1.275
HARDNESS	5	140	250	188	4	130	150	140	2	140	140	140	4	130	160	147.5	4	140	170	157.5	4	160	180	175	4	120	150	142.5
PH, LABORATORY	5	7.3	7.4	7.36	4	7.3	7.6	7.425	2	7.2	7.9	7.55	4	7.3	7.5	7.4	4	7.3	7.4	7.375	4	7.2	7.4	7.275	4	7.2	7.5	7.325
SODIUM	5	8	29	17	4	7.3	8.3	7.95	2	7.7	7.9	7.8	4	7.2	9.7	8.6	4	8.6	9.5	9.175	4	9.2	9.5	9.425	4	5.7	6.8	6.375
SPECIFIC CONDUCTANCE (E.C.)	5	310	600	432	4	310	320	317.5	2	310	320	315	4	300	370	340	4	320	360	345	4	350	370	357.5	4	270	320	305
TURBIDITY	5	0.78	0.78	0.78	4	0.31	0.31	0.31	2	3.6	3.6	3.6	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	0.28	0.31	0.295
SULFATE	5	16	50	30.8	4	15	17	16	2	16	17	16.5	4	16	19	18	4	16	22	19.5	4	19	21	20	4	15	19	17.5
IRON (FE)	5	150	150	150	4	ND	ND	ND	2	940	940	940	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MANGANESE (MN)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MAGNESIUM	5	12	26	18	4	11	12	11.75	2	12	12	12	4	11	14	12.75	4	13	15	14	4	16	18	17.25	4	9	11	10.5
POTASSIUM	5	3.1	3.4	3.26	4	3.1	3.3	3.15	2	2.9	3.1	3	4	3	3.3	3.15	4	3.1	3.5	3.35	4	3.6	3.7	3.625	4	2.8	2.9	2.825
ALUMINUM (AL)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
ANTIMONY	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
ARSENIC (AS)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
ASBESTOS	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
BARIUM (BA)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
BERYLLIUM	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CADMIUM (CD)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
CHROMIUM (Total Cr) (ug/L)	5	3	3	3	4	4	4	4	2	3.9	3.9	3.9	4	3.3	3.3	3.3	4	2.3	2.3	2.3	4	2	2	2	4	2.2	2.2	2.2
Chromium-6	ND	ND	ND	ND	ND	ND	ND	ND	0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
CYANIDE	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
FLUORIDE	5	0.4	1.1	0.72	4	0.3	0.6	0.475	2	0.3	0.4	0.35	4	0.3	0.8	0.575	4	0.3	0.4	0.35	4	0.4	0.5	0.425	4	0.4	0.6	0.5
MERCURY (HG)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
NICKEL	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
NITRATE	6	3.3	11	6	5	4.4	4.8	4.6	2	2.3	2.3	2.3	5	3.3	3.3	3.3	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
NITRITE AS NITROGEN (N)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
PERCHLORATE	8	ND	ND	ND	5	ND	ND	ND	3	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
SELENIUM (SE)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
THALLIUM	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
COPPER (CU)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
LEAD (PB)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
GROSS ALPHA	5	1.45	4.24	2.67	4	0.47	1.32	0.72	2	0.43	2.24	1.34	4	0.22	1.16	0.48	4	0.15	1.4	0.49	3	0.558	0.91	0.68	4	0.09	0.74	0.33
RADIUM 228	ND	ND	ND	ND	1	0.332	0.332	0.332	1	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND	1	0.253	0.253	0.253	1	ND	ND	ND
Uranium	2	4.12	4.12	4.12	ND	ND	ND	ND	0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND
Benzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Carbon Tetrachloride	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,4-Dichlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1- Dichloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2- Dichloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2- Dichloropropane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1-Dichloropropene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Ethylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methyl tert butyl Ether	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Styrene	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,2,2-Tetrachloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1,1-Trichloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1,2-Trichloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichlorofluoromethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichlorotrifluoroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Vinyl Chloride	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (m+p)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (ortho)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (Total)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Alachlor	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Atrazine	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Bentazon	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Benzo(a)pyrene	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Carbofuran	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chlordane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dalapon	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DEH-Adipate	1	ND	ND	ND	2	ND	ND	ND	0	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	2	ND	ND	ND
DEH-Phthalate	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Dinoseb	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Diquat	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Endrin	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Endothall	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Glyphosate	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Heptachlor	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Heptachlor Epoxide	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorocyclopentadine	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND

	WELL 3				WELL 4				WELL 5				WELL 7				WELL 8				WELL 9				WELL 10			
Row Labels	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
Lindane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methoxychlor	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Molinate	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Pentachlorophenol	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Pichloram	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Polychlorinated Biphenyls (Total PCB's)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Simazine	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
2,4,5-TP Silvex	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DIOXIN	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Thiobencarb	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND
Toxaphene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromodichloromethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromoform	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloroform	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromochloromethane	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,1,2-Tetrachloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1- Dichloroethene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,3-Trichlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,4-Trichlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,4-Trimethylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2-Dichlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3,5-Trimethylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichloropropane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichloropropene (total)	1	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND
2,2-Dichloropropane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2,4-D	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2-Butanone(MEK-EPA 8260)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2-Chlorotoluene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
3-Hydroxycarbofuran	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
4-Chlorotoluene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
4-Methyl-2-Pentanone(MIBK)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Aldicarb (TEMIK)	1	ND	ND	ND	1	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
Aldicarb Sulfone	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
Aldicarb Sulfoxide	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
Aldicarb TEMIK)	3	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND
Aldrin	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloromethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bis(2-chloroethyl)ether (Non-NELAP)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromochloromethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromomethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Carbaryl (Sevin)	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
Chlorobenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloroethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
cis-1,2-Dichloroethene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
cis-1,3-Dichloropropene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DEH-Adiptat	4	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
Ethylene dibromide	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromochlorometeane	4	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
Dibromochloropropane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromomethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dicamba	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dichlorodifluoromethane	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dieldrin	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorobutadiene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Isopropylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MBAS	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methiocarb (MESUROL)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	7	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
Methomyl	4	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
Methylene Chloride	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Naphthalene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Butylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Isopropyltoluene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Propylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Oxamyl (Vydate)	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Propachlor	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Propoxur (BAYGON)	5	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND
sec-Butylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Strene	4	ND	ND	ND	3	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
tert-Butylbenzene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Tetrachloroethene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Toluene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
trans-1,2-Dichloroethene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
trans--1,3-Dichloropropene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichloroethene	5	ND	ND	ND	4	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND

Row Labels	WELL 11				WELL 12				WELL M3				MT 7				WELL M10				WELL M11				WELL M12			
	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
ALKALINITY	4	130	130	130	5	130	130	130	5	150	180	172	1	130	130	130	5	100	110	108	5	110	140	116	4	120	130	123
BICARBONATE	4	150	160	152.5	5	160	160	160	5	190	220	212	1	160	160	160	5	130	140	136	5	140	170	146	4	150	160	152.5
CALCIUM	4	36	37	36.75	5	39	39	39	5	39	41	40.4	1	9.5	9.5	9.5	5	19	22	20.8	5	20	28	22.2	4	24	27	24.75
CARBONATE	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
CHLORIDE	4	1.2	1.6	1.5	5	1.4	1.7	1.64	5	14	15	14.6	1	14	14	14	5	11	12	11.8	5	6.8	8	7.6	4	7.6	8.4	8.2
HARDNESS	4	130	140	137.5	5	140	140	140	5	150	160	158	1	45	45	45	5	78	82	80	5	57	80	64.6	4	80	91	82.75
PH, LABORATORY	4	7.2	7.7	7.575	5	7.2	7.6	7.52	5	7.7	7.9	7.84	1	8.3	8.3	8.3	5	7.9	8	7.96	5	8.2	8.4	8.32	4	8	8.1	8.075
SODIUM	4	5.6	6.4	6.2	5	5.7	6.1	6.02	5	38	39	38.4	1	51	51	51	5	26	31	28.8	5	37	42	40.6	4	27	34	32.25
SPECIFIC CONDUCTANCE (E.C.)	4	310	310	310	5	280	310	286	5	450	470	464	1	330	330	330	5	290	300	292	5	290	330	304	4	300	310	302.5
TURBIDITY	4	0.31	0.31	0.31	5	0.36	1.8	1.512	5	0.36	0.36	0.36	1	ND	ND	ND	5	0.58	0.58	0.58	5	0.36	0.7	0.53	4	0.7	0.7	0.7
SULFATE	4	17	18	17.25	5	17	18	17.2	5	35	37	36	1	3.5	3.5	3.5	5	3	4.9	3.86	5	15	18	16.2	4	4.1	6.3	5.75
IRON (FE)	4	ND	ND	ND	5	110	110	110	5	ND	110	82.5	1	110	110	110	5	ND	110	82.5	5	ND	110	55	4	ND	110	55
MANGANESE (MN)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
MAGNESIUM	4	10	11	10.75	5	9.6	9.9	9.84	5	13	14	13.8	1	5	5	5	5	6.6	7.1	6.72	5	1.9	2.6	2.16	4	4.6	5.7	4.875
POTASSIUM	4	2.6	2.9	2.825	5	2.6	2.6	2.6	5	2	2.3	2.2	1	3.4	3.4	3.4	5	1	1.6	1.44	5	1.3	1.5	1.36	4	1.4	1.6	1.55
ALUMINUM (AL)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
ANTIMONY	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
ARSENIC (AS)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	3.2	3.3	3.233333	4	3.2	3.2	3.2
ASBESTOS	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
BARIUM (BA)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
BERYLLIUM	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
CADMIUM (CD)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
CHROMIUM (Total Cr) (ug/L)	4	3	3	3	5	3.2	3.2	3.2	5	8.5	12	10.1	1	7.1	7.1	7.1	5	9.9	17	11.98	5	11	15	12.2	4	15	20	16.25
Chromium-6	ND	ND	ND	ND	ND	ND	ND	ND	3	9.7	10	9.9	ND	ND	ND	ND	3	11	12	11.66667	2	9.5	13	11.25	2	23	24	23.5
CYANIDE	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
FLUORIDE	4	0.3	0.4	0.325	5	0.3	0.3	0.3	5	0.3	0.5	0.4	1	0.6	0.6	0.6	5	0.6	0.7	0.68	5	0.4	1.5	1.12	4	0.5	1.7	1.4
MERCURY (HG)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
NICKEL	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
NITRATE	4	ND	ND	ND	5	ND	ND	ND	5	7.2	8.2	7.88	2	8.7	8.8	8.75	5	9.6	11	10.02	6	3.7	4.5	4.15	5	6.4	8	7.12
NITRITE AS NITROGEN (N)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
PERCHLORATE	6	ND	ND	ND	7	ND	ND	ND	7	ND	ND	ND	2	ND	ND	ND	7	ND	ND	ND	6	ND	ND	ND	5	ND	4.6	3.066667
SELENIUM (SE)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
THALLIUM	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
COPPER (CU)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	87	87	87
LEAD (PB)	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
GROSS ALPHA	4	0.33	0.33	0.33	5	0.23	0.24	0.24	4	0.5	0.94	0.83	1	1.89	1.89	1.89	4	0.56	0.61	0.60	5	1.26	1.5	1.43	4	0.93	1.03	0.96
RADIUM 228	1	0.249	0.249	0.249	1	0.009	0.009	0.009	1	0.247	0.247	0.247	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Uranium	ND	ND	ND	ND	ND	ND	ND	ND	1	0.398	0.398	0.398	1	0.597	0.597	0.597	ND	ND	ND	ND	ND	ND	ND	ND	1	0.199	0.199	0.199
Benzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Carbon Tetrachloride	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,4-Dichlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1- Dichloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2- Dichloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2- Dichloropropane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1-Dichloropropene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Ethylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methyl tert butyl Ether	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Styrene	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,2,2-Tetrachloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1,1-Trichloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1,2-Trichloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichlorofluoromethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichlorotrifluoroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Vinyl Chloride	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (m+p)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (ortho)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Xylenes (Total)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Alachlor	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Atrazine	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Bentazon	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Benzo[a]pyrene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Carbofuran	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chlordane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dalapon	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DEH-Adipate	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	2	ND	ND	ND	2	ND	ND	ND
DEH-Phthalate	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Dinoseb	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Diquat	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Endrin	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Endothall	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Glyphosate	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Heptachlor	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Heptachlor Epoxide	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorocyclopentadine	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND

Row Labels	WELL 11				WELL 12				WELL M3				MT 7				WELL M10				WELL M11				WELL M12			
	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg	n	Min	Max	Avg
Lindane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methoxychlor	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Molinate	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Pentachlorophenol	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Pichloram	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Polychlorinated Biphenyls (Total PCB's)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Simazine	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
2,4,5-TP Silvex	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DIOXIN	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	2	ND	ND	ND
Thiobencarb	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
Toxaphene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromodichloromethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromoform	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloroform	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromochloromethane	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
1,1,1,2-Tetrachloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,1- Dichloroethene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,3-Trichlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,4-Trichlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2,4-Trimethylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,2-Dichlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3,5-Trimethylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichloropropane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
1,3-Dichloropropene (total)	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND
2,2-Dichloropropane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2,4-D	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2-Butanone(MEK-EPA 8260)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
2-Chlorotoluene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
3-Hydroxycarbofuran	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
4-Chlorotoluene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
4-Methyl-2-Pentanone(MIBK)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Aldicarb (TEMIK)	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	0	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND
Aldicarb Sulfone	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Aldicarb Sulfoxide	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Aldicarb TEMIK)	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
Aldrin	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloromethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bis(2-chloroethyl)ether (Non-NELAP)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromochloromethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Bromomethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Carbaryl (Sevin)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chlorobenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Chloroethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
cis-1,2-Dichloroethene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
cis-1,3-Dichloropropene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
DEH-Adiptat	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
Ethylene dibromide	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromochlorometeane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
Dibromochloropropane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dibromomethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dicamba	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dichlorodifluoromethane	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Dieldrin	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Hexachlorobutadiene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Isopropylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
MBAS	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	1	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND	4	ND	ND	ND
Methiocarb (MESUROL)	4	ND	ND	ND	6	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	8	ND	ND	ND	8	ND	ND	ND
Methomyl	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Methylene Chloride	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Naphthalene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Butylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Isopropyltoluene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
n-Propylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Oxamyl (Vydate)	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Propachlor	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Propoxur (BAYGON)	4	ND	ND	ND	6	ND	ND	ND	4	ND	ND	ND	2	ND	ND	ND	4	ND	ND	ND	5	ND	ND	ND	5	ND	ND	ND
sec-Butylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Strene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	3	ND	ND	ND	3	ND	ND	ND
tert-Butylbenzene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Tetrachloroethene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Toluene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
trans-1,2-Dichloroethene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
trans--1,3-Dichloropropene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND
Trichloroethene	1	ND	ND	ND	2	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	1	ND	ND	ND	4	ND	ND	ND	4	ND	ND	ND

Appendix C: Historical Chromium Concentrations

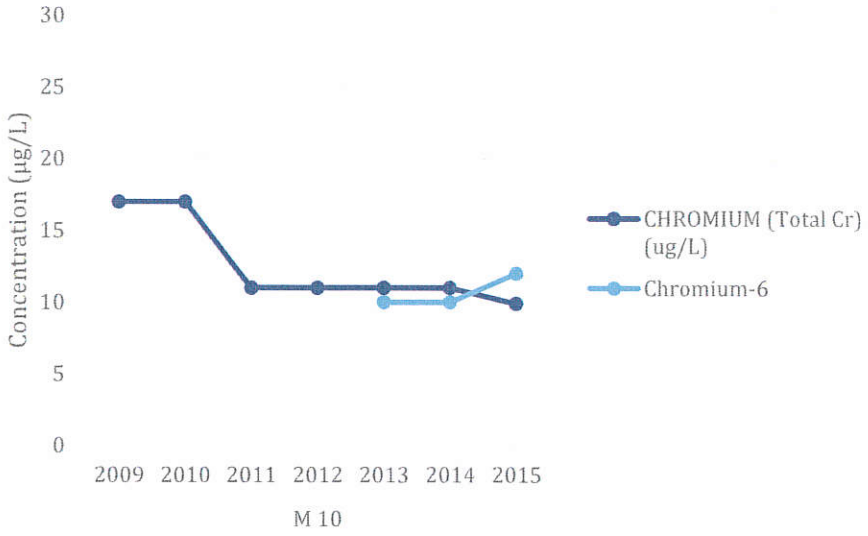


Figure 10: Well M10 Historical Chromium Concentrations

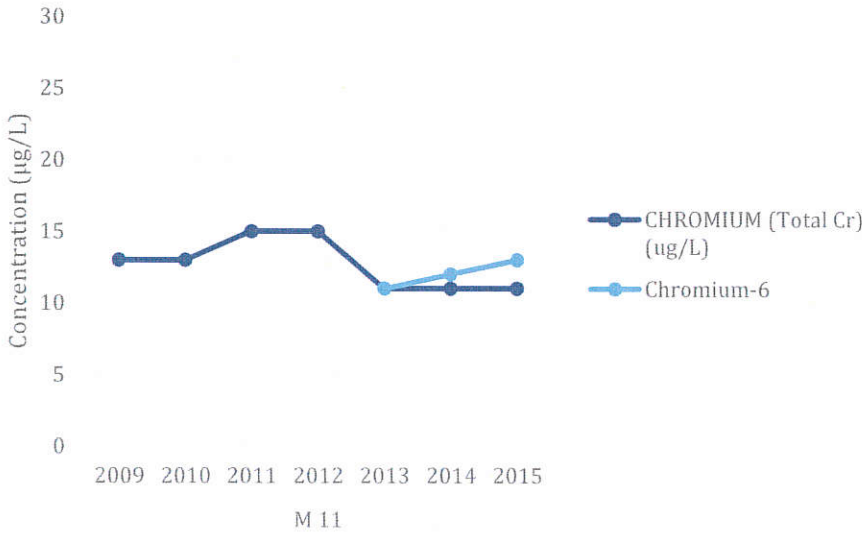


Figure 11: Well M11 Historical Chromium Concentrations

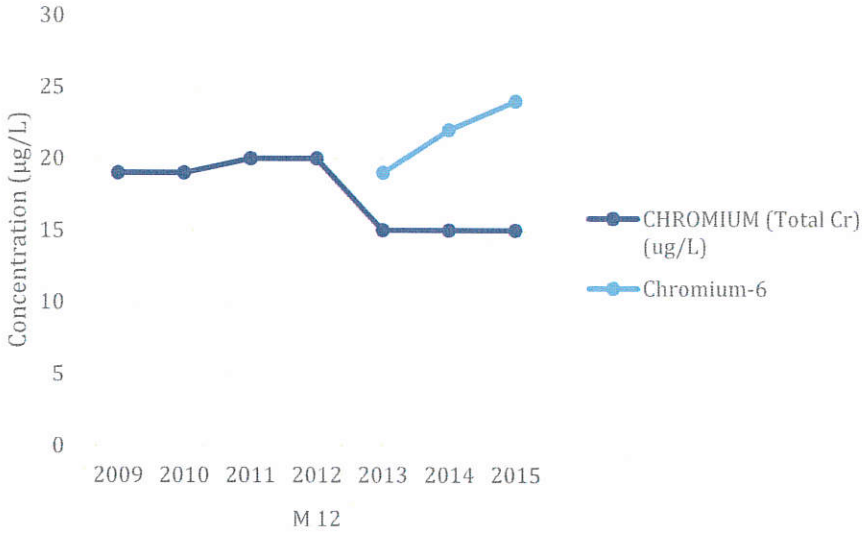


Figure 12: Well M12 Historical Chromium Concentrations

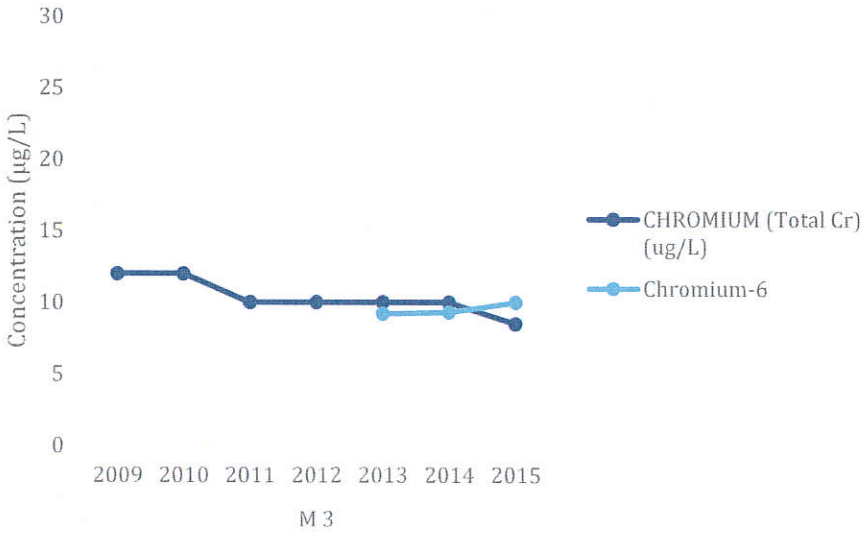


Figure 13: Well M3 Historical Chromium Concentrations

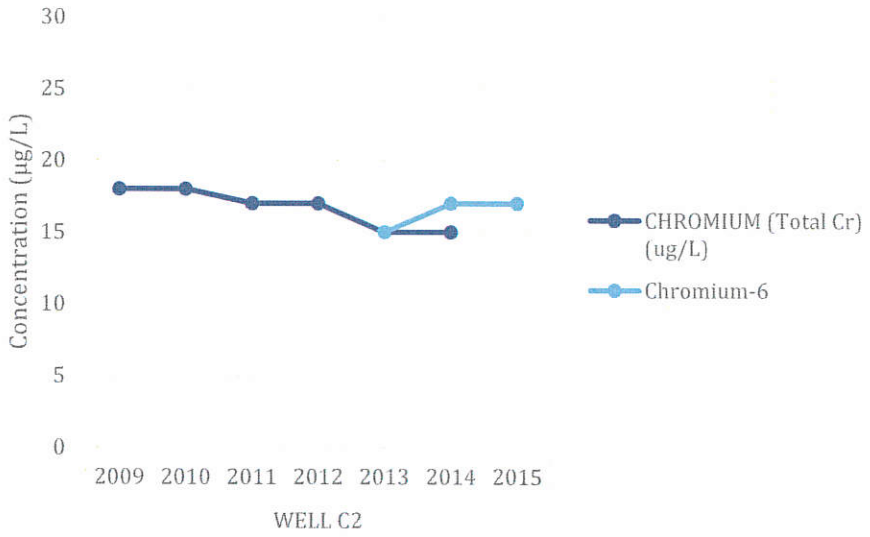


Figure 14: Well C2 Historical Chromium Concentrations

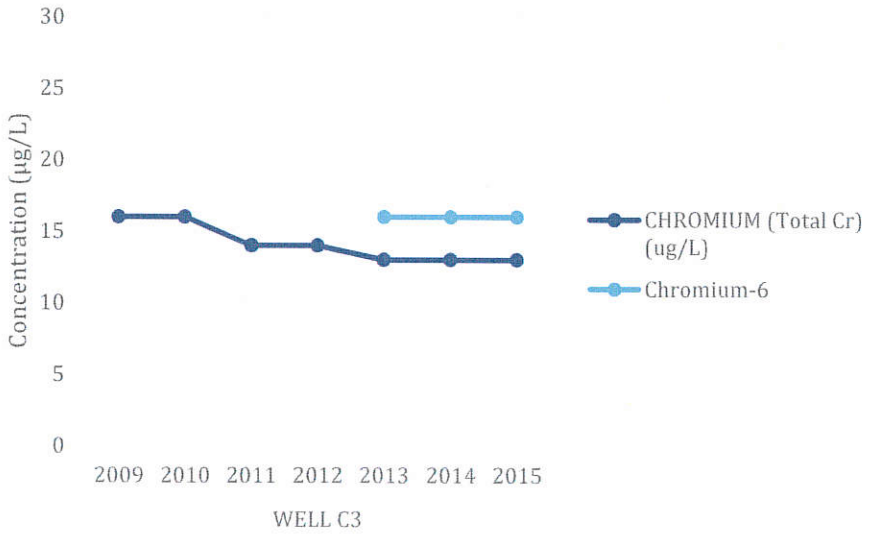


Figure 15: Well C3 Historical Chromium Concentrations

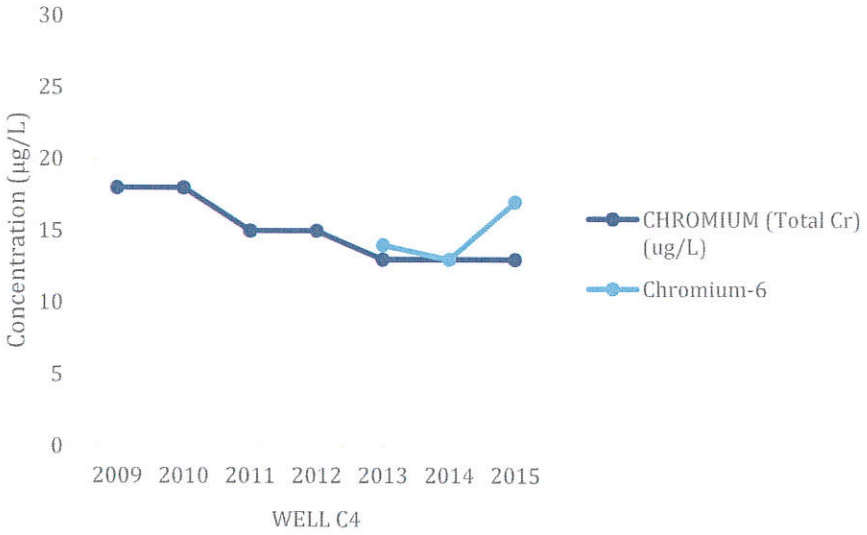


Figure 16: Well C4 Historical Chromium Concentrations

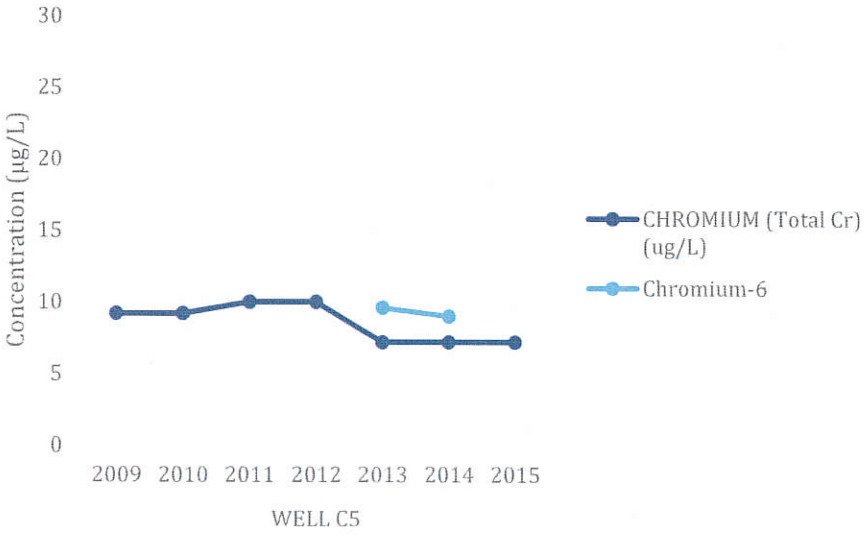


Figure 17: Well C5 Historical Chromium Concentrations

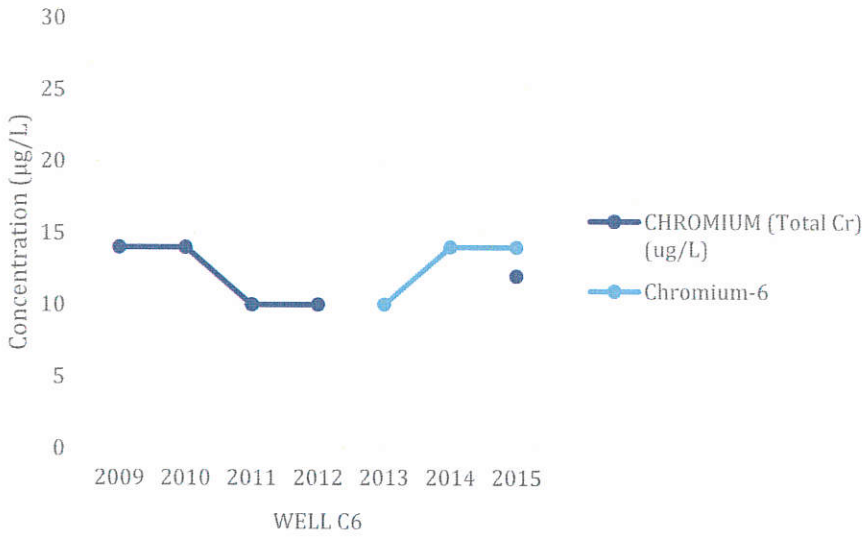


Figure 18: Well C6Historical Chromium Concentrations

Appendix D: Blending Analysis

System Wide Blending Analysis

To utilize the canyon wells as a system-wide blending source for each impacted well, roughly 11.5 thousand gallons per minute is required which is shown in **Table 12**.

Table 12: Well Blending Requirements for system-wide Blending

Well	Capacity Used for Treatment Evaluation (gpm)	Max Cr6 (µg/L)	Blending Flow Req'd (gpm)
C2	1,100	17	1,414
C3	1,200	16	1,600
C4	1,400	17	2,100
C5	1,100	9.6	293
C6	1,000	14	1,000
M3	1,000	12	667
M10	900	12	600
M11	700	13	583
M12	1,200	24	3,200
Total	**9,600**	**-**	**11,458**

[1] Well Capacity Used for Treatment Evaluation

[2] $$Q_2 = Q_1 \frac{(c_1 - c_F)}{(c_F - c_2)}$$

[3] Must be less than 10 ppb

Well C2 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,100	Well capacity[1]
c1, ppb	Concentration 1	17	Based on water quality data
Q2, gpm	Flow rate 2	1,414	Mixing flow required[2]
c2, ppb	Concentration 3	1	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	2,514	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well C3 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,200	Well capacity[1]
c1, ppb	Concentration 1	16	Based on water quality data
Q2, gpm	Flow rate 2	1,600	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	2,800	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well C4 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,400	Well capacity[1]
c1, ppb	Concentration 1	17	Based on water quality data
Q2, gpm	Flow rate 2	2,100	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	3,500	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well C5 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,100	Well capacity[1]
c1, ppb	Concentration 1	10	Based on water quality data
Q2, gpm	Flow rate 2	293	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	1,393	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well C6 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,000	Well capacity[1]
c1, ppb	Concentration 1	14	Based on water quality data
Q2, gpm	Flow rate 2	1,000	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	2,000	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well M3 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,000	Well capacity[1]
c1, ppb	Concentration 1	12	Based on water quality data
Q2, gpm	Flow rate 2	667	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	1,667	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well M10 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	900	Well capacity[1]
c1, ppb	Concentration 1	12	Based on water quality data
Q2, gpm	Flow rate 2	600	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	1,500	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well M11 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	700	Well capacity[1]
c1, ppb	Concentration 1	13	Based on water quality data
Q2, gpm	Flow rate 2	583	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	1,283	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well M12 System-wide Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,200	Well capacity[1]
c1, ppb	Concentration 1	24	Based on water quality data
Q2, gpm	Flow rate 2	3,200	Mixing flow required[2]
c2, ppb	Concentration 3	2	Based on canyon well water quality w/ safety factor
QF, gpm	Final flow rate	4,400	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Well C3 Individual Blending

Well C3 was evaluated to be blended with the Foothill West treated water. The first Well C3 individual blending scenario is blending with water treated to a Cr-6 level of the typical 6 ppb.

[1] Well Capacity Used for Treatment Evaluation

[2] $$Q_2 = Q_1 \frac{(c_1 - c_F)}{(c_F - c_2)}$$

[3] Must be less than 10 ppb

Well C3 Individual Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,200	Well capacity[1]
c1, ppb	Concentration 1	16	Based on water quality data
Q2, gpm	Flow rate 2	4,800	Mixing flow required[2]
c2, ppb	Concentration 3	6	Assumes Foothill West Cluster treated to 6 ppb
QF, gpm	Final flow rate	6,000	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

The second Well C3 individual blending scenario is blending with water treated to a Cr-6 level of 0 ppb with a safety factor to 2 ppb.

Well C3 Individual Blending Calculations

Parameter	Description	Value	Comment
Q1, gpm	Flow rate 1	1,200	Well capacity[1]
c1, ppb	Concentration 1	16	Based on water quality data
Q2, gpm	Flow rate 2	1,600	Mixing flow required[2]
c2, ppb	Concentration 3	2	Assumes Foothill West Cluster treated to 0 ppb w/ safety factor to 2 ppb
QF, gpm	Final flow rate	2,800	Total flow ($Q_1 + Q_2$)
cF, ppb	Final concentration	8.0	Target blending concentration[3]

Appendix E: Basis of Cost Estimates

Planning Assumptions

This section outlines the key assumptions used for evaluating alternative technologies for the Cr6 treatment facilities and developing cost estimates. These assumptions are based on current industry trends.

The assumptions used for estimating Conventional SBA treatment system costs include:

- SBA process includes bag filters for particle removal, ion exchange vessels in a parallel configuration, resin regeneration, and spent brine treatment process. Each system includes a minimum of 2 vessels plus a standby/regen vessel.
- A caustic soda feed system was not included because CCPP was positive even with one vessel returning from regeneration.
- SBA resin life was assumed to be 7 years. This cost of resin replacement was annualized and included in the annual O&M estimate.
- Resin regeneration frequency is based on maximum historical sulfate concentration in raw water and a function of bed volumes versus sulfate.
- Resin regeneration procedure consists of regen (12% brine, 4 BVs total comprised of 3 BVs to be recycled and 1 BV to waste), slow rinse (1 BVs, all 1 BV to be recycled), and fast rinse (3 BVs all to waste).
- For onsite brine treatment:
    - Spent brine is treated before disposal. Backwash and fast rinse waste are non-hazardous and contain low TDS and can be disposed to sewer without treatment. Recycle of fast rinse waste may be feasible.
    - Spent brine treatment is based on a ferrous dose of 2,000 mg/L. This iron dose can be optimized with testing, which may reduce costs.
    - Treated brine was assumed to be non-hazardous with high TDS, which would be hauled off-site for disposal as TDS concentrations are higher than acceptable discharge limits.
    - Dewatered solids are non-RCRA hazardous waste due to chromium concentrations. The dewatered solid quantity was estimated using a mass balance, assuming all chromium and iron are settled and removed as dewatered solids. Moisture content was assumed 80 percent, based on results observed at Glendale for dewatered solids.
    - Total labor was assumed to be 3.3 FTE.

- For hazardous brine disposal:
    - Spent brine and slow rinse waste (if not recycled for the next regeneration) were hauled for disposal as hazardous waste at a cost.

The assumptions use for Conventional SBA with offsite regeneration at CVWD's CRRF:

- SBA process includes bag filters for particle removal and two 12-ft diameter ion exchange vessels operated in a parallel configuration. There is no standby vessel as each vessel is sized to accommodate the full flow for when regenerations are conducted.
- SBA resin life was assumed to be 7 years. This cost of resin replacement was annualized and included in the annual O&M estimate.
- Resin regeneration frequency is based on maximum historical sulfate concentration in raw water and a function of bed volumes versus sulfate.
- Resin regeneration fee will be set based on a negotiated rate between the City of Banning and CVWD. For purposes of this evaluation, a range of unit costs from $36/cf to $46/cf of resin, or $21,600 per vessel regenerated to $27,600 per vessel regenerated were used. Actual rates may increase or decrease based negotiated rates accounting for the construction and operational costs of the facility, which were not finalized at the time of this evaluation.
- Total labor costs were estimated at 2.0 FTE.

The assumptions used for estimating WBA treatment system costs include:

- WBA process includes bag filters for particle removal, pH adjustment using carbon dioxide (CO_2), ion exchange vessels in a lead/lag configuration, and post pH adjustment using aeration.
- CO_2 was assumed to achieve a pH target of 6.0. CO_2 dose was estimated using the RTW model.
- For aeration, anti-scalant (polyphosphate) at a dose of 1 mg/L was included to minimize calcium carbonate precipitation in the aerator (actual dose is to be determined based on water quality and manufacturer recommendations in design). No aeration off-gas treatment was included.
- WBA resin life was assumed to be 368,000 BVs for the lead bed when the lag bed effluent achieves 2 µg/L or 400,000 BVs when the lag bed effluent achieves 6 µg/L. These estimates are conservative based on previous studies by Hazen and Sawyer and others.
- During WBA resin change-out, 6 BVs of water were assumed for resin flushing. This wastewater was assumed to be stored in a separate temporary tank and disposed of as non-hazardous waste to the sewer.
- Spent WBA resin was assumed as non-RCRA hazardous waste and TENORM (after blending with adsorbent) that can be disposed to US Ecology's landfill in Idaho (the same landfill that City of Glendale uses for their spent WBA resin).
- The total required labor was assumed to be 2 full time equivalent (FTE).

The assumptions used for estimating RCF with recycle treatment system costs include:

- RCF treatment consists of ferrous sulfate addition, a reduction tank (5-minute contact time), chlorination for residual ferrous iron oxidation, and granular media filtration.
- Annually, 10% media replacement due to attrition was assumed.
- Wastewater was assumed to account for 3-5% of the total production flow, which is then settled and recycled to reduce the overall process waste to less than 1%, which can be disposed of to the sewer.
- Cr6 treatment target was assumed to be 5 µg/L for RCF based on findings of total chromium removal by this process.
- The total required labor was assumed to be 4.0 FTE.

The assumptions used for estimating RCMF with recycle treatment system costs include:

- RCMF treatment consists of ferrous sulfate addition, a reduction tank (5-minute contact time), chlorination for residual ferrous iron oxidation, and microfiltration.
- MF membrane life was assumed to be 10 years. O&M cost includes replacement cost for 10% of the membranes every year.
- Wastewater was assumed to account for 5-6% of the total production flow, which is then settled and recycled to reduce the overall process waste to less than 1%, which can be disposed of to the sewer.
- Cr6 treatment target was assumed to be 2 µg/L for RCMF based on findings of total chromium removal by this process.
- The total required labor was assumed to be 4.0 FTE.

Cost Assumptions

Manufacturer equipment and O&M estimates provided to the City were standardized in terms of components to allow a comparison between technologies. Uncertainty associated with certain cost elements was also incorporated to provide an understanding of the impact of key assumptions like brine disposal. Treatment system cost estimates were developed for WBA, SBA, and RCF/RCMF to enable comparison of the technologies. In the case of SBA, multiple options were evaluated: (1) Conventional SBA with onsite regeneration and brine treatment and non-hazardous brine disposal, (2) Containerized SBA with onsite regeneration and hazardous brine disposal, (3) SBA with offsite regeneration at a centralized resin regeneration facility (CRRF) operated by Coachella Valley Water District (CVWD), (4) Conventional SBA with offsite regeneration at a Banning CRRF located at the Foothill West Cluster (either with hazardous brine disposal or brine treatment and sewer discharge).

Capital costs were generated using Hazen and Sawyer cost models, which are based on costs estimated for a range of water system sizes (100, 500, 2,000, and 7,000 gpm). These estimates are consistent with Association for the Advancement of Cost Engineering (AACE) Class 5 estimate with an accuracy range of -30% to +50%. Annualized capital costs are based on an interest rate of 1.9% (assuming SRF loans) and a period of 30 years. Industry standard multipliers were applied to the equipment cost estimates to assess the total project capital cost (**Table 13**).

Table 13. Capital Cost and Engineering Factor Assumptions

Item	Percentage	Description
Capital Cost Assumptions		
Installation	30%	Equipment Installation costs
General Requirements	8%	"Division 1" requirements including labor supervision, field offices, temporary utilities, health and safety, office supplies, clean up, photographs, survey, erosion control, coordination, testing services, and record documents
Earthwork	5%	Excavation, backfill, and fill required to construct the project
Site Work	5%	Roadways, curb and gutter, sidewalk, and landscaping
Valves, piping, and appurtenances	15%	Major system piping and valves
Electrical, Instrumentation and Control	15%	Motor control center (MCC), conduit and wire, programmable logic controller (PLC) and supervisory control and data acquisition (SCADA) equipment
Engineering Factor Assumptions		
Contractor's Overhead and Profit	20%	Includes bonds, mobilization and demobilization, insurance, overhead and profit, and management reserves
Engineering, Legal and Administrative	20%	Includes permits, legal fees, and engineering fees for design and construction.

O&M costs were developed based on the design assumptions described in the following sections and include media replacements (such as resins), labor, chemicals, residuals, electricity, lab and field analysis, and equipment maintenance. O&M costs include additional energy requirements to overcome treatment losses, but do not include electricity for existing pumping. A summary of unit prices is provided below in **Table 14.**

Table 14. Unit Prices for Chemicals, Residuals Disposal, Labor, and Electricity

Item (Unit)	Unit Price	Source
Electricity ($/kWh)	$0.10	Average Banning energy cost
CO_2 unit price ($/lb)	$0.07	TOMCO unit cost for Coachella Valley
Spent WBA resin disposal ($/cf)	$342	Average cost at City of Glendale for WBA
Sewer discharge ($/hcf)	$3.15	Budgetary estimate for sewer discharge
Labor annual salary ($/yr)	$105,000	US Bureau of Labor Statistics Water Operator average for California ($65.5K*1.6 for a burdened rate) and also the IonexSG operator unit labor rate for a T2 during normal hours ($50/hr)
Salt ($/ton, including shipping)	$136	Average cost at CVWD
Ferrous Sulfate ($/gal)	$2.50	Brenntag quote
Ferric Chloride and Ferrous Sulfate Blend ($/gal)	$9.93	Average cost at CVWD
Polymer ($/gal)	$30	Average cost at CVWD
Clarified brine disposal for SBA with on-site regen ($/kgal)	$300	Average cost at CVWD
Hazardous brine disposal for SBA with on-site regen ($/gal)	$1.12 - $3.00	Phibrotech. Higher quotes were obtained from Evoqua, US Ecology, and Clean Harbors.
Non-RCRA hazardous solids disposal ($/lb)	$1.61	Cost at City of Glendale for non-RCRA hazardous waste
SBA resin unit price ($/cf)	$188	Purolite's quote for A600E/9149, with extra 15% for tax and freight and $15/cf for resin installation. Evoqua's quote for Dow SAR resin is $150.
WBA resin unit price ($/cf)	$265	Budgetary price for S106 resin- $10,000 added for turnkey installation.