

AGENDA
REGULAR CITY COUNCIL MEETING
CITY OF BANNING
BANNING, CALIFORNIA

October 25, 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 joint meeting of the Banning City Council and the 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 – Banning Police Chaplain Merle Malland
- Pledge of Allegiance
- Roll Call – Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

II. REPORT ON CLOSED SESSION

III. PRESENTATIONS

1. Update Regarding Receivership Process of Abandoned Buildings on Lincoln Street by Silver & Wright, LLP.....*ORAL*

IV. APPOINTMENTS

1. Consideration of appointing one candidate to fill the vacant position on the Banning Park & Recreation Commission.....*ORAL*

Recommendation: Consider appointing one candidate to fill the vacant position on the Park & Recreation Commission for the remainder of the term that ends April 9, 2019.

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.

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

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

VI. **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.

VII. **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 – Regular Meeting – 09/27/16 (Regular Meeting).....	1
2.	Approval of Minutes – Special Meeting – 10/04/16 (Special Meeting)	125
3.	Approval of Minutes – Special Meeting – 10/11/16 (Closed Session).....	131
4.	Receive and File List of Contracts Signed Under City Manager Signature Authority of \$25,000 or Less	133
5.	Adopt Resolution No. 2016-107 in Opposition of Proposition 57	135
6.	Ordinance No. 1502 – 2 nd Reading: <i>An Ordinance of the City of Banning, California, Amending Section 3.18.030 of Chapter 3.18 of the Banning Municipal Code Reducing the Mining Tax from Eighty Cents to Twenty-Five Cents Per Ton of Rock Materials Excavated, Processed and Transported Within the City of Banning</i>	141
7.	Approval of Accounts Payable and Payroll Warrants – July 2016.....	145

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

RECESS REGULAR MEETING OF THE BANNING CITY COUNCIL AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING CITY COUNCIL SITTING IN ITS CAPACITY OF A SUCCESSOR AGENCY BOARD

I. REPORTS OF OFFICERS

1. Discuss and Consider Adopting Resolution No. 2016-09 SA Approving the Subordination Agreement to the Loan Agreement for a First Time Homebuyer Program Located at 510 Dorothy Anna Drive149
(Staff Report – Ted Shove, Economic Development Manager)
Recommendation: **Motion to Adopt Resolution No. 2016-09 SA, approving the Subordination Agreement to the Loan Agreement for the First Time Homebuyer Program to Security Interest in property located at 510 Dorothy Ana Drive, Banning, CA, Assessor’s Parcel No. 537-262-002-5.**

Adjourn joint meeting and reconvene regular City Council Meeting

VIII. REPORTS OF OFFICERS

1. Discuss and Consider Adopting Resolution No. 2016-105, Approving a Fiscal Year 2017-2018 Community Development Block Grant (CDBG) Program Project165
(Staff Report – Ted Shove, Economic Development Manager)
Recommendation: **Motion to Adopt Resolution No. 2016-105, approving a Fiscal Year 2016-2017 Community Development Block Grant Project and authorize staff to submit an application to the Riverside County Economic Development Agency.**
2. Discuss and Consider Adopting Resolution No. 2016-104, Approving the First Amendment to the Rancho San Gorgonio Specific Plan Project Manager Services Agreement Between the City of Banning and Romo Planning Group, Inc.173
(Staff Report – Brian Guillot, Community Development Director)
Recommendation: **Motion to Adopt Resolution No. 2016-104, approving the First Amendment to the Rancho San Gorgonio Project Manager Services Agreement with Romo Planning Group, Inc.**

3. Discuss and Consider Adopting Resolution No. 2016-87, Approving the Amendment to the City of Banning Professional Services Agreement for Cost of Service Analysis and Rate Design Between the City of Banning and Leidos Engineering, LLC to Extend the Term of the Contract to April 30, 2018 and Include the Development of a Stranded Cost Recovery Rate for \$5,000215
 (Staff Report – Fred Mason, Electric Utility Director)
Recommendations: Motion to Adopt Resolution No. 2016-87; 1) approving the Amendment to the City of Banning Professional Services Agreement for Cost of Service Analysis and Rate Design between the City of Banning and Leidos Engineering, LLC, 2) authorizing the City Manager to execute the applicable documents to effect said Amendment, and 3) authorizing the Administrative Services Director to make the necessary purchase order adjustments, appropriations, and transfers.
4. Discuss and Consider Adopting Resolution No. 2016-106, Awarding the Contract for the Smart Meter Installation Service to Vanguard Utility Service, Inc. in an Amount Not to Exceed \$365,480 and Rejecting All Other Proposals257
 (Staff Report – Fred Mason, Electric Utility Director)
Recommendations: Motion to Adopt Resolution No. 2016-106; 1) awarding the Contract for the Smart Meter Installation Service to Vanguard Utility Service, Inc. in an amount not to exceed \$365,480 and rejecting all other proposals, 2) authorizing the City Manager to execute the applicable documents to effect said Agreement, and 3) authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers.
5. Discuss Establishing Financial Impact Maximum Consent Calendar429
 (Staff Report – Rochelle Clayton, ASD/Deputy City Manager)
Recommendation: Provide direction to staff regarding financial impact maximum limits for what is allowed under Consent Items on future City Council agendas

BANNING UTILITY AUTHORITY (BUA) – no meeting.

BANNING FINANCING AUTHORITY (BFA) – no meeting.

IX. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Annual Report by Southern California Gas Company
2. General Plan – allow for people to have gardens on their property
3. Consideration of the Annual Disaster Survival Expo as a City signature event
4. Join other agencies to challenge the State in regard to Chromium-6 water issue

(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.)

X. 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]

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A regular meeting of the Banning City Council and a joint meeting of the Banning City Council and the Banning Utility Authority; and a scheduled meeting of the Banning Utility Authority was called to order by Mayor Welch on September 27, 2016 at 6:00 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
John C. Cotti, Interim City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Alex Diaz, Police Chief
Fred Mason, Electric Utility Director
Heidi Meraz, Community Services Director
Arturo Vela, Public Works Director
Brian Guillot, Community Development Director
Tim Chavez, Battalion Chief
Stacy Bavol, Utility Financial Analyst
Ted Shove, Economic Development Manager
Patty Nevins, Senior Planner
Tammi Phillips, WRCOG Fellow
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

The invocation was given by Rev. Daniel Pedraza, First Hispanic Baptist Church. Councilmember Franklin led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

Interim City Attorney stated that the Council did convene to closed session this afternoon at about 4:35 p.m. to discuss the two items listed on the closed session agenda relative to a real property negotiation for the property located at 33 S. San Gorgonio and to instruct labor negotiators pursuant to Government Code Section 54957.6. At the conclusion of that closed session there were no reportable actions.

PUBLIC COMMENTS – *On Items Not on the Agenda*

Inge Schuler, resident addressed the Council stating she was a little disappointed. She attended the workshop today and it was a public hearing and it ended without any possibility of any of the attending public to have public input on that particular document that was discussed in regards to the development agreement for the project that is before the Council today. She did have some real important questions and she was sorry she didn't get to ask them.

Ellen Carr, Tender Loving Critter Animal Rescue addressed the Council giving an update on the spay and neuter bus. This Friday at 11:00 a.m. she is going to meet with Melody Farnik, Administrator of the bus to iron out some details. It is looking like two days in November and as soon as she knows the dates, she will let everyone know.

Dorothy Familetti-McLean, resident addressed the Council reading her letter in regards to not wanting a County Probation Department (attached Exhibit "A").

Amy Pippenger, Banning Stagecoach Days Association addressed the Council congratulating them on a job well-done on the city's promotional video; it turned out awesome. She is here to ask questions so that the Stagecoach Days Association knows how to proceed for 2017 and she gave a brief description of why she is asking these questions in regards to liability insurance coverage for Stagecoach Days and provided the Council with a copy of the documents she is describing. She went into detail in regards to her exchange of emails with Rita Chapparosa, City of Banning Risk Manager in regards to this liability insurance coverage requirements and the conversation with the insurance broker that explained what this meant was that all Stagecoach Days volunteers will assume all the responsibility for anything over \$4 million should they get sued. She did contact several members of Stagecoach Days and they all stated that they are not willing to risk their houses and assets for a volunteer position so she reached out to every Council Member that she could and thankfully two called her back and she explained the situation and it was resolved that these requirements were for next year 2017 and not 2016. She asked the Council if these requirements for 2017 are going to be for every park in the city, every special event, for every non-profit or for-profit that hosts a special event in the city and does it included Little League, Boys and Girls Club, Cultural Alliance, Chamber of Commerce, Concerts in the Park, etc.? She said since their first meeting for Stagecoach Days 2017 is October 3rd at 6:00 p.m. she is requesting a response in writing by October 3, 2016 at 5 p.m. because they need to know how to proceed because they have contracts they need to sign to move forward with their 60th Anniversary for Stagecoach Days. She said she provided copies to the Council of everything and if someone could let her know by next week, she would really appreciate it.

Mayor Welch asked Ms. Pippenger if she has spoken to staff or the City Manager and if not, maybe they need to all get together to talk about this.

CORRESPONDENCE

City Clerk read a letter from Fred Sakurai (attached Exhibit "B") regarding comments made by a speaker at the last Council Meeting and a letter from The Ellis Family (attached Exhibit "C") regarding opposition to Mayor Art Welch and to re-elect Doctor Ed Miller.

PRESENTATIONS

1. Receivership Process presented by Silver & Wright, LLP

(This item was pulled from the agenda because there was an oral presentation at the Council's last meeting)

ANNOUNCEMENTS/REPORTS (Upcoming Events/Other Items if any)

City Council

Councilmember Peterson –

- He said the other day he sent an email to the City Manager or Rochelle Clayton requesting a status update on the garnishment from Jim Smith on the judgement. He asked if the City has received any figures on what he has contributed.

Interim City Attorney responded that this matter is being handled by an outside attorney, Nathan McIntyre and he has not yet responded to the City's request for information. Once he has that report he will forward it to all the Council.

Councilmember Franklin –

- September 28th at 5:30 p.m. the Water Alliance Meeting will be held here in city hall and the topic is going to be a presentation on the Perris Desalination Plan and the public is invited to this meeting.
- Friday, Sept. 29th the State of the Water will be held here in city hall Council Chambers from 8 to 11 a.m. and the public is invited and there is no charge.
- Saturday, October 1st there will be a Bulky Item Drop Off event, as well as, free paper shredding at Dysart Park from 8 a.m. to 1 p.m.

Councilmember Moyer –

- Tuesday, October 4th the "State of the City" will be held at 10:30 a.m. in the Council Chambers. It is open to the public and free for those that would like to attend and also lunch is free.
- October 10th there will be another Animal Control Meeting at 6:00 p.m. at the police department.

Councilmember Miller –

- At 3:00 p.m. today there was a workshop on the contract for the Rancho San Gorgonio Project and right now on the agenda the Council is supposed to consider and vote on it. To him that is outrageous to have a workshop where they discuss the contract and then decide upon that immediately is impossible. This is a \$1 billion dollar project if not more. How anyone can make a decision about a \$1 billion dollar contract or \$1 billion dollar anything in one day to him is inconceivable. As he said at that meeting he is not prepared to make a decision without looking at this thing very carefully and he hopes the rest of the Council agrees with him and does the same thing. But what he certainly hopes is that in the future when we have anything that is that important that the Council have time to consider it and as he said previous Councils have just gone ahead and approved things without looking at them sufficiently and carefully. He hopes that this Council doesn't do the same thing and he expects this Council not to do the same thing. The Council needs to evaluate that development agreement carefully before making a decision.

Mayor Welch –

- Thursday, September 29th the City will have a ribbon cutting at the four new stores at the shopping center and that will begin at 10 a.m. Everyone is invited to attend the ribbon cutting for the whole complex.

City Committee Reports

CDBG –

- Councilmember Peterson said that he and Councilmember Moyer are on the Community Development Block Grant Ad Hoc Committee and this last week they approved the funding for two multi-purpose fields to be constructed at Lions Park to give our youth a place to play soccer and other types of field events other than baseball. That should be coming forward this year and it is something that has been well requested throughout of the community. Our soccer leagues with BPAL through Chief Diaz and through neighborhood groups the kids are not exceeding somewhere between 100 to 150 children that are into soccer so now we will hopefully have a decent place for them to play soccer.
- Councilmember Moyer said that both he and Councilmember Peterson made it quite clear that they want to fast-track this thing and don't want it to take four or five years to get built and want it done as soon as possible.

Report by City Attorney

- He alerted the Council and Ms. McLean and others in the public that their office is preparing a demand letter to the Vanir applicants. They are going to demand that they comply with the performance guarantees from the purchase and sale agreement and intend to have that letter out by this Friday and all the Council will be copied on that letter and the letter will be made public at that time.

Report by City Manager – None

CONSENT ITEMS

1. Approval of Minutes – Special Meeting – 08/23/16 (*Closed Session*)

Recommendation: That the minutes of the Special Meeting of August 23, 2016 be approved.

2. Approval of Minutes – Regular Meeting – 08/23/16

Recommendation: That the minutes of the Regular Meeting of August 23, 2016 be approved.

3. Approval of Minutes – Special Meeting – 09/13/16 (*Closed Session*)

Recommendation: That the minutes of the Special Meeting of September 13, 2016 be approved.

4. Approval of Minutes – Regular Meeting – 09/13/16

Recommendation: That the minutes of the Regular Meeting of September 13, 2016 be approved.

5. Resolution No. 2016-93 Approving the Tentative Agreement for a Successor Memorandum of Understanding (Deal Points) and the Memorandum of Understanding

Between the City of Banning and the International Brotherhood of Electric Workers General Unit (IBEW General) for the period July 1, 2016 through June 30, 2017.

Recommendation: That Resolution No. 2016-93 be approved.

6. Resolution No. 2016-94 Approving the Tentative Agreement for a Successor Memorandum of Understanding (Deal Points) and the Memorandum of Understanding Between the City of Banning and the International Brotherhood of Electric Workers Utility Unit (IBEW Utility) for the period July 1, 2016 through June 30, 2017.

Recommendation: That Resolution No. 2016-94 be approved.

Mayor Welch opened the item for public comments; there were none.

Motion Moyer/Miller that Consent Items 1 through 6 be approved. Motion carried, all in favor.

Mayor Welch recessed the regular City Council Meeting and called to order a scheduled meeting of the Banning Utility Authority.

BANNING UTILITY AUTHORITY (BUA)

CONSENT ITEM

Councilmember Peterson pulled the item for discussion.

Councilmember Moyer recused himself because of a conflict of interest.

1. That the Banning Utility Authority approve and authorize the execution of the settlement agreement with the Sun Lakes Country Club Homeowners Association to resolve the slow meters/non-registering meters and billing issues within the community.

Interim City Attorney gave the staff report as contained in the agenda packet which involves Council consideration of a settlement agreement with Sun Lakes to resolve the underreporting of certain water meters within the Sun Lakes community. That underreporting occurred from 2012 to approximately 2015 at which point it was discovered. The concern and the reason that this item is on the agenda in the form of a settlement agreement is that it involves the interpretation of Water Rule No. 6 that in certain circumstances allows the City to go back three years to collect the underreporting and in other circumstances it allows the City to only go back three months. Rather than initiate litigation they are recommending that the City Council approve a settlement agreement in the amount of \$113,000 to resolve the dispute. This resolves the matter and all meters are functioning properly. He explained the conflicts under the Political Reform Act and the opinion from the Fair Political Practices Commission.

Councilmember Peterson said that was a great explanation and all he really wanted to do was to pull the item so the public could get an explanation of what it was and just didn't want to approve a consent item and just let it go with too many questions out.

Chairman Welch opened the item for comments from the public.

Jerry Westholder, Banning said to him this is an issue of fairness. He has sat on this Council and has been in these meetings when people in our community have had a problem with their utility bills. Our utility company with its policy shows no mercy no matter how far back they have gone in fact, they were victim of the same problem when the City did not record their electric right. It is a question of fairness to him. The fairness is simply that the Sun Lakes Homeowners Association collected that money from their residents and the money is now a part of the Association coffers. Are the people from Sun Lakes going to get a refund? 50 cents on the dollar for every 50 cents on the dollar that you pay the City because that is fairness. If not, all the money that the Association collected should come into the City and if for nothing else, for the reason that we, in violation of law, still do not have in our utility company a way to discount utility bills to those who are under the poverty level and those who are on a fixed income and that would be a good start to put that money to take care of these people. So it is a question of fairness. It has nothing to do with prejudice; it is a questions of fairness. He thinks that the City would do right by collecting all of it and taking care of the rest of the community as well.

Chairman Welch closed the item for public comment seeing no one else coming forward.

Motion Peterson/Franklin to approve the item.

Roll Call Vote: Boardmember Franklin – yes; Boardmember Miller – abstain; Boardmember Moyer – no vote (recused); Boardmember Peterson – yes; Chairman Welch – abstain. **Motion carried 2-0-2.**

Mayor Welch adjourned the scheduled meeting of the Banning Utility Authority and called to order a joint meeting of the Banning City Council and the Banning Utility Authority.

PUBLIC HEARINGS

1. Discussion and Consideration of approval of the Rancho San Gorgonio Specific Plan that includes the adoption of a Statement of Overriding Considerations, Certification of the Final Environmental Impact Report, Approval of the Water Supply Assessment, adoption of General Plan Amendment No. 13-2503 and Zone Change No. 13-3501, approval of Tentative Tract Map No. 36586, approval of a Development Agreement, and the Annexation of 161 Acres.
(Staff Report – Brian Guillot, Community Development Director

Director Guillot addressed the Council stating that this project will have four parts with others providing information. He will start with a project summary for those that are not familiar with the project, Placeworks the consultant who prepared the EIR will provide the environmental information, Deputy City Manager Clayton wi2ll give a summary of the development agreement and then the applicant will give a presentation on the project. Director Guillot presented the staff report as contained in the agenda packet and also started his power-point presentation in regards to the project (attached Exhibit “D”).

Joanne Hadfield from Placeworks addressed the Council giving the environmental presentation giving a broad overview of the environmental review and the findings -which is very comprehensive. Placeworks was retained by the City almost two years ago to prepare the

environmental impact report for this project. She said that this is a very comprehensive long process and all the documentation is not just Placeworks but a host of both applicant, technical consultants, and peer review consultants retained by their firm to assure that the analysis is objective and accurate and reviewing in depth every document along the way and complying with the very stringent process under the California Environmental Quality Act for the environmental impact report. At this time she started her very detailed power-point presentation (attached Exhibit "E"). She also mentioned that in the agenda packet is a copy of the Finding of Fact, as well as, a Statement of Overriding Considerations outlying the reasons that the City may choose to approve the project in light of the significant impacts. She also provided a quick overview of biological resources issues related to a comment letter that was received subsequent to preparation of the final EIR and consideration of that final EIR by the Planning Commission and basically she is talking about letters submitted by the wildlife agencies, US Fish and Wildlife Service at the federal level and the California Department of Fish and Wildlife and she went over the responses that were provided to those agencies addressing those issues. She said that Placeworks concurs as the CEQA consultant that the MSHCP (Multiple Species Habitat Conservation Plan and DBESP (Determination of Biological Equivalent or Superior Preservation) do not have to be approved prior to approval of the project, prior to certification of the final EIR; that is not a requirement whatsoever. The response to comments that was submitted to the Council tonight there has been a mitigation measure added which she will read into the record to be added to both the final EIR and to the Mitigation Monitoring and Reporting Program. The mitigation measures assures that the conditions of the MSHCP and the DBESP on-going in coordination with these wildlife agencies these will be negotiated and no grading permit can be issued until these issues are resolved. This is the mitigation measure that has been added and is included in the hard-copy response to the wildlife agency. Again, they are requesting that this measure be read and added to the record: "Implementation and completion of the MSHCP consistency/DBESP review process and compliance with any additional avoidance, minimization and mitigation measures required pursuant to that review process when complete shall occur prior to issuance of any grading permit as required by applicable law and the policies and procedures of the MSHCP." So the September 26, 2016 response to the second letter from the wildlife agencies that was received last Friday basically says that this Council does not need to delay approval of the project for this reason for the reasons in the second letter or the first letter and that on-going negotiations will meet these requirements and the new mitigation measure reassures that will occur.

Director Clayton addressed the Council stating that she presented the development agreement earlier in the workshop and will briefly go over what was presented (see attached Exhibit "F"). She said that the development agreement and the original conditions of approval do not include improvements of the library so staff will amend Condition No. 39, page 636 of the agenda packet, to include the size of space shall be at least 2000 square feet and the City will meet and confer with the Library District and proceed with negotiations if we are to expand upon the 2000 square foot dedication which is include in the community center. They will leave as is in Condition 39 the dedication of the 14 computers.

Peter Pitassi, partner with Diversified Pacific of Rancho Cucamonga addressed the Council at this time to present the project and all of the applications that are before the Council. They have been working on this project for over four years and it has been a long journey. He appreciated the comprehensive presentations that were made by staff and by the EIR consultant and the conversation they had earlier at the workshop regarding the development agreement. Mr. Pitassi

said that he will be asking Boyd Martin from Market Profiles to assist him in a portion of the presentation, then Shane Morgan, Principal with David Taussig and Associates to talk about some of the economic benefits. At this time Mr. Pitassi started his very detailed presentation in regards to the project (attached Exhibit "G").

Boyd Martin, Principal with Market Profiles, Inc. addressed the Council stating that they have been in business since 1968 doing highest and best use feasibility studies long-term forecasting product and pricing definition. Their assignment on this particular project was to look at the long-term opportunities for the region and he went over that in detail.

Mr. Pitassi continued his presentation in regards to the Specific Plan giving more detailed information about the project particularly, the retail site at the proposed location.

Shane Morgan, Principal with David Taussig and Associates addressed the Council stating that he was engaged by the developer to prepare a fiscal and economic study on the project. At this time Mr. Morgan went over the Fiscal Impact Analysis.

Mr. Pitassi continued his presentation going over their community outreach and the support that they have received for the proposed project. He said that the Planning Commission back on September 7th unanimously voted to recommend approval on all of the applications that are in front of the Council this evening and looked at this proposal at a very technical level. He said that they are presenting this to the Council on more of a policy level and he thinks the Planning Commission's recommendation is something to be seriously considered. At this time he showed a computer-generated video of what it would be like to drive through Rancho San Geronimo. He concluded the presentation and stated that they will answer any questions from the Council and he expressed their sincere gratitude for the patience that the Council has had in working with the City Manager and his staff on this project.

Mayor Welch opened this item for comments and questions from the City Council Members.

Councilmember Peterson said this has been a long, long process and as a Council Member he will be glad when all of this really goes away but he doesn't think it will go away quickly. He has several things he wants to talk about and has questions in regards to the proposed land use plan regarding density particularly in sections PA-8A, B, C, and D, and the Dysart Park area where 22nd Street runs into Dysart Park where it is proposed to take off 75 feet on the west side of Dysart Park but before he gets into those he wants to go back with the public and remind them of a few things that have gone on in Banning over the last couple of years. He said he wanted to express his dissatisfaction with the City Manager for not scheduling a workshop for this and doesn't understand why they are in here this late and now just beginning on it. The Council has had no workshop on the Specific Plan, the EIR and Ms. Hadfield was great today but she went over a complete EIR in 28 minutes which took him a week to read and there are a lot of questions on the EIR. The Specific Plan that is huge and he has massive questions on every page. Today the Council had a workshop for the development agreement and ironically this workshop was scheduled on the same day as approval. He said he would like to take a historical look at the developers that have come into Banning just during his term on the City Council which has been since December 2012 and those were Highland Fairview, Arthur Pearlman Corporation in partnership with the Frost Company, and Diversified Pacific – Colonies partners and their founder of both companies Mr. Jeffrey Burum. It is a well-known fact that for months former

Council Member Bob Botts and Mr. Peter Pitassi have been inviting local residents to coffees and lunches in an attempt to promote and gather support for the Diversified Pacific Project, Rancho San Gorgonio. The catch was to sign a support letter and leave it on the table leaving and his question to a lot of these supporters who attended these gathers was any of the information that he is about to report every discussed. At this time Councilmember Peterson went into much detail regarding an article that was in the newspaper on September 15, 2011 a little over five years ago when federal agents served search warrants on nine locations with ties to Colonies Partners corruption probe, Jeffrey Burum who is the co-managing partner of Colonies Partners and Diversified Pacific and others that were involved in this wide-spread corruption. Looking ahead five years from 2011 to about two week ago on September 9th prosecutors and defense attorneys are ready to begin trial on San Bernardino County's largest and biggest public corruption case and he gave more details. He hopes this explains the background of the developer that we are dealing with and if his questions come across abruptly it is because we need to protect the interest of the people. On May 16, 2013 Diversified Pacific filed their application with the City of Banning for their Specific Plan which is the reason we are here today. However, before he begins asking questions about the specific plan, the environmental report, and the developer's agreement he would like to ask Mr. Pitassi a few questions and to begin with he would like to know what will happen to this project should Mr. Burum be found guilty and sentenced to prison; will we be left with another abandoned site like Pearlman and Vanir across the street or the Banning Business Center or the O'Donnell Property on the east side of town and what guarantees do the people of this town have that this is not another sham or shell game because as he has pointed out the reputation of the company is something that needs to be questioned.

Mr. Pitassi said that in everything that Councilmember Peterson has stated is public knowledge and he is going to ask Stephen Larson, Jeff Burum's attorney to respond to the comments that Councilmember Peterson made. But before that he wants to do two things: 1) Jeff Burum is a partner of his in Diversified Pacific and he has a number of business entities that he is involved with which includes the Colonies and others; and 2) in Diversified Pacific there are a number of partners and he is one of them. He has been a personal friend of Jeff Burum for over thirty years and they have worked together since the early 1980's either in the same company or working together in a client relationship and he can vouch personally for his integrity and his value to every community that he has participated in creating; his integrity is not questioned. These are ridiculous charges which will be proved.

Stephen Larson addressed the Council stating that he appreciates the opportunity to address this issue and he will direct this comments obviously to the entire Council but Mr. Peterson raised some important issues. One of the things that we learn early on is that you cannot believe everything that you read in the newspaper or the blogs. Sadly, in the course of our history with this country a lot of good people have been slandered, defamed, and liable by things that have been put in the press. We have a free press and that is a great thing and everybody is allowed to express their opinion and we need to protect that but when you are dealing with a person like Mr. Burum who has been accused and they believe falsely and is awaiting trial, you need to be careful and take some degree of care in what is said. He said he will start by touching upon a few of the allegations that have been made by Councilmember Peterson's statements and then he is going to try as best as he can to answer those questions. As indicated the people in the case mentioned have predicted a very long trial and he can't in these few moments go over the entire trial but he hopes he can put into context and allay the concerns that have been raised and that perhaps some of the other people in this room have as well. As mentioned in September 2011 there was an FBI

raid of Mr. Burum's residence and his office and those offices of a number of other people and what needs to be understood is kind of the Paul Harvey rest of that story which he went into in some detail about the allegations and the investigation. He said that this Council have had experience with Diversified Pacific with Mr. Pete Pitassi and other individuals here for the last three to five years that he is aware of and these are men and women of integrity. You cannot change somebody else's slander, you can't change somebody else's libel but you certainly should not rely upon them in making your decision tonight. What they at Diversified Pacific are asking the Council to do is make your decision based on your experience. You asked two questions; what will happen if he is convicted. He said he is as confident as he has ever been on any case that he has had and he has been involved in the legal system for a long time as a federal judge for San Bernardino and Riverside County, as an Assistant U. S. Attorney, as a prosecutor, and spent the last six years as a defense attorney and he has never seen a case more riddled with problems than the collapsing case that is being prosecuted in San Bernardino County against Mr. Burum. He is very confident that they will never get to his question of what will happen. But what will happen, Mr. Pitassi and all the other individuals and the partners that work at Diversified Pacific will do exactly what they have been doing for the three to five years with this Council to work to get this done.

Councilmember Peterson asked if the \$109 million dollars already given as settlement to Diversified and if so, what if there is a conviction and there has to be restitution.

Mr. Larson said to finish in regards to what guarantee do you have and in life there are no guarantees but one he thinks you can take to the bank in this case is that Mr. Pitassi did a pretty impassionate plea a few moments ago about his faith in Jeff Burum. There are 160 other Pete Pitassi's, the investors of Diversified Pacific Opportunity Fund who are supporting this project and each of those people, very accomplished people, all who know and have known Jeff Burum for a long time a number of them are here in the Council Chambers this evening and those folks not only believe in Jeff Burum, they believe in Banning and believe in this project and that is the guarantee that you have. As far as the question in regards to the \$109 million, it is \$102 million dollars for a settlement back in November 2006 to settle some civil litigation that was going on with San Bernardino County Flood Control District. He didn't want to get into the minutiae on that right now but suffice it to say that the Flood Control District settled for \$102 million dollars to the Colonies Partners not Diversified Pacific. This has nothing to do with Colonies Partners, this project here. That settlement was between the Colonies Partners and the San Bernardino County Flood Control District to avoid a potential liability of over \$300 million dollars that the Flood Control District may have had to pay to the Colonies Partners and he gave more details in regards to that settlement and the different series of litigation and they were not induced by corruption; there was no corruption. Sadly Mr. Postmus as you recall was having some serious problems and sometimes when people get bad information or get a wrong idea certain public pronouncements that they make have some bad consequences. He said that he why he is standing up here right now because he wants to make sure that bad information in the past doesn't harm what is an extraordinary opportunity for the City of Banning.

Councilmember Peterson said he thinks that it is important that it be aired. He thinks it was important that these issues were brought out and important that it was explained because it not only himself that you read the newspaper or whatever and you follow certain cases and when this type of dynamics is coming out and again, he laid history with the developers that have come

into the City and he is thinking is this another one. Are you going to be just like everybody else that came in?

Mr. Larson said he respects Councilmember Peterson for raising this issue. He takes issue of course the way it was characterized and he appreciates the opportunity given to explain this and he is happy to meet with Councilmember Peterson and anybody on this Council or anyone that has any concerns to talk about this case.

Councilmember Peterson asked various questions in regards to Planning Areas 8, A, B, C, & D and the zoning of those individual properties which are listed as medium-high density and the City not having median high density and he went over the chart and Table on page 2.2-4 of the Specific Plan commenting on the gross acres and total residential units that will be built on those properties which comes to 1,684 units. Basically we are talking about half of all your homes you want to build are all built along Sunset and Westward closest to the retirement community of Serrano Del Vista and within a stones-throw of Sun Lakes. So will it be left at that or can it be changed or fixed.

Mr. Pitassi said we may want to check the math but it comes to approximately a little over 900 and he is not sure where the 1,684 came from but to answer the question those four planning areas are designated medium-high density residential and have a density range of 12.1 to 18 DU per acre. The maximum is identified in the Specific Plan and those are the maximum numbers that are allocated to each of those Planning Areas and there is a variety of different product types or housing types that can be built within each of those Planning Areas.

Councilmember Peterson said that in talking to Brian Guillot that MHDR (Medium-High Density Residential) is your designation and as far as the City's designation that would be Very-High Density he believes.

Mr. Pitassi said that these designations in the Specific Plan are unique to this Specific Plan which is what a specific plan is for. So it defines what these designations are and the terminology used for them but more importantly it describes the product type and density ranges that are allowed. The Specific Plan evaluates the maximum number of units that could be built. It is quite common that when a project is proposed for any one of these planning areas the number may be less and could be significantly less depending on what the market is telling us at that time. He gave more information on when these phases might come to fruition and the placement of those and why they have been located in these Planning Areas.

Councilmember Peterson would those be where your clustered homes would be. Mr. Pitassi said it could be and if you go to Table 4-1 on page 4-9, that table indicates the type of housing that could be built within particular density ranges and he went over those types of housing products which is defined within the Specific Plan. That can be changed in the future and there is a mechanism in the Specific Plan that allows it to be amended at some point if both parties believe that it is in their best interest. But that is what the Specific Plan anticipates at this point in time.

Councilmember Peterson said you changed the City's zoning that the Council did in July 2013. So in July 2013 the APNs that are in this area that you used were all very-high density residential 19 to 24 units so you are saying that under what we changed from 19 to 24 units you are going to knock down to 18 and you won't keep the 20 units per acre. Mr. Pitassi said that is correct.

Councilmember Peterson asked if he could come back later and ask to change it. Mr. Pitassi said as he mentioned before a Specific Plan can be amended by either party with a concession of both parties.

Councilmember Peterson said in regards to affordable housing a lot of people think that affordable housing is based on a dollar figure and he read from the U. S. Department of Housing and Urban Development: "As defined, Affordable Housing is no more than 30% of a household's income. That means you shouldn't be paying more than 30% of your income for housing whether mortgage payments or rent plus utilities each month. People think Affordable Housing means just one thing but it doesn't. The levels of affordability are based on an area's median incomes and the area-wide median income for Riverside County based on 2013 figures is \$65,000. Looking at Banning and what we have here our median income is right at about \$38,919 per year. With that a person would be able to afford \$838 in rent and \$140,000 for a home and that is based on 5% down, 4% interest, and 1.25% taxes and insurance. So affordable housing may include subsidized housing projects such as multi-family apartments, cluster housing or single-family housing or homes built and leased through private programs. HUD has a Housing Choice Voucher Program known as Section 8 for the elderly and disabled people, very low income families, and homeless or otherwise eligible veterans." So where these homes are coming into RSG what is considered affordable housing in this project. Are you going to have homes in there that the people of this area based on a median income of \$38,000 a year or homes that could be priced at \$140,000 or less, will there be anything in there to that.

Mr. Pitassi said first of all they have never proposed any affordable housing under the definitions that he just read. That has never been proposed on this property or on RSG or on any of the documents that they have ever produced.

Councilmember Peterson said he doesn't know where it can from but he has heard it said by the Mayor and Councilmember Franklin that we need more affordable housing and he thinks that it has been implied that this project was going to bring affordable housing to the table.

Mr. Pitassi said he was glad it was brought up and they can address it and the addressing of it is as follows: They have never proposed any kind of subsidized affordable housing as described. This is market rate housing. They want to make sure they raise the bar in Banning and create housing that is certainly achievable by families but meets the market rate which raises the property values of not only RSG but the surrounding areas as well.

Mayor Welch said that he has used the term "affordable housing" but it was only in comparison to Section 8 Housing. Section 8 Housing has never been proposed for this project ever but a lot of people hook them together for their own purpose of definition. The affordable housing is market-driven price.

Councilmember Peterson referred to page 2.3-2 in the Specific Plan where it states, "The City of Banning which owns Dysart Park will need to provide approximately 76 feet of right-of-way from the west side of Dysart Park to complete the proposed improvements on the east side of Rancho San Gorgonio Parkway in this area." Are you wanting to snip off 75 feet of Dysart?

Mr. Pitassi said that currently there are improvements in Dysart that actually encroach into their property. They have done aerial surveys of the site and there are improvements at Dysart that do encroach into their side and it is a fact that when RSG Parkway is ultimately developed improvements will have to occur on both sides of that street. They propose to reduce the parkway on the east side of RSG Parkway to reduce the impact on that side of the park. The Planning Commission imposed a condition on the project that stated that they wanted to see that additional 16 feet of parkway included on the east side of RSG Parkway and they agreed to that condition that was imposed by the Planning Commission.

Councilmember Peterson said he doesn't think that was ever discussed and he was at both Planning Commission meetings and there was never anything discussed about taking 75 feet or 76 feet of Dysart Park.

Mr. Pitassi said that that they did discuss the improvement on RSG Parkway and ultimately made the motion to include that condition on the Tract Map but in order to do the improvements on RSG Parkway and to correct the access issues at Dysart Park they had done some studies that were far more detailed than what they would normally do or anyone would do at the Specific Plan level to look at how that improvement would work providing access to the lower pad from RSG Parkway, providing access to the upper pad from Victory as well as how the pad would relate to the elevation of the street and the elevation of the street as it relates to the improvements on the east side of 22nd. All that study has been done and additional right-of-way is needed to put the improvements in and the improvements would be paid by them.

Councilmember Peterson said he thinks that this needs to be looked at a little bit more because this is the first time he has heard of it.

Councilmember Franklin said in going back to something Councilmember Peterson said in regards to what kind of housing that we needed she has fought here and fought with Sacramento that we need housing that is better than some of the housing that we here now. That has been the issue all along with the RHNA numbers and that is why she has spoken to the State about it. We need housing that is market rate at today's rates and we don't have that. She has never made a comment about this kind of housing being affordable housing in terms of Section 8 or low income housing. As was shown on the chart when you have this kind of housing come into a neighborhood or into a community, it raises the bar for everybody and that is what we need here. She said in full disclosure she has only heard one presentation and has been at meetings where Mr. Pitassi has spoken about the development and have been in social gatherings where they have both been present because of the kind of event that it is. She said the Council was given the Specific Plan in July to be able to read it in advance and also given the Draft EIR months ago. She said that she has spent hours with staff and even tonight she has three pages of questions and has spent hours in the last couple of days asking questions but rather than go through all three pages there were some she wanted to bring forward tonight and one was already asked in regards to low density versus medium-high density but she wanted to know what triggers the creation of the HOA because there are a lot of things involved in doing that.

Mr. Pitassi said that they have a master track map that divides the property into the 44 Planning Areas and that track map will be recorded in 6 parts to coincide with the phases of the project. As a condition of approval they have to create CC&R's, create by-laws for a Master HOA and

incorporate that Master HOA and have them approved by the Bureau of Real Estate at the State level with budgets and so forth. All of that needs to be done before the first map can record.

Councilmember Franklin said it was brought during the workshop but for the audience that is here now the question came up as to whether or not the fire department could be created earlier than the phase that it is. She asked him to summarize very briefly why it is being built in Phase 4 as opposed to earlier and also asked if RSG was giving us the land for the fire station.

Mr. Pitassi said the timing of the fire station was dictated by the fire department. He said that they did not suggest a timing nor did the City staff to his knowledge. The fire department issued a letter and said based on their evaluation of RSG and their levels of response and response times and positioning of stations, etc. they suggested and basically conditioned to have the fire station completed by the 1500th dwelling unit. The 1350th unit that is identified in the conditions of approval is based upon the time it would take to build a station so it is assuming a certain absorption and the idea would be to have the funding in place and that the City would be able to provide all the design completed and ready to start construction by that 1350th unit with having it completed and on-line and operational by the 1500th unit. In regards to the land they are dedicating the land for the fire station and they are paying their development impact fees of \$1,335 dollars per unit up to and through the completion of the project. The City is committed to building the fire station with the funding that is provided through the development impact fees.

Councilmember Franklin asked if he could talk a little bit about how the size of the community center was determined.

Mr. Pitassi said the size is identified as 12,000 square feet. Community centers for a park of that size are usually somewhere in the order of 8,000 to 10,000 square feet usually on the lower end. Normally a community center would be programmed with multi-purpose rooms, staff areas, storage, restrooms, and things of that type. The idea for a community center is to provide flexible space that can be programmed by staff and utilized for a variety of activities whether they be recreational activities, community gathering activities. They evaluated what they believe would be in the best interest of RSG and have committed to a 12,000 square foot community center.

Councilmember Franklin addressed staff stating that the report references the 2010 Urban Water Management Plan and she wants to know if the 2015 Urban Water Management Plan has been approved.

Director Vela said the 2015 Urban Water Management Plan was submitted to the State but it has not been formally approved. The City has not received comments back from the State. When the 2010 Urban Water Management Plan was submitted it took the State almost 8 months to get back to the City so he doesn't expect to hear back anytime soon. He said that when the WSA for this project was developed it references the 2010 Urban Water Management Plan although during the development of the 2015 Urban Water Management Plan staff incorporated the demand factors for this project so actually the City's plan is current and reflects the proposed demands for this project.

Councilmember Franklin said in regards to the conditions of approval it was stated that none of this is going to be gated and will just have monuments.

Mr. Pitassi said what he stated was that the major public streets into the facility are public streets and not gated. Individually planning areas could be gated communities, that's possible but all of the streets shown on the Specific Plan and on the diagram are public streets so access through the community is open to the public, access to the parks, the paseos and the trails are open to the public.

Councilmember Franklin said that she wanted to make sure and that it is on the record for the planning that the Community Services Director also be included in the areas of planning the parks and that would be Condition No. 58 on page 691.

City Manager said that they can fix that and she is also known as the Park and Recreation Director and it will be clarified.

Councilmember Franklin asked if part of their zoning includes community gardens because she knows that in the city of Banning we don't have those zoned.

Mr. Pitassi said that they have actually proposed community gardens in the neighborhood park for example. That could be a component of any of the parks to designate an area for a community garden. Is it allowed use with the Specific Plan; it certainly could be.

Councilmember Franklin said that in regards to Condition No. 86 on page 697 where it talks about drainage and she wanted to know if something could be said or determined later to make sure that there is no cross-drainage across the individual lots. That was a problem in the Fair Oaks development and she wanted to make sure that there were no issues there.

Mr. Pitassi said that condition is looking at a more global review of the overall phasing of the site but on an individual lot basis it would not be their intent to have cross lot drainage and don't anticipate that occurring but that would be a function of individual tract maps that would be reviewed by City staff. The idea here with Condition No. 86 is that each of those phases would be independent and be able to function as they come on line.

Councilmember Franklin said that on page 699 Condition No. 98 f) talks about replacing plants and if it could be included in that condition that if plants are damaged or destroyed that they would be replaced within a specific time frame. For instance, within 30 days plants would be replaced.

Mr. Pitassi said that they are obligated to maintain any landscape areas that they build that would ultimately be dedicated to the City for 180 days so they are obligated to maintain them and to replace plant material that may not survive and they can certainly put a time in there.

Councilmember Franklin said in talking about the different improvements do they occur at the beginning of the phases or at the end of the phases.

Mr. Pitassi said it depends on what improvements we are talking about. In the Conditions of Approval on the map and on the Specific Plan it does talk about the timing of when improvements come on-line and in the normal sequence of construction there are a lot of things that are occurring simultaneously and must be in place and functional before a house can be occupied. There are others that occur over time as houses are built so it just depends on what the

improvements are but the specific timing, if it is critical, is described in the Conditions of Approval.

Councilmember Franklin said when we talk about CFD's they only apply to the new homes that are coming in. Mr. Pitassi said that is correct.

Mayor Welch said one of the concerns that he has had voiced several times in Phase 4 is the placement of the commercial property. How flexible are we as time moves on because Phase 4 is down the line a ways, how flexible are we if there is a different place in the plan that ends up being more suitable, how flexible are we in being able to move that.

Mr. Pitassi said it would require an amendment to the Specific Plan if it were to occur at a later point in time. Again, the location of the retail center is really driven by its opportunity for success. They want it to be successful and the City wants it to be successful so taking a retail center and placing it in a way that doesn't allow those retailers to have that visibility will condemn it to failure and would not come to fruition. They believe this location offers those opportunity for success and that has been verified by the individuals and the companies that they have talked to that are in this business and understand what it takes to make it successful. From their perspective this is the best location not only for RSG but for the community as a whole. They understand that concerns have been raised however, when looking at the larger picture and looking at Westward Avenue as a collector and looking at its location relative to the college campus and the connection of Sun Lakes Blvd. this is the location that will allow it to be successful.

Mayor Welch said he understands all of that but his question is how flexible are we in relation to the plan even with all the research that can change somewhere down the line because this is not an immediate part of the project.

Mr. Pitassi said that they are obviously willing to listen to conversation in the future if there is a better location that can be identified they are willing to listen but it would require a Specific Plan Amendment at that point in time and there is flexibility.

Councilmember Moyer said that many of the things that he had written down have been asked already but he asked this in the work session and one of the biggest concerns is recycled water and so forth. As he understands it, if our treatment plant hasn't been improved enough to handle the sewage and the recycling of water by the time this project overloads the plant, your company will build a satellite plant to handle it and create your own recycled water and is that correct.

Mr. Pitassi said that is an option available to them, yes.

Councilmember Moyer said at this point in time we don't have a trigger like the fire station that triggers 1350 units but we don't have a trigger on what that would be to actually have the plant built by the developer; is that correct.

Mr. Pitassi said that the expanding of the existing wastewater treatment plant is the City's responsibility and not theirs. The timing of it is really addressed in the development agreement and the City has stated their commitment to get that done as soon as they can.

Deputy City Manager Clayton added that the Focus Study that is going to be completed will be finalized before the building of the first house which would identify when it should be needed to go on-line.

Director Guillot said the Housing Element is certified by the State and won't need to be addressed until the next cycle which give us about four years so we are hopefully going to meet some of the RHNA numbers and so we are in very good shape in that respect.

Councilmember Moyer said that the young lady brought up the fact that the recent letter we got asked us to relook at the Burrowing Owl and the LA Pocket Mouse and is there any real need, now that it has been addressed with this response, is there any real need to delay accepting the EIR now.

Mr. Pitassi said that your consultant has indicated no and they certainly agree and their legal counsel and the City Attorney agreed as well that there is no reason to delay.

Councilmember Moyer said that we have made three finding designations to the EIR and Finding 3 is stuff that basically we don't think we can do much about and can't really mitigate; it is out of our control. For example, he knows that the Caltrans things are out of our control and that was a Finding 3 and is that correct.

Mr. Pitassi said that the reason that is considered an issue of Overriding Consideration is because the City doesn't issue encroachment permits on Caltrans right-of-way.

Councilmember Moyer said he knows that and his question is that there were a number of mitigating suggestions on a number of those items. Do we still go forward with those mitigations or do we simply say those are not good enough and we are not going to do it.

Ms. Hadfield said that the Environmental Quality Act does mandate that the City implement any feasible mitigation. So if it does reduce the impact, you are mandated to implement it whether or not it reduces it to less than significant.

Councilmember Moyer said if he is reading this right, you are saying that in Phase 1 you are going to do 49.2 acres and you are going to put 239 units in and that comes to about an average of 8900 square feet per lot. It doesn't sound right to him.

Mr. Pitassi said lot size is dictated by the planning area and so lot sizes are identified within each of those areas. The total number of acreage includes streets so that math really can't be applied in that way because there are portions of Phase 1 that are dedicated to public streets so the lot size is really identified by the identification for each of those planning areas.

Councilmember Miller thanked Mr. Pitassi for a very complete program which showed the Council a deal about this program. He said that since the community center will be on park land it will be available for everyone in the city and is that correct. Mr. Pitassi said that was correct. Councilmember Miller said but yet its maintenance will have to be paid for by the HOA's of that community.

Mr. Pitassi said no. The maintenance of the facility will be by the City because it is part of the public park and the CFD will provide a mechanism for revenue stream to provide the maintenance for the facility.

Councilmember Miller said so basically you are asking the Council to approve a community building that you will build and then we will take it over and maintain it. Mr. Pitassi said that is correct.

Councilmember Miller asked who in the City approved a community center in that park as a concept.

Mr. Pitassi said it was reviewed with City staff at the Planning level, with Heidi Meraz at Community Services level, with all of the other individuals within the City staff family that has reviewed the proposal but ultimately the approval is the Council's.

Councilmember Miller asked Mr. Pitassi if he was going to be the builder of all of the various houses or will there be subcontractors or different builders.

Mr. Pitassi said no and they have said from the beginning that they are the master developer of the community and they may build some planning areas and most likely will as a home builder. They will also sell some planning areas to other home builders such as publically traded companies like Lennar and Standard Pacific and KB and others that buy planning areas from master planned communities to build housing; that will happen.

Councilmember Miller asked who builds the infrastructure. Mr. Pitassi said they do.

Councilmember Miller asked Mr. Pitassi when Rancho San Gorgonio Parkway will be completed.

Mr. Pitassi said that in Phase 1, RSG Parkway will be completed to the south end of Confluence Park and in Phase 2, it will be completed all the way to the intersection of 22nd Street and Westward.

Councilmember Miller said in the development agreement he sees that there is a Completion Bond and he asked Mr. Pitassi to explain that further.

Mr. Pitassi said that any improvements have to be bonded by the developer. They post bonds that give the City the security to complete the improvements if they are not completed by them for any reason. They put those bonds up and pay for that cost and once the improvements are completed the bonds are released. That is typical of any public improvement under California Public Contract law. They would bond the improvements on a phase by phase basis as they are required to put them in by the conditions.

Councilmember Miller said that was a very nice analysis of why you have different types of houses under market conditions but again, as you said this is a 30-year project and how do you really expect to be sure in the very least what housing requirements will be asked for in 30 years. Again, you are talking about Phase 6 being constructed, high density, and why in 30 years do you think that would be the one that is needed.

Mr. Pitassi said that Boyd Martin addressed that and he can ask him to address the issue again but in terms of what the market would demand 30 years from now it is difficult to predict with accuracy what that would be but we can apply historical trends and look at market trends and that is really what Boyd's company does so they believe they have evaluated correctly.

Mr. Martin said generally when you are planning for 20 to 30 years out you are looking at density allocations and units per acre and what happens inside that in the design or the type of unit changes. The densities don't change quite as radically if you look at the buildout of other cities and the densities the sizes of lots remains similar in an evolutionary way but the size of the home on that lot or the density of it 12 to the acre some homes are thousands and some are 1500 and some homes are 2000 so you try to plan for density use.

Councilmember Miller said on page 2.2-3 you have the various types of houses and in your designation of very low density, low density, medium density and medium-high density and there are different percentages of those dwellings but he was wondering if you have an estimate as to what the cost of each of that type of house would be.

Mr. Pitassi said that they haven't projected any sales prices at this point in time. It is to be evaluated when the timing is determined that the housing really comes on-line and what the market conditions are at that time.

Councilmember Miller said he noticed that you have a 45 foot height on some houses and is that a three-story house or is that just because of the grading in that property.

Mr. Pitassi said the allowable height is dictated by the development standards in the Specific Plan. For example on all the charts that he is looking at in Section 4 of the Specific Plan the allowable height is 35 feet and that is the maximal allowable height and that is consistent with building code.

Councilmember Miller said that somewhere it was mentioned multi-family dwellings and what are those because he doesn't see any pictures of those in the plan.

Mr. Pitassi said that multi-family dwelling is kind of a generic term for effectively attached housing. It could be in a variety of housing types such duplex, townhome, cluster homes, stacked-flats those are all considered multi-family housing. That means multi units in one building versus a single-family detached structure.

Mayor Welch said that the maximum time limit on our City Council meetings is 10:00 p.m. and he would entertain a motion from the Council that we continue beyond 10:00 p.m. to a reasonable conclusion of this subject tonight.

Motion Franklin to continue the meeting on this subject. Second by Councilmember Moyer.

Councilmember Miller made an amendment to that motion. He thinks that we are going to have a lot of public comments and he still has an hour's worth of questions so he would suggest that we extend the meeting for public comment and that the Council continue their

discussion at the next meeting. This is a \$1 billion dollar project or more and he doesn't believe that he should make a decision instantly on something so expensive. If he is going to buy a house, he wouldn't do it in three hours. If he is going to buy 3000 houses for the City of Banning, he is not going to do that in three hours and he believes that the rest of the Council should also agree with that. Councilmember Peterson seconded Councilmember Miller's motion.

Mayor Welch said the motion is that the Council continue to hear public comment this evening and then continue the meeting at a later date.

Motion failed 3/2 with Councilmembers Franklin, Moyer and Mayor Welch voting no.

Mayor Welch said that there was a motion on the floor with a second to continue the meeting so we can take all of the public comments and then conclude our business on this issue this evening.

Motion passed 4/1 to continue this item with Councilmember Miller voting no.

City Attorney said for clarity he believes that the motion that was voted on and approved was to take public comment and then to allow the hearing to continue this evening.

Meeting recessed at 10:01 p.m. and reconvened at 10:13 p.m.

Councilmember Moyer said in the study session that was held the issue with the library came up and he knows that they felt that they had a commitment of about 4500 square feet and evidently that has been a problem because he understands that we are talking maybe 2000 square feet and he certainly would like to see the library get the 4500 square feet if it is possible. He doesn't know why it hasn't been addressed already but he would like to see this done.

Mayor Welch opened the public hearing on this item for comments from the public however they are going to change the time rules because of the time and allow three minutes per speaker. There was a bit of Council discussion on the time allowable for the public to address the Council.

Motion Moyer/Franklin that the public be given three minutes to address the Council on this item. Motion carried 4/1 in favor of the motion with Councilmember Miller voting no.

Henry De Roule, 3424 W. Nicolet Street said he is in total and complete favor of this project. He has lived in Banning since 2004 and he has seen projects come, be approved and disappear. He doesn't want this one to suffer the same fate. We need the rooftops badly in this city.

Bob Rochelle addressed the Council stating that he bought a new home in Banning in 2004 and he wouldn't be here without a new home in Banning. He actually moved from the Bench. Yogi Berra once said one of the best things I hate is public speaking and that kind of applies to him also. He stated that he is a real estate broker and has subdivided quite a few properties and has been through environmental impact reports and these kind of things and he has read the EIR and the Specific Plan at the library and this is a great project for the people for a bigger and better Banning. He approves of the RSG project for Banning citizens and the business community.

Suzanna Duncan, 47180 Woodcliff Drive stated that she approves this project and the remainder of her comments are going to be specifically directed to Mr. Peterson. She said that she is not a vocal person but based on some of the comments he has made she feels the need to make some statements to him. She needs to state that he made some very defamatory comments under the guise of concern and she is so grateful that the Council was here to clarify those statements. There is always two sides to every story so she is grateful that both sides were able to be heard. He also made a comment that the developer and Mr. Bob Botts had been conducting coffees and there is nothing really wrong with that. If you want approval, then you seek for approval. You are up for re-election and she is sure that he is going to have coffees and so does that mean that she should assume that he is paying them for their vote; she hopes not. Another statement was made about your City Manager that you were disappointed that he did not conduct a workshop. She said she used to work for the City of San Bernardino and does your City Manager have carte blanche as to how he chooses to use your City funds. In working with the City of San Bernardino if the City Councilmembers wanted a workshop, they requested that workshop so she felt that his comments were extremely negative and felt the need to address that.

Councilmember Peterson said he really didn't mind her comments but they would mean a lot more if she was a resident of Banning and could vote in the City and the project doesn't impact her either.

Victoria Hatch, Trustee of the Banning Library District addressed the Council stated that she would like to encourage and the dedication of space in the community center for a library branch. It is critical to any community and she would just urge that.

Andrew Jarred, General Counsel for the Banning Library District said he wanted to clarify one point and he is glad there is vocal support for the library district receiving dedicated space. Ms. Clayton mentioned that they had come to an agreement and in fact they had and he spoke with the City Manager immediately before this meeting and they did have an opportunity to speak since the 3 p.m. meeting. Unfortunately it got glossed over in the immense amount of information that Ms. Clayton had to provide and believes that is what happened between the parties. He read into the record the way that they would like to hear Condition No. 39 and what he thought they agreed to which was as he put in his email at of September 26th at 5:52 p.m. that: "Condition No. 39. The developer shall provide dedicated space in the community center for the exclusive use and occupancy by the Banning Library District. The size of the space shall be no less than 2000 square feet and the design of the space shall be approved by the City Manager and the Banning Library District at the time of the submittal of construction documents by the developer. The design of the space shall include access and egress directly into the District space and shall incorporate restrooms for Library District use within the District space. A joint use agreement between the City of Banning and the Banning Library District shall be negotiated and approved by the respective agencies to address issues of utility costs, interior maintenance and access and parking. Upon occupancy of the community center the developer shall provide desks with computers for 14 stations." There was reference made to a meet and confer and he thinks that doesn't need to be made into the condition but instead can be an understanding that between now and the next meeting their office and admin will discuss this and if there are any additional issues that need to be addressed they can address them in perhaps a side letter or something of that nature. He said that they have put on the record how they believe the tax structure alone that the District assesses is not to be used for the construction of a new improvement such as this. That the impact of adding 9,000 additional residents is in of itself what the District is entitled to

for 4500 square feet but for dedicated space and certainty of that in the future the District will entertain a lesser amount. He must say however that this 2000 square foot is an agreement that he has made and he needs to go back to the Board in a special meeting and so that is where the meet and confer and “not less than” aspect comes in.

Ron Duncan, 47180 Woodcliff Dr., Banning stated that his address is a Banning address and he pays taxes in Banning and all of his property taxes come to Banning and all these school bond acts and everything else come here and for Mr. Peterson to tell his wife that she cannot speak as a resident of Banning is really ridiculous.

Councilmember Peterson said he didn't say that. He said that she doesn't vote here and neither does he. And you don't vote for the government.

Mr. Duncan said he does vote here for the school and their opinion does matter. He owns two businesses within the city of Banning and he knows that those businesses will directly be impacted by this project and he knows that it is a good project. He has followed it from the very beginning and has sat in more of these presentations than he even wants to count. He is kind of confused at the fact that you say that you don't know anything about it Mr. Miller when in reality this has been going on for several years; you can't say you don't anything about it. The details have been out there. He is in direct support of it and it will be good for the school district, the City, the businesses and it is a good growth opportunity and certainly is going to clean up the area back there and there will be beautiful homes, parks, and all kinds of things and all the amenities that a city wants to have. He appreciates the fact that the Council labors over this and that you are passionate about it. He appreciated the fact that the Planning Commission was that passionate about it and that they asked some very pointed questions and made some changes. He thinks that during the course of this project that changes are going to be made and maybe they will work to the betterment of the city. The Mayor asked if there was the possibly of moving that center and Mr. Pitassi didn't say no so there is always that possibility. He urged the Council to all vote yes on this because it is a good project.

Councilmember Miller said of course he knows everything about this project that has been submitted. We have had a lot of new information today and that is why he objects in making a vote today.

Roger Schultz, Superintendent/President of Mt. San Jacinto Community College District said they are the fastest growing community college in the state of California and they are excited about expanding their presence here in Banning to address the growth of this community and this region. They have recently embarked on the design and building by awarding the architecture contract to their campus that is adjacent to this project. The college's Board, as you are aware, has supported this project with a formal resolution in support. There is truly is a unique synergy between this project and the college's expansion in the city and the region. An abundance of great reasons exist for this project to move forward but the bottom line is that this is smart, well-planned growth that is good for Banning, its residents and the region. The college is a proud supporter of this model project.

Jan Spann addressed the Council stating that she lives as far up Mountain as you can possibly go until you get to Pardee land and she really hopes the Council has vetted them as you have done with this nice gentleman. She has also been the Clerk of the Board of the Banning Unified School

District for the past three years. They did exactly what the Planning Commission did and voted 5/0 to support this development. We don't need tract homes popping up here and there with no amenities. There isn't a park within miles of her house and they don't have a fire department. They have one street in and out. You need a planned community that gives Banning a different look. You need to have something that draws people to our city. A planned community with all the amenities that the rest of the city can use is exactly what you need. She understands "not in my back yard" but she has been here 19 years and Pardee still hasn't built but the idea of what it will do for the entire community; that can't be overlooked. She urged the Council to vote for this development like the school district and the Planning Commission did.

William Lamb, April Lane brought up a couple of points. First, he supports the fact that Councilmember Peterson brought up some hard questions and people giving him a hard time about it is unfair and it is only right that somebody bring up some hard questions. As an equestrian owner they haven't had anybody talk to them about the equestrian side of the southern part of the town. He moved here 26 years ago because he wanted to bring his family out here and because he wanted to be a horse owner. He has lived in two different properties and the one he currently lives on is April Lane and if you look where Dysart Park is directly above it and go to Westward and then go east his house is directly north of the Rancho San Gorgonio project. All that area there and above Dysart and obviously to the east of San Gorgonio is all primarily equestrian and some of this project didn't incorporate some of that equestrian property. Most of it is going to be medium density and senior housing and they really have no neighborhood affect where they would have more equestrian incorporated into that and he really laments that. However, with that being said obviously the Council is going to approve the project but it is just a shame that we are not going to embrace just a little bit of the equestrian part of our town. He did just speak to Mr. Pitassi because the trails that are designed to come in there kind of bypass their equestrian area. That area directly above Dysart right where he is at they really have no way of accessing it because he would have to take his horse straight up April Lane, fight traffic down Westward, and then continue over to Dysart or then swing around all the way over to 8th Street so it makes it difficult for him to get on his horse and get over to those trails so he did say he would be open to some flexibility and maybe see if there could be some access points. One of them would be 12th Street because obviously his street is a cul-de-sac so he can't go down to the end of the street but 12th Street is actually open where you can create some kind of an access to get down to the trails and he hopes that happens and he is going to try to arrange a meeting a do that. So please don't lose sight of the fact that there is equestrian neighborhoods around there and keep them in line and hopefully they won't get pushed out.

Ingle Schuler, resident said in regards to Bill Lamb's report on the equestrian facilities the trails that are in the project do not connect to the trails that were originally established in the region. If Westward is going to be with curbs, gutters and sidewalks no horseman can ride on that kind of a trail without getting injured so please don't put all that stuff on Westward because we are also residents there. We didn't have any coffees, did not meet with anybody and were pretty much ignored. She has a problem with the Montgomery Creek that it is going to be incased in culverts; that is a corridor for wildlife. They are not going to crawl through a culvert and if that doesn't really provide for the access of the water, for instance, from Don Smith's property to go south, it will back up there and it will be interesting and expensive. The perimeter walls that Mr. Pitassi was talking about one of those perimeter walls is actually across 210 feet of her back property that separates her from the project. The grading that they do below that will be about 20 feet so the 6 foot wall and the 20 feet below are going to be a block structure retaining wall

she supposes for the 20 feet. She insists that those are going to be 18 by 16 block builders and they should be grouted and have should have rebar every two feet vertically and every 4 feet horizontally because that is what she had to do in her stable when she built it. The cluster homes that Mr. Pitassi was referring to were not shown and they are interesting. The apartments or living quarter is above the garage. Also she still has a problem with the water issue. The tertiary treatment plant for recycled water according to the July 22, 2016 report from the California Regional Water Quality Control Board there is no plan for recycled water for the City of Banning. Water tank location and capacity to serve 9000 people was not specified in the environmental impact report.

Sue West, west Barbour St. said that she moved here 30 years ago specifically for the half acre land that she owns. This property development looks very good on paper except it does limit the stagecoach today things. You used to have land open where they could think of planning in the future for other equestrian homes but this is going to develop it and it is going to leave their little community all by itself and as soon as the seniors move in they is going to be complaints so this is going to kill rural in Banning but it is nice. They also said that 3000 or maybe 6000 people are going to be living in those 3000 homes and didn't the Council just okay another 3000 homes on Highland and Wilson so that is another 3000 homes being built in the same time frame. It is also said it is going to bring in 3000 jobs and 6000 people are going to be looking for those 3000 jobs. The kids at the high school are going to be crowded but the middle school is pretty full and so you are talking about taking on a lot of extra money for some money coming in but is it the same. Your development fees are going to be eaten up by paying for the parks. The water fees that you are going to get are going to be eaten by having to build new facilities to provide for the water. She said she doesn't water her lawn. These people have beautiful green grass here and there is green grass there and there are parks that are all green and she didn't see any desert plantings there and beautiful trees and all of that takes water; we don't have water. So if you think about what you need, it is a beautiful development but it needs to be put through better questions. We can't afford all those parks either and they will end up brown. Lastly is the wall. They are going to build a 6-foot wall around all that community so does that mean that Dysart Park has a 6 foot wall around the whole thing expect for the entrance. She doesn't want to have to walk down Westward and see this 6-foot wall.

Jerry Westholder, Banning said last time he listened to a real estate presentation that long he got a free buffet. He said he is not anti-growth and this development doesn't look that bad but it needs to be modified. Number one, we have the highest utility rates in the state and who in the world is going to want to come and live in Banning. We got a 30% water reduction mandated from the state and where are we going to get the water for this development. You are looking at a congestion problem with traffic. We are like an hourglass here. It is going to mess up in the middle and funnel right through here and how are you going to deal with all of this traffic; what is the guarantee. His problem is not so much with the developer but with a majority of this City Council. A while back the Council voted to go by 10,000 square feet on Wilson and Sunset down to 7,000 square feet. You did a project with Coyne and we lost money on that and we lost money across the street. What guarantee do we have that we have people sitting in Council that are going to make to make sure that there is follow through on this. Those are his concerns. He does like the fact that you are concerned about at least building Highland Springs Blvd. all the way over to Sunset and you have to look at what they said in CEQA it would be better off if we had a 20% reduction in this and he thinks it needs to be looked at. He agrees with Mr. Miller in that he

doesn't think it is right that we got one meeting and you have to make a decision. He thinks that this decision was made ahead of time and he thinks that this meeting is a railroad.

Yvonne De Roule, Banning said that she has lived here and has been to many meetings throughout the years with some good and some bad, some promise and you get nothing or they overdo it. She has sat here all this time and she has been to other meetings here and wondered why after the time you have had to work on this why Mr. Miller has two hours of questions; don't you talk together. For the questions that have already been answered and then to have two hours of questions that haven't been answered; what have you been doing all of this time. All of you have had paperwork.

Amy Pippenger said in that tentative tract map it appears that you are taking 76 feet by 643 feet of Dysart Park with equals 1.1 acre. It also says there is a temporary easement for grading purposes so while they are doing their grading they are going to take another portion of the park and with Stagecoach Days that could be a problem. Also you all know that there is a hill there so are they going to cut that hill and grade it back so that we lose more than the 76 feet or how is that going to be designed. The other issue is that it looks like, per the map, that the east side Lovell, will also be taken. Some of these things have recently been brought up and she has been at a lot of these meetings and there are some new things coming out in the last week that they were not aware of before so she thinks that is the reason why they all have so many questions. She said she had some questions and maybe they could be answered later. They said the grocery store needed to be where it was because of the Westward location and from everything she has heard from the residents of Banning they need a grocery store closer to the east side so wouldn't San Gorgonio make more sense. Also they have had bikes and horses on trails. We need to talk to Bogart Park and see how well that is working with the bikes and the horses on those trails but as you know and it has been brought up we can't access those trails anyway with the horses because there is no entry points. The lady with the EIR report it sounded like the current plan allowing 1800 homes is the way it would benefit the citizens but in her opinion, the way it was presented knocked the developer. In regards to the TUMF fees there was something about keeping 100% of the credit agreement and she has a question on that because when she worked for the City of Beaumont back in 2004 it seems that was presented and we all know the City of Beaumont was sued for \$43 or \$48 million dollars in those TUMF fees so she needs that clarified.

Wendell Bainter, 780 Pine Valley Road said they have owned their home there for 20 years and have lived there for 14 years now. The project as he has seen it and heard about it in attending some of the coffees and as a Rotarian there was a presentation and has heard all of the pros and cons and to him the project needs to go ahead and hopefully the Council will be unanimous on this. He thinks the positives outweigh the negatives. He said at one point he was a Parks Commissioner here in Banning and what he sees on this map is tremendous for Parks and have been lacking in good park space and will be a big benefit. He is also a former Trustee in the Banning Unified School and as a retired educator he can say that this is only going to help the school district in more ways than you can imagine. The high school as it is right now is totally underpopulated and to be a very viable, strong high school you need at least 1500 students and it is better to have 2000. It is struggling right now and this is only going to help. He has been very impressed with the presentation tonight by the RSG people and by the staff and the questions have been good and he just hopes that the Council will consider the time that they have all taken to study this themselves as community members by going to coffees and listening to presentations. The Council has had more time technically than they have had with the time that

they have had over the years with all the documentation that has come your way. He hopes the Council will vote in favor of this.

Cody Bray, 43091 Bobcat Road said that he would imagine that a majority of the people clapping today for this project don't live near the project and it is never going to affect them. The gentleman earlier said he wanted to clean up that side of town and he happens to live out there and he likes that side of town and the reason he moved out there was so that he wouldn't have to deal with people like that. What you guys are doing is going to move people like that over to where we are. Mr. Pitassi cares so much and is so respectful for that land out there that he doesn't even know that there are people living in those trees out there and they have been there for six months and nobody seems to care and if that is the respect that he is going to show us the residents of this community, he thinks the Council needs to seriously consider what you are doing and who you are working with.

Mike Cummins, 1084 S. 22nd Street said it is right next to Dysart Park where you are going to put the high density homes and the commercial area and he is really not sure about the high density homes right there and the commercial property and it seems like a heck of a lot of homes. They are on four acres there and have a ton of horses and a ton of people are involved with the horse community right here and he is really worried about what is going to go on there. It seems like there is going to be a lot of people. On weekdays he stops at AM/PM to get his girls something to drink and this past week he got hit up four times by loiters, homeless guys and it is sad and after he bypasses these guys one guy pukes in front of them and his girls have to step over it and he is pretty sure that is going to come down to that commercial property right there and it is going to be right around the corner where he lives and you can walk there in two seconds. He is really concerned about that and it wraps all the way back to Cody's spot and the high density homes he doesn't think that is what Stagecoach Town needs. He said that his wife's parents have been here for 40/50 years and he thinks that there will be people leaving if this currently goes the way it goes.

Jack Underhill, 43363 Hilltop Drive said he has been through floods, fires, bark beetle attacks losing over 20 trees, water rates going up 40% since he lived there and also been rationed. These developers don't really care about one thing except money. They really don't care about the residents of Banning and the people that live in that area. Do we really want to have to deal with these developers with this bad history that they have with 30 to 40 years on this project. All you got to do is drive around the city of Banning and look at everybody's dead lawns; nobody is watering. He has even noticed at Sun Lakes the center median they are not watering that; why. They have the best landscape than anywhere around and have dead grass and they are not watering it because we just don't have the water or can't afford the water and that is something you should think about when you want to build these projects. He thinks that somebody referred to it as a "creek"; it is not a "creek". Those are washes and are 30 foot high in some places and he knows that they will get their heavy duty equipment out there and you are going to change the whole structure of the land and it is going to be flattened like the fantasy video driving through this green belt; there is no water. The feds are predicting that interest rates after the election are going to go sky high. You are going to be stuck with a project with houses at \$400,000 with high interest rates; think about that. This is going to be another project that is going to be unfinished and they are going to go back to Rancho Cucamonga drive their Mercedes Benz's and that is going to be it.

Kim Ortiz said she does not reside in Banning but her daughter's horse does. She said that her daughter boards her horse at the Cummins resident right across from Dysart Park and just started into horses two to three years ago and loves the area and they don't have things like that particularly in Redlands so they do come out here to ride. It seems like a whole lot of people are in favor of the master planned community and she is also a realtor out of Redlands and does business in Beaumont, Banning, Yucaipa and pretty much throughout the Inland Empire and blessed to have done so and worked 15 years with a developer and she knows exactly what they do and had a great experience with it. In regards to high density a community in Chino Hills really could use high density because everybody commutes into Orange County and LA from there and she has not once had a buyer or heard of a buyer ask her if they could buy a condo or a townhouse out towards Banning or Beaumont; she has never had that ever. She doesn't think the amount of high density that you are putting in is a good idea. It sounds like it is probably going to get approved unfortunately. She thinks the things that you need to relook at and take some extra time with that Mr. Miller had said and she knows that Mr. Peterson had pointed out a lot of these same issues but the high density is just not needed here and replace it with something like 1500 to 2000 square foot ranch style homes that might match the other side of 22nd Street. Try to create the street scene just like you did with the other parts of the community to match what you are putting it next to. With regard to the commercial nobody is really coming to this side for commercial and nobody hardly goes to the other side for commercial. There are so many empty buildings that you drive around, fill those first. Don't even put the commercial over here. We talk about freeway access and you are going to jump on Sunset or 22nd Street and head yourself down to Walmart off of Highland Springs and go there probably like everybody else does already. You don't need it there on that side of town. This is the equestrian side of town and that is why they love it and that is why all these people who are here in the back live there. She urged the Council to reconsider the high density areas and eliminate the commercial.

Josh representing the SoCal Environmental Justice Alliance said he is here to talk about the environmental impact report and their concerns of it from their letter which was submitted August 3, 2016. The EIR states that for purposes of evaluating the traffic impacts at different stages of development the proposed project has been divided into six phases. This phase modeling is used to analyze air quality impacts. This is improper because the project does not actually require the developer to adopt the phased construction plan and even if the phased construction plan were adopted NOx emission would still exceed SCAQMD's threshold during four of the six phases. Further, the EIR provides no analysis of impact from potential overlap of construction phases or mitigation if this were to occur. The Table 5.3-11 the Long-Term Regional Operational Emissions Table indicates that at Phase 3 in 2022 regional emissions of ROG and NOx would be significant by Phase 4, in 2025 emission would expand to include significant emissions of CO, PM10 by Phase 5, in 2029 emission expands to include significant emissions of PM2.5. All of these emissions remain significant and exceed SCAQMD thresholds during Phase 6 in 2035. The EIR fails to exclude the possibility that these construction phases could occur simultaneously and could result in even more serious pollution. Again, all of their comments can be seen in the comment letter that they submitted.

Don Smith said that he was disappointed in the Council in allowing Mr. Pitassi to spend over an hour giving a presentation that they have all seen before and then telling these people who have houses directly adjacent to this thing that you don't have time to listen to them. From the very beginning the people who live in that area the brown area south of Westward that this project goes around and then the areas north of Westward. The historical agricultural area of this town

has asked to meet and has met with this developer who has met with them and has ignored every request they made; each and every request and none of them were adopted into the plan. He said he had some serious concerns where the dark brown and light brown is located on the map. Why did we decide to put the very highest density units right next to the horse properties? Why aren't the yellow houses and the light yellow houses the ones next to the existing housing so that they are not as affected by suddenly having 1000 apartments right next to what they are trying to run a horse farm, in the case of Sarah, and you don't think that these 1000 people are not going to complain that the horse doesn't meet with their criteria and they create flies and dust and we don't like it. Why is there a senior development next to the rest of the horse properties? Why aren't the large lots by our large lots and then the small lots further away. He personally thinks that the City has spent three years developing a General Plan in which the Council actually spoke to the residents and found out what they wanted and developed a General Plan that isn't that. The public told you that is not what they wanted so the Council spent three years studying it and Art Welch and Debbie Franklin were there. Then a developer comes along and says that he can make more money if he builds 28. He said that he would just deny the change in the General Plan but if you are going to approve the change in the General Plan, it should be developed in a way that mitigates the effective on the existing landowners. The large lots have to be on Westward and the small lots have to be down by Smith Creek. That is the stupidest location for a grocery store that he has even seen. We all know of a grocery store that is going to be built and it is going to be built at the 8th Street off ramp or the Sunset off ramp. They are not building it on Westward where nobody can see it from the freeway. He said that for a lot of them that major asset is in that neighborhood. He said he likes Pete Pitassi and giving him his hour was good but then telling the public that they cannot have their five minutes; that was wrong.

David Marshall Keeley, 1314 Laguna Seca Court said that we are talking about real estate and he did a quick search this afternoon about finding homes and he started with Beaumont. All the Google Search stuff comes up with seven new home communities in Beaumont for sale with 485 homes in one of them. Houses will be built in Banning and he thinks this is an opportunity that we have today to make sure that we have a good organized development for the future of Banning; homes will be built here. Rancho San Gorgonio that we have heard tonight a lot of information about how far behind we are as a city the requirements that the State has put on us that we need to build houses and six in the last six years is really shocking. So as we decide what our city wants to be we have an opportunity to approve a community he thinks will make Banning proud for the years to come. 25% of the space in this project is open space and people in the city of Banning can enjoy and use this space. It is not like the community that was developed that is gated 30 years ago where he happens to live. Maybe if this community was available when they decided to move back to the area where he grew up, they would have looked at Rancho San Gorgonio. So the Planning Commission that you appointed voted, looked at this extensively and did their research and voted 5/0 to support this project and it comes to the Council tonight and he encouraged the Council to take advantage of their recommendation.

Jeannie De Luca said that she moved here because she liked the name of the town "Stagecoach". She loves horses and has horses and she lives on five acres right on Lovell Street and now we are going to have a community that she moved away from the city to get away from and now she is going to have another big city that is going to take away her riding, where she can go and it is very disappointing. She said she didn't do a lot of research and moved out here because she married a wonderful guy and he happened to live in the mountains that burned down and she got scared and she didn't want her animals at risk so she moved down to the lowlands. She is not

really happy about the project. If they would lower the density, maybe. Make it horse property and make it for the horse community; that is what your town is all about. That is all she has ever heard about Banning was a horse town, what a stagecoach town, what Stagecoach Days were about and now you are either going to push her either out of the state and she also pays taxes here also.

The City Clerk stated that she had some letters to read and also stated that Linda Pippenger turned in 15 letter opposed to the retail center and 45 letters opposed to the project from different residents. At this the City Clerk read into the record the letters she received today from Rio Ranch Markets in favor of the project (attached Exhibit "H"); Jacob Niemi in opposition to housing developments (attached Exhibit "I"); Gary Hironimus in opposition to the project (attached Exhibit "J"); and Libi Uremovic in regards to various issues with the project (attached Exhibit "K").

Mayor Welch closed the public hearing on this item for comments from the public.

Councilmember Miller asked the Council if there was anything he could say that could change their mind at this point, if no, let's end.

Councilmember Peterson said there has been a lot said today and he thinks that Mr. Pitassi put on a great presentation and the project looks absolutely awesome. He thinks the project will be a benefit to the city and help the schools, business by bringing rooftops but just like any development it doesn't go without its own share of problems and not everything always goes through as planned. His concerns with the project and particularly those of us on the Council got to remember now that we are in districts and this district that he is in this project impacts everybody within his district since he is in District 2 and the representative for District 2. His phone has been busy and he has been in contact with almost everybody who lives along Westward and he doesn't believe anybody has really said to him that we don't want the project. A lot of people have said they don't want it in its present form. It needs to change whether it is the commercial going away or whatever. A lot of people are still saying can't you get them to give us a few more acres for Dysart. So it is still a lot of the same things and Mr. Pitassi has heard most of these things. So his big problem is with the 76 feet of Dysart. There is no way he can approve the Specific Plan with the taking of 76 feet of Dysart. Also because of the project coming in and with the potential of 8,000 new automobiles coming in and he thinks the Sun Lakes connector is a must and utilizing it with the TUMF fees, etc. that could be a 20 year venture from now unless he has some other kind of crystal ball that can say when that connector road would be made. He asked how long would take to get the Sun Lakes connector in.

Councilmember Moyer said it is his understanding that they were going to use funds that we already have and start working on that immediately.

Deputy City Manager Clayton said that would begin immediately. If this were approved and we had the commitment for the \$10 million dollars, and we already have Measure A money available to begin right away.

Councilmember Peterson said his other concern is the water and basically the infrastructure in itself. He is not really all that enthused about RSG providing the satellite sewage. He would much rather see the City get their own sewage up and going. He said we can still take on several millions of gallons per day under the present conditions and do we have enough sewage capacity that it would take us through Phase 1 and maybe Phase 2. Director Vela said yes.

City Manager said what we would do is start planning the expansion now and would have enough time to do it because there is still enough capacity to get us through the first two phases.

Councilmember Peterson said in regards to recycled water you really can't do the construction and you are going to move 4 million tons of dirt and going to need to water that 4 million tons with something and it can only be done with recycled water so where do we proposed to get recycled water from.

Councilmember Moyer said that we currently do about a million five gallons of recycled water per day and is that not correct.

Director Vela said that they currently treat 2 million gallons a day at the wastewater treatment plant. That treated effluent is then discharge into percolation ponds that goes into the Cabazon Storage Unit. He doesn't believe that water would be able to be used for grading operation. There are very specific uses for that quality of water. He is not sure where it says that they can only use recycled water in grading.

Councilmember Peterson said he thought it was a State law. Mr. Pitassi said no.

Councilmember Peterson said the other problem he has is mello roos; he is not happy with that. He asked Mr. Pitassi in regards to the commercial property didn't the Planning Commission make the commercial mandatory and took away your option.

Mr. Pitassi said yes the Planning Commission added a condition that did not give them an alternate land use for Planning Area 9.

Councilmember Peterson said that he would like to have that removed. He would like to have that commercial property back to the developer at their option.

Councilmember Peterson said the other thing he would like to do before this is approved is to wait for the traffic study to be completed. The 18 to 1 in areas 8 through 8-A, B, C and D like Don Smith said he also would like to see that moved into another area. He doesn't like it there and he knows that the people who live in that area don't like it there and if there is a possibility that we can move that into the yellow and exchange the yellow for that and get rid of the mandatory for the grocery store to where it is an option. Then looking at the four options that we have: 1) no project; 2) the project with existing General Plan alternative limiting everything to 1865 dwelling units; and 3) reduce density alternative to 2708 dwelling units; if the conditions were met that he outlined he doesn't believe the people who live in his District would probably mind the 2708 and could probably get the people to agree.

Councilmember Moyer addressed Mr. Pitassi stating that if Councilmember Peterson wants that removed and put back his option again in regards to the commercial, if that option was taken away would it be possible to take the Community Park instead of going east/west with it going north/south and move 8-A behind the college and away from Dysart Park. That would put the park next to Dysart Park and take that high density housing away from it.

Mr. Pitassi said that RSG Community Park is next to Dysart Park as you can see on the land plan. The issue of the commercial center is obviously very sensitive and he understands that but it is clear

that there is a need for a retail component on the south side of the city. This is an opportunity to allow it to occur. As they proposed in the Specific Plan there is an alternative land use for P A-9 as there is for PA 16-C for the school and those alternative land uses are residential. They put that in the Specific Plan to give flexibility in the future if for some reason the market for the neighborhood commercial does not come to fruition. Based on the data they have received and the research that they have done it appears that that market will come to fruition and allow it to occur in that location from their perspective makes the most sense. So moving it around on the land plan somewhere else internally to RSG for example, simply would not have the number of vehicle trips that would allow it to survive and be viable. So if there is a need for a retail center and there is a desire to have it within RSG so that the improvements and infrastructure can be built as part of the master plan to allow it to occur, that is the most logical location for it to be. The park is located where it is for a reason. It is adjacent to the Pershing Creek Trail so having the access from the park to the trail is important and important for the folks that are going to use it and it is important to provide that alternative access to the park rather than a car and so that location is the more linear shape as you can see it also provides frontage along the college campus. So to be moving the parts and pieces around the Specific Plan at this point they don't believe is prudent. They think the way they proposed the Specific Plan at this point is the proper approach and was brought to the Council for consideration.

There was further dialogue between Councilmember Peterson and Mr. Pitassi in regards to the commercial center, Rio Ranch Market located close by, and the retail located on the east and west side of Highland Springs.

Councilmember Miller said he has been waiting for somebody to mention another problem which is Chromium-6. He has not heard a single word about how this project is going to handle Chromium-6. When we talked about Banning before this project we said that the Chromium-6 plant was going to cost \$50 million dollars. The consultant that we hired to evaluate the problem and propose a plant said in that report that we stage the plant step by step. If we take a look at the data they provided right now our city is 746 gallons per day short. So all we really need right now for our city if this is not built is 746 gallons of chromium free water that we don't have. Plant M-12 produces 1000 gallons per minute. So if we chose to go step by step, as far as he is concerned, we can build a very small plant next to M-12 just the one well and that would satisfy our city now. Assuming the drought ends the consultant says we are 4316 gallons per minute short. We can still solve that in a step by step process if we take the M-12 cluster which is 3 wells cluster together they produce more than 4000 gallons per minute. Again, we could build one plant that would satisfy our requirements. So without this project we don't have to spend \$50 million dollars at once and just build this one particular small plant. So if you are going to build this project, you should have as your fair share the cost of the \$50 million dollars minus the cost of the one plant and he would estimate that to be \$40 million dollars. So if you talk about this project and the cost of this project he cannot believe that no one has mentioned the cost of the Chromium-6 removal from the water from this plant and to say that you are going to ignore that is impossible. Secondly, when you talk about recycled water being use on all the open areas that is great but in all modern types of projects every lawn has a separate watering system so that the recycled water is used on the lawns. You are just saying you are going to use it on the open areas. Again, the modern procedure is to separate piping for the house and separate piping for the lawn so the lawn can use recycled water. Third, all the complaints are they want horse property here but if we are not going to have horse property, you certainly want an equestrian trail that is usable. If you take a look at your plan and people have pointed that out, there is no way for a horse to get to that equestrian trail. So if at least try to satisfy to some extent

the horse population, then we have to change the equestrian trail so that it is usable. He emphasized that two years ago the argument came about the title of the city whether it should be stagecoach city or any modern city or something like that and he was the only one that argued at the time that the words "stagecoach city" does not denote a modern city and will not attract business and he was castigated continuously. Well, the Council, four people, said this should be "stagecoach town" and he said he was wrong and everyone wants this to be a stagecoach town and since then he has believed and fought for this to be a stagecoach town and now all of a sudden the Council says forget about this being a stagecoach town and forget about all the horse people who are here. He recognized he was wrong and this town is different from all other towns around here and is different from almost every other town in Southern California because it is a horse town where people can have horses, people have open areas so for the Council to take a look at this thing and say we have an equestrian trail that can't be used is against every concept of this city. So when we sit here and we say we are going to approve this project it is more than just approving this project, it is changing the whole nature of this town. If the Council wants that, if the City wants that it is fine but let's understand what we are talking about here; we are changing our town. He repeated the four things that he thinks are vitally important: 1) this project should not go forward unless this project pays its fair share for the Chromium-6 and that is not an insignificant number. It is \$40 million in his estimation; 2) he believes that when we talk about a modern community that the various lawns should have their separate recycled water system; 3) the equestrian trail should be usable by horses and not this nice fancy thing that the City has to take on that horses will never go on; and 4) he wants the Council to recognize that when you vote for this and of course you are going to vote for this you have said everything I've always said about this being a "stagecoach town" was a lie.

Mr. Pitassi responded to Councilmember Miller and said that he will ask for a little assistance from several folks to answer some of the questions. In regards to the comment about using recycled water on private lawns, that is not allowed. Recycled water can be used in common areas and has to be labeled accordingly. Common areas defined as public areas such as parkways, medians, parks, golf course and things of that type where it can be properly notified and signed. It is not allowed to be used in private yards because it could potentially be consumed by a person and that is not obviously appropriate. The issue of irrigation in and on private laws is addressed and dictated within the Specific Plan in terms of using drip irrigation and other technology that reduces the amount of water versus the old technology of spray heads that were very inefficient so that has already been addressed and anticipated within the Specific Plan. In regards to the equestrian trail he will have Rich Krumwiede, Landscape Architect and President of Architerra Design Group come up and address that questions and then return to Chromium-6.

Mr. Krumwiede said as far as the equestrian trails occur throughout the project and in their Specific Plan there is a non-motorized circulation plan too that shows proposed sidewalks on every major street on one side of it and it is shown as a ten-foot wide, multi-purpose, decomposed granite trail that can be used for equestrian, jogging, and bikers and it also connects to the city-wide equestrian trail master plan that goes on the north side of Pershing Creek and Smith Creek. They also have connection and he has heard this many times that on Bobcat, Coyote, and Turtle Dove that there is no way to access the trail but they are proposing a ten-foot wide equestrian trail on the north side of the street on every single border of the project with the exception of Westward where they don't have the continuity there.

Mr. Pitassi said the trail system is functional and comprehensive and delineated on the exhibit as shown as extensive and runs through the entire project creating both north/south and east/west links through the site.

There was further dialogue between Councilmembers Miller, Peterson and Mr. Pitassi in regards to the equestrian trails and the perimeter fencing.

Mr. Pitassi said in regards to Councilmember Miller's question regarding Chromium-6 he asked Art Vela, Public Works Director for the City of Banning, and Aaron Skeers, Civil Engineer from Encompass who worked on the technical studies for water supply to address the Chromium 6 issue.

Director Vela said when it comes to Chromium-6 they have 9 wells that are impacted by the new standard. The one analysis they haven't completed yet is how they are going to phase in the treatment facilities. Do we have to build them all at once and they are thinking that they do not. Part of the analysis that they are going to do is to look at how many of those wells do we need to meet our current peak demand without this project. If they can meet that peak demand with say half of the wells for example, then they are just going to build treatment facilities now for those wells. They know in the future at the city's buildout year they are going to need to treat all of the wells so they are hoping the best case scenario is that they can have the opportunity to phase in those treatment facilities. So when the City develops its City's master plan and development impact fees under the scenario right now only half would have to be built and the other half would be captured in future master plans and future impact fees. So this project here under this scenario again that we only have to build some of them this project would pay its fair share to build the additional facilities and meet its demand.

There was some further dialogue between Councilmember Miller and Director Vela in regards to this project paying its fair share, how would they pay it and the building of treatment facilities including Chromium-6.

Councilmember Miller said just to certain that as this project is built its development fees would pay for Chromium-6. Interim City Attorney said yes, their share and that is what the development agreement provides.

Councilmember Miller said but the development fees are exactly the same as the development fees three years ago when there was no Chromium-6 problem so how could the development fees pay for something so expensive.

Director Vela said that they have started this process now and actually have an RFP out right now to update our master plans and our master plans will incorporate those new facilities. Once the master plans are completed then staff will be able to finish the Development Impact Fee Study that has been started and that will be one of the last key pieces.

Deputy City Manager Clayton said it is in the development agreement that the developer is subject to the new fees as a result of this current study.

Councilmember Miller said to summarize then the development fees are going to be changed and as a result of that increase in the development fees that will be sufficient to pay for the Chromium-6 fair share of this project. City Manager Rock said that was exactly right.

Mr. Skeers said that they need to prepare a focus study to assess all of the facilities that are going to be required including any treatments. They will work with the City and it's the City's requirements to solve the Chromium-6 problem and they will do their part to assist with that.

Councilmember Moyer said he has heard a lot of the concerns about the access to the equestrian trails and he sees that there is a lot of access but evidently the people who live off of Westward they have to go too far to get into them. Is there any way to create some additional access?

Mr. Pitassi said that Mr. Lamb was up here speaking to you and he has spoken to him this evening and many times in the past but his concern was specifically to his neighborhood and whether there could be the potential for access. His neighborhood he believes is just off the edge of Planning Area 7-A and he told Mr. Lamb that they can certainly look at that. As you seen in the exhibit is that the trail systems right now are designed along the arterials and the creek system and the paseo, etc. but specific trails are feeder trails that go through planning areas haven't really been designed yet so those are areas that can be looked at if there are specific locations that the community has expressed an interest in providing a connection, they can certainly look at that but he cannot promise that it would occur at every potential location but they can certainly look at points of egress and ingress.

Councilmember Moyer said he can understand the horse people's property not wanting that medium density right next to their horse farms and preferring low density if they are going to get anything at all. But again, are they going to be looking at walls behind their property. He said this would be south of Westward to the horse properties all along Westward and so forth.

Mr. Pitassi said the west side of RSG Parkway extension would have walls or fences that would separate the private property development from the public right-of-way. There is a significant setback there so there will be fences and separation. He showed the areas on the screen that would be walled.

Councilmember Peterson said we have 22nd Street from Westward going south on 22nd and he believes a median has been put in 22nd and is that correct. Mr. Pitassi said from Victory north to Westward there is a painted median and not a developed median because that street transitions from the full improvement south of Victory and 8th Street to the transition alignment at Westward.

Councilmember Peterson said because those homes that are on 22nd Street that face west are all horse properties and they are going to be coming in there with their horse trailers and they are not going to be able to make U-turns and go back down to try to access their property so there can't be a median in there.

There was discussion between Councilmember Peterson and Mr. Pitassi in regards to being able to make left-turn movements on that street and the need to take a look at that for those homes.

Councilmember Franklin said it was read in one of the letters in regards to comparing Banning to Beaumont if we were to do bonds. She asked staff to talk why we would not be the same position Beaumont's in in regard to the bonds.

Mr. Pitassi said that in Beaumont they have a citywide CFD that was created in districts and in each one of those districts they have bonding capacity and they created a whole series of taxing districts. That is not what they are proposing here. RSG's proposal is for a CFD in RSG only.

Shane Morgan said that they are not establishing a mello roos CDF today. It will come back to the Council for the intention to form the resolution of formation. There are several steps involved in the process to form a CFD with each one requiring Council approval.

Councilmember Franklin said we talked about water and she knows that there were several questions and people have asked about the supply of water and do we have enough.

Director Vela said there was a comment made earlier about the current drought. So the current drought for the city of Banning is a regulated drought. It was an executive order set forth by the governor and it was a blanket order throughout the entire state so whether you had sufficient water supply or not you were basically regulated to meet certain conservation goals. The City Council approved an ordinance requiring certain restrictions on water use and that was basically to meet that executive order by the governor. If we did not meet our goal, then we had the chance of facing certain fines and there are a lot of water agencies throughout California that ended up paying some pretty steep fines to the State for not meeting their conservation goals. He gave some information in regards to the City's 2015 Urban Water Management Plan. If you look at both the WSA for this project and our current Water Management Plan, both those documents say that we have enough water to meet future demands.

Councilmember Franklin said that in regards to the Dysart property she asked if Mr. Pitassi could go over that just a little bit more. She knows that he talked about that earlier with the development agreement but she is still a little confused as to what you are actually taking and then what is being given back and how that impacts the park.

Mr. Pitassi said that someone made a comment about the east side of Dysart Park and he is not aware of any further dedication or encroachment that would occur there. We are obligated to respect property lines at the edge in terms of grading conditions and grading design that they would create. As RSG Parkway continues south of Victory along the west side of Dysart Park there needs to be adjustment to provide access into the park and to allow the street to be constructed so as they talked about earlier with the Specific Plan it allowed for a reduction of that parkway dimension. The Planning Commission asked that that be returned to the document so that would effectively create the full parkway width on the east side of RSG Parkway. The actual encroachment into the property varies because the property line meanders and as he mentioned some of the existing improvements actually encroach on to their property so all of that would be addressed. The actual dimension he knows it says 76 feet and their Civil Engineer Mark Bertone from Madole and Associates is here and can address it.

Mr. Bertone said along the western edge of Dysart Park, 22nd Street today has a 55 foot wide right-of-way dedication. The ultimate right-of-way width of RSG Parkway along the western edge of Dysart Park is 140 feet wide. The 90 feet needed to get to 140 is going to be entirely borne upon RSG property. There is some text in the Specific Plan that indicate 76 feet coming out of Dysart Park; it is just not factual. To go to the east would mean that they were going to be taking RSG up along those houses along the east side of 22nd Street and that is just not going to happen. The required 90 feet to get to 140 will be entirely borne upon the RSG property to the

west. The section of RSG along Dysart Park is 140 feet wide ultimately. There is currently 50 along the western edge of the park or the 90 feet needed to get to the 140 ultimate will be taken from the west on RSG property.

Councilmember Peterson said the west side of Dysart or the west side of 22nd Street so if we have 22nd St. and it runs straight into Dysart and currently is 55 foot wide and you want 76 feet to the east of that, in looking at it.

Mr. Bertone said that is not correct. If you facing south on 22nd Street RSG when you get to the monument sign at the intersection of Victory and 22nd, that street going south wants to be 140 feet wide. The additional 90 feet will be to the right if you are facing south to the west. They are not taking 76 feet additional from Dysart Park. He said that they will not be going any further left at all. They are going to respect the existing property line of Dysart Park and that existing property line is the eastern edge of a 50 foot right-of-way dedicated to the public today. There is a diagram of that on the tentative map on sheet 3 and sheet 8 which clearly identifies that street. Just to be clear there will be grading because they have to get from the existing grade down to the grade of the street so at the lower level there would be a slop into the park and at the upper level a slop from the park down to the street.

There was much further Council dialogue with Mr. Bertone and Mr. Pitassi in regards to the left-turn movement, the painted median, and trailer access to Dysart Park south of Victory and the temporary easement for grading purposes.

Mr. Pitassi said the tentative map's purpose is show the subdivision of land. Detailed grading plans will be developed and submitted over time and reviewed through the normal process so don't be misled by data that is on the tentative map regarding grading; that is not its purpose.

Councilmember Franklin said she wanted to comment before the Council makes a motion. She said it goes back a little bit to a quote that she just looked at recently that said, "Without a struggle there can be no progress" and this is going to be one of those projects she thinks that everybody is not going to be happy. No matter what we do someone is not going to be happy. We have seen that there are some negatives to the project and we will lose some of our rural atmosphere and at the same time the houses are going to take up about 62% of the area so we are still going to have 240 acres of open space and where we are talking about median high density is around the college but we are talking about that being closer to 15 years or so from now and we don't know what the market is going to be at that time. She did talk with a council member from Norco which is "Horse Town USA" and she asked him what were the issues that they had because they do have a lot of horse property and she found out that they actually have a lot of high density and what was the impact to the horse property for high density and how close was it and he told her that it was right next door, it did not impact the house values at all. That they are planning to put in more high density and they will retain their "Horse Town USA" feel because they are finding they are able to have both which sounds like what we would have here. We have the people who have horse property but we would have medium density property fairly close with having the retainer walls and things. She knows that it is hard to say what is going to happen in someone else's backyard but at the same time trying to look at what will benefit our city as a whole for the long term because talking to people now most of them are in favor of better housing for our city We have to bring up our overall level of housing that is available and in doing that it would actually give us things that people want to have and will bring maybe some younger people back

to our city. So looking to our young people and those live here now and trying to understand what the market is going to bear in the future we don't know. We don't know what the impact for greenhouse gasses is going to be, we don't know the impact of additional solar, with electric cars, anything that is going to take place. She thinks that it is incumbent on us as a Council and the comment about would we still be "Stagecoach Town USA" she thinks we would if we put forth the effort to make sure our monuments are Stagecoach Town activities. Different things can be done to make sure we maintain that and that is on us not only as a Council but as a community. There has been a lot of patience here with things that needed to be said by the residents to make sure that we are really taking everything into consideration but she is also looking at the increased opportunity for our fire and police coverage that we are not only going to be creating jobs but for our businesses that already exist. We are giving them an opportunity to expand and to make sure that more people are hired that are local and having that here helps our city she believes in the long-term to survive and she is saying all that to make a motion to move forward with the list of motions that have to be done.

Mayor Welch said before moving forward Councilmember Peterson did make a recommendation in relation to the commercial of freeing that back up and making it optional. He asked staff how the Council would do that in their motion.

Deputy City Manager Clayton said that we just need to amend the condition. Refer back to the original condition before the Planning Commission requested their change.

Mr. Pitassi said that the Council can simply omit the condition that was added.

Councilmember Franklin said they would also need to add a condition in regards to looking for ways to maximize accessibility for equestrian wherever feasible.

Director Guillot reminded the Council about the amended condition for the library also.

City Manager said that has been written into the record and they will get it in as Condition No. 39.

Councilmember Peterson said it was 2000 square feet. Deputy City Manager Clayton said it was a minimum of 2000 is what the library requested.

Mr. Jarred said what he was clarifying was that he and Mr. Rock had discussed this and then it had been changed. They still would like to see 4500. He said that he has authority from the Library Board to agree to 4500. Anything less than that is going to require the City and the District to then negotiate as to that 12,000 square foot property.

City Manager said that the language was already read into the record and he has it and we know exactly what Condition 39 is going to say and they will sit down and talk to the Library District to work out the details. We are changing Condition 39 to include what Mr. Jarred read into the record earlier.

Mayor Welch at this time explained the order of the motions to be taken.

Councilmember Peterson said before we make the motion on the EIR there are Project Alternatives: 1) No Project/No Development Alternative – the proposed Rancho San Geronio Specific Plan would not be adopted and no development would occur; 2) No Project/Existing General Plan Alternative – would be to develop the site based on the current General Plan Land Use designations. Build-out of this alternative would allow up to 1,865 dwelling units and introduce approximately 4,980 residents using the City’s average household of 2.67; and 3) Reduced Density Alternative – will generally reduce residential development in the Specific Plan area by 20% while maintaining the development footprint of the project. The reduction in residential density would occur equally across the project site and would result in a build-out of 2,708 dwelling units and 7,230 residents based on an average household of 2.67; and 4) accept everything as is. He thinks that since the EIR has these as three options he certainly thinks that they should look at the three options.

Mr. Pitassi said the EIR does not classify these as options. They are alternatives required under CEQA to be evaluated and perhaps Joanne Hadfield can address this but those alternatives were evaluated and the conclusion was that the proposed project can move forward under the CEQA guidelines.

Councilmember Peterson said in our packet we have the statement of Overriding Considerations which is a direct result and he doesn’t understand how in the conclusion it says, “The City of Banning has balanced the projects benefits against the projects significant unavoidable impacts and finds that the projects benefits outweigh the projects significant unavoidable impacts. Those impacts therefore considered acceptable in light of the projects benefits the City finds that each of the benefits described above is an overriding consideration independent of other benefits that warrants approval of the project notwithstanding the projects significant unavoidable impacts.” But it is almost concluded that the City Council has approved it and this thing is in our packet. He doesn’t understand why it is even included.

Joanne Hadfield addressed the Council stating that basically if a project does result in significant unavoidable impacts that cannot be mitigated CEQA mandates that at the time of the approval that the decision making body adopt a statement of overriding considerations. So in other words, CEQA is a disclosure process to the public. It makes you say yes we recognize that we are approving a project that has significant unavoidable projects but we are doing so because it results in benefits that outweigh those significant impacts. But you can approve the project without adopting that statement of overriding considerations and that is why they provided the draft with the City staff.

Councilmember Peterson said but on the draft there are three alternatives and he would assume the Council could adopt any one of your proposed alternatives.

There was much further dialogue between Councilmember Peterson and Ms. Hadfield in regards to these alternatives and relative impacts.

Councilmember Peterson said he would like to see the project go through but he also understands that there is a huge impact on the people who live in that area so there is a double-edge sword here. He understands that Pete Pitassi will pull the reigns and stop the project which in a lot of ways would make people happy but it is not going to make everybody happy because the project does need to go through. But he doesn’t think necessarily that there needs to be a middle; there

has to be a middle ground. It all can't be one way and somewhere along the line we have to think of the people. There are huge impacts to everybody and people and if we can mitigate it somewhat, we need to mitigate it. We can't just say later for you the project is going through.

Councilmember Moyer said each phase will come forward with a tract map and they have to go before the Planning Commission and the Council again and so forth so if we have specific concerns about specific areas, can we address those at the time those tract maps come through to us or not.

Councilmember Peterson said he doesn't think you can change the Specific Plan. He asked if you could change the Specific Plan with the developer's permission.

Mr. Pitassi said any Specific Plan can be amended at any time. A proposed amendment could be originated by them, it could be originated by City and it goes through a process to amend a Specific Plan and it includes public hearings at the Planning Commission and the City Council. They would certainly have an opinion to state about amending a Specific Plan where they own the majority, if not all of the property obviously but that is in the future and true of any Specific Plan anywhere. To address the comments about impacts they also in fairness need to address and look at benefits; benefits are enormous. Benefits have been described in great detail on the kinds of public amenities and improvements that would be provided by this master plan community. Those public improvements and amenities would not happen without a Specific Plan environment that allows the economics of scales to provide those benefits. If you revert back to the existing zoning you get traditional, conventional subdivisions; no improvements. No parks, no trails and those things are not required by the City's zoning ordinance and the economics simply don't support them. So the benefit of a master planned community, the benefit of what they are proposing to the Council is a trade. It is a trade for significant public improvements, accessible and to the benefit and enjoyment of the public but in a master planned community environment. That is what they are proposing. The alternatives that Ms. Hadfield described are evaluated; they are not options. The project works as it's proposed. Significant changes bring that into question. So the question before the Council this evening is what they proposed and if it is acceptable and if they have been able to answer the Council's question to a level of your comfort, and he hopes that they have.

City Manager said we need the Community Development Director to answer Councilmember Moyer's question very specifically.

Director Guillot said the answer to that question is yes. There will be design reviews and tentative maps for each of the phases and within the phases of each of the different tracts. That level of detail that you are concern about certainly could be addressed at that time and that will be both Planning Commission and City Council approval so there will be a number of opportunities to address the different details that are of concern.

Councilmember Moyer said so 20 years from now when they are building out around Dysart Park that Council will be able to address many of the issues we are talking about right now when they get the tract map and everything.

Director Guillot said yes through the tract map process. The only difference would be the standards that you have measured would be a higher standard in that there will be the Specific Plans which is basically a specific zoning regulation in place.

Motion Franklin/Moyer that the City Council 1) approve Resolution No. 2016-83, adopting a Statement of Overriding Considerations and CEQA Findings of Fact, Certification of the Final Environmental Impact Report, adoption of the Mitigation Monitoring and Reporting Program for the Rancho San Gorgonio Specific Plan project; 2) approve Resolution No. 2016-88, adopting General Plan Amendment (GPA) No. 13-2503 to change the General Plan Designation from Very Low Density Residential, Medium Density Residential, Very High Density Residential, Rural Residential, and Open Space-Parks to Specific Plan; 3) approve Resolution No. 2016-84, adopting the Water Supply Assessment for the Rancho San Gorgonio Specific Plan based upon Finding of Fact as stated in the resolution; 4) approve Resolution No. 2016-86, adopting Master Tentative Tract Map No. 36586 and conditions of approval establishing road right-of-ways, forty-four land use planning areas, parks and open space parcels; 5) approve Resolution No. 2016-87, adopting the annexation of 161 acres of property located in the County of Riverside and within the City's adopted Sphere of Influence General Planning Area and the Rancho San Gorgonio Specific Plan; and the three conditions that have already been noted: the library, the equestrian trails, and the commercial area. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

- 6) Approve Ordinance No. 1501 and introduce its first reading adopting Zone Change No. 13501 to reflect the proposed Zoning Ordinance text and map amendments for the Rancho San Gorgonio Specific Plan

Mayor Welch asked the City Clerk to read the title of Ordinance No. 1501. City Clerk read: Ordinance No. 1501, An Ordinance of the City Council of the City of Banning, California, Approving Zone Change No. 13-3501 to Amend the Zoning Ordinance Text and the Zoning Map from Very Low Density Residential, Medium Density Residential, Very High Density Residential, Rural Residential and Open Space-Parks to Specific Plan on Property Located South of Interstate 10 and Bounded by Sunset Avenue and Turtle Dove Lane on the West, Coyote Trail and Old Idyllwild Road on the South, San Gorgonio Avenue (State Route 243) on the East, and Portions of Westward Avenue to the North, APN#'s: 537-150-005-007; 537-170-002 -004; 537-190-001 – 005, 018 – 022; 537-220-031-038; 543-020-001, 002, 021, 023; 543-030-001; 543-040-001, 002; and 543-050-001 -003.”

Motion Moyer/Franklin to waive further reading of Ordinance No. 1501. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

Motion Moyer/Franklin that Ordinance No. 1501 pass its first reading. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

- 7) Approve Ordinance No. 1500 and introduce its first reading adopting the Rancho San Gorgonio Specific Plan to create an 831 acre master planned community composed of 44 planning areas that include a variety of residential densities, common open spaces, an elementary school site and commercial area within the City of Banning;

Mayor Welch asked the City Clerk to read the title of Ordinance No. 1500. City Clerk read: Ordinance No. 1500, An Ordinance of the City Council of the City of Banning, California, Approving the Rancho San Gorgonio Specific Plan and Adopting Conditions of Approval and Making Findings in Support Thereof.

Motion Moyer/Franklin to waive further reading of Ordinance No. 1500. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

Motion Moyer/Franklin that Ordinance No. 1500 pass its first reading. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

- 8) Approve Ordinance No. 1499 and introduce its first reading adopting the Development Agreement containing said provisions for financing acquisition and infrastructure construction, and land use development parameters;

Mayor Welch asked the City Clerk to read the title of Ordinance No. 1499. City Clerk read: Ordinance No. 1499, An Ordinance of the City Council of the City of Banning, California, Adopting the Development Agreement for the Rancho San Gorgonio Specific Plan Development Agreement and Making Findings in Support Thereof.

Motion Franklin/Moyer to waive further reading of Ordinance No. 1499. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

Motion Franklin/Moyer that Ordinance No. 1499 pass its first reading. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

Banning Utility Authority

Motion Franklin/Moyer to approve Resolution No. 2016-17 UA, adopting the Water Supply Assessment for the Rancho San Gorgonio Specific Plan based upon Findings of Fact as stated in the resolution. Motion carried with Councilmember Peterson voting no and Councilmember Miller abstaining.

Mayor Welch adjourned the joint meeting of the Banning City Council and the Banning Utility Authority and reconvened the regular City Council Meeting.

Mayor Welch said the rest of the items on the agenda which have been discussed with staff and seeing nothing that needs immediate attention will be carried over to the next regular City Council meeting.

ADJOURNMENT

By common consent the meeting adjourned at 12.58 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

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To: Banning City Council

From: Dorothy Familetti-McLean

September 27, 2016

Good evening Mayor and Council Members:

I am again before you regarding the County Probation Dept. I spoke two weeks ago about Vanir not breaking ground. I hope that Councilman Moyer did not direct the city manager to give Vanir a deadline to break ground at the site, because we know what they will do. They were supposed to break ground last December.

A majority of the citizens of Banning do not want a probation dept. downtown, and I can only think of 4 who do. This building will not add anything to Banning coffers. In addition, besides the workers, felons will be the main people visiting this place. Regardless of having a police station across the street, businesses will not be eager to be near a county probation department. I don't want to be around felons, do you?

Please do something that will add pride to our fine city. Stop Vanir in their tracks, and let's capitalize on our history and events in this town. Wouldn't Banning make a fine "Stagecoach Town"? We have the name, now let's rise to the occasion, make it a reality and show people what that looks like. That way, we will all be blessed.

Thank you.



Marie Calderon

From: Frp2002
Sent: Saturday, September 24, 2016 4:26 PM
To: Marie Calderon
Subject: for City Council meeting

At the last City Council meeting, Dorothy McLean stood at the rostrum and stated that she did not know a single person in Banning that was in favor of the Probation Department being at the Paseo. I am not single, but I am definitely in favor of the County of Riverside Probation Department moving from their current, antiquated, cramped quarters where they pay no rent, to a new location a block and a half away, with new, modern and more spacious quarters...where they *will* be paying rent.

I am assuming that more spacious quarters will mean additional staff to handle the workload. As stated in the several letters in the local newspaper, there has never been, nor will there ever be, barbed wire associated with either building. And, what person on probation, in their right mind, would choose to lounge around a location with uniformed personnel--many of them armed--a half a block away from the Banning Police Station?

When Dorothy learns the facts, she may do a flip-flop, as she has done in her support for various council members. One can only hope!

Fred Sake Sakurai
951-849-3027

EXHIBIT "C"

David and Ruth Ellis
Banning, CA

September 27, 2016



City Council
Banning, CA

Dear Council:

Representing five generations of family in Banning, we are opposed to the Mayor Art Welch and his participation in causing our city to have the highest utilities in the state of California.

We are opposed to the Mayor Art Welch's participation in putting our city into over \$100 Million Dollars into Bond debt.

We are opposed to Mayor Art Welch's participation in the financial loss of millions of dollars from our city for the County Criminal Court House real estate deal, and the proposed County Regional Probation Criminal Department and District Attorney Offices.

We are opposed to the Mayor Art Welch's participation in stolen water and electricity by the Sun Lakes Home Owners Association and The Banning Chamber of Commerce.

We are opposed to Mayor Art Welch's misrepresentation of the dangers of Chromium 6 in our water, the chemical that Erin Brockovich sued for.

We are opposed to Mayor Art Welch's participation in going against our City's General Plan Zoning and courting a developer who has questionable ethics.

We are opposed to Mayor Art Welch's participation in the lack of putting City Manager Michael Rock on administrative leave pending the investigation for violation of state and federal election laws.

We cannot afford the participation of Mayor Art Welch in our city government any longer.

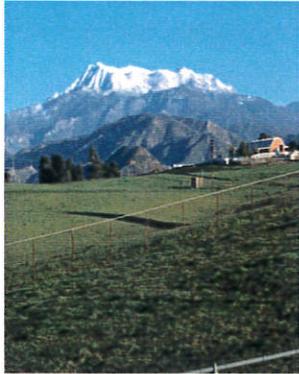
Re-elect Doctor Ed Miller for a better Banning.

Thank you,
The Ellis Family

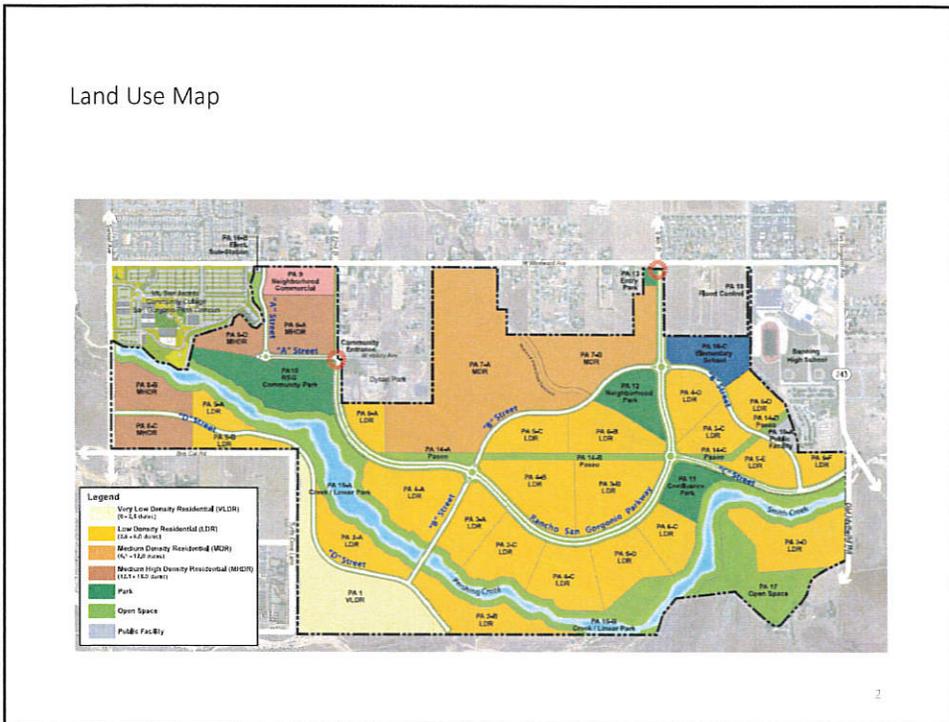
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City of Banning

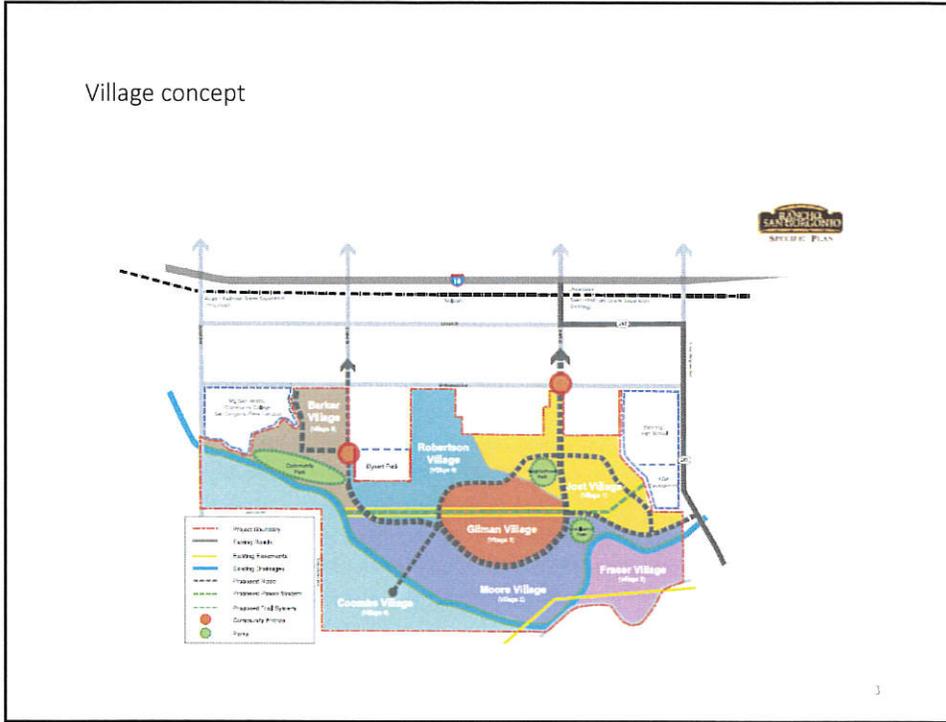
Community Development Department
Planning Division



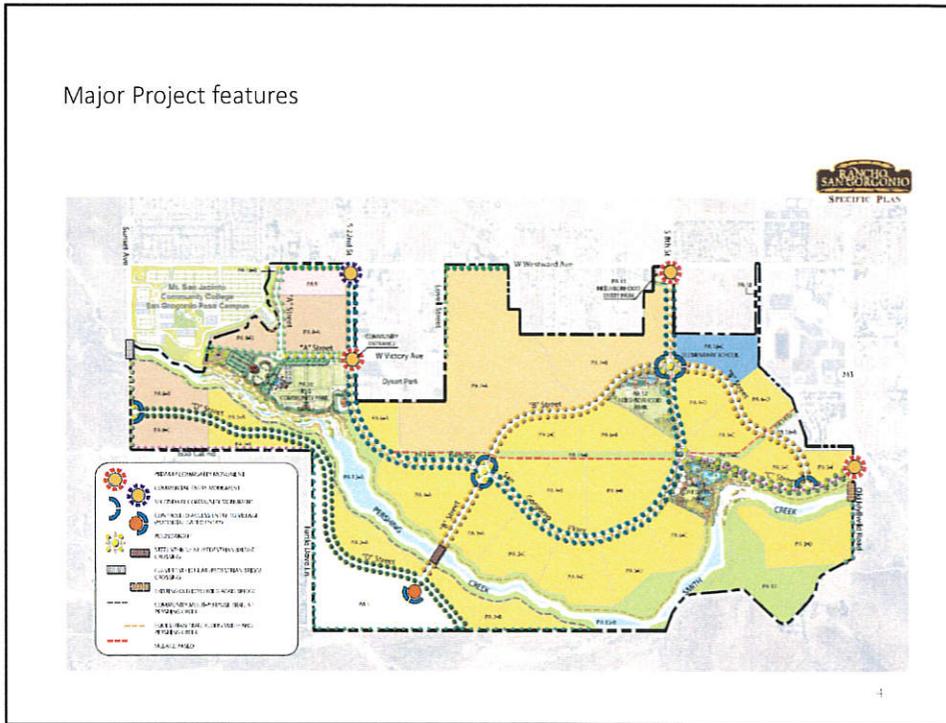
Rancho San Geronio Specific Plan
September 27, 2016



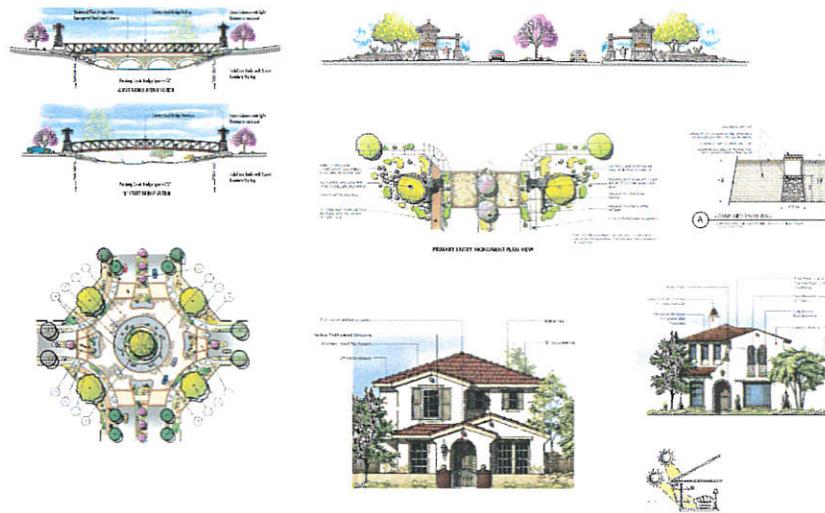
Village concept



Major Project features



Design features



5

Recommendation

That the City Council:

1. Approve Resolution No. 2016-83 adopting a Statement of Overriding Considerations and CEQA Findings of Fact, certification of the Final Environmental Impact Report, adoption of the Mitigation Monitoring and Reporting Program for the Rancho San Geronimo Specific Plan project;
2. Approve Resolution No. 2016-86 adopting General Plan Amendment (GPA) No. 13-2503 to change the General Plan Designation from Very Low Density Residential, Medium Density Residential, Very High Density Residential, Rural Residential, and Open Space-Parks to Specific Plan;
3. Approve Ordinance No. 1501 and introduce its first reading adopting Zone Change No. 13-3501 to reflect the proposed Zoning Ordinance text and map amendments for the Rancho San Geronimo Specific Plan;
4. Approve Resolution No. 2016-84 adopting the Water Supply Assessment for the Rancho San Geronimo Specific Plan based upon Finding of Fact as stated in the resolution;
5. Approve Ordinance No. 1500 and introduce its first reading adopting the Rancho San Geronimo Specific Plan to create an 831 acre master planned community composed of 44 planning areas that include a variety of residential densities, common open spaces, an elementary school site and commercial areas within the City of Banning;
6. Approve Resolution No. 2016-85 adopting Master Tentative Tract Map No. 36596 and conditions of approval establishing road right-of-ways, forty-four land use planning areas, parks and open space parcels;
7. Approve Ordinance No. 1499 and introduce its first reading adopting the Development Agreement containing said provisions for financing acquisition and infrastructure construction, and land use development parameters;
8. Approve Resolution No. 2016-87 adopting the annexation of 161 acres of property located in the County of Riverside and within the City's adopted Sphere of Influence General Planning Area and the Rancho San Geronimo Specific Plan.

The Banning Utility Authority:

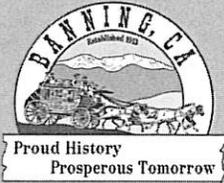
1. Approve Resolution No. 2016-17UA adopting the Water Supply Assessment for the Rancho San Geronimo Specific Plan based upon Findings of Fact as stated in the resolution.

Each action has corresponding findings.

5

City of Banning

Community development department
Planning Division
PO Box 998
99 E. Ramsey Street
Banning , CA 92220
(951) 922-3125



Rancho San Geronimo Specific Plan

City Council Public Hearing

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

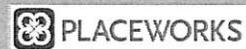
September 27, 2016
6:00 P.M.



Environmental Overview

Environmental Process Overview

- April 20, 2015 – May 19, 2015
 - Notice of Preparation review period (30 days)
- April 29, 2015: Public Scoping Meeting
- June 20, 2016 – August 3, 2016
 - Draft EIR public review period (45 days)
- August 31, 2016 – PC Study Session
- September 7, 2016 – PC Hearing
- September 27, 2016 (today) – CC Hearing



CEQA Environmental Topics

- | | |
|--------------------------------------|----------------------------------|
| ▪ Aesthetics | ▪ Hydrology and Water Quality* |
| ▪ Agriculture and Forestry Resources | ▪ Land Use and Planning |
| ▪ Air Quality* | ▪ Mineral Resources |
| ▪ Biological Resources* | ▪ Noise* |
| ▪ Cultural Resources* | ▪ Population and Housing |
| ▪ Geology and Soils* | ▪ Public Services |
| ▪ Greenhouse Gas Emissions* | ▪ Recreation |
| ▪ Hazards and Hazardous Materials* | ▪ Transportation and Traffic* |
| | ▪ Utilities and Service Systems* |

* Technical studies were prepared



Environmental Impacts

Less Than Significant Impacts – No Mitigation Required

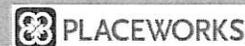
- Aesthetics
- Agriculture and Forestry Resources
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Public Services – fire, police, schools, and libraries
- Recreation
- Utilities and Service Systems – wastewater, water, storm drains, solid waste, dry utilities



Environmental Impacts

Impacts Mitigated to Less Than Significant

- Air Quality – construction emissions
- Biological Resources – sensitive species/habitat, CDFW/Corps jurisdictional resources, Riverside County MSHCP consistency, wildlife corridors
- Cultural Resources – historic, archaeological, paleontological resources
- Geology and Soils – unstable soils and geologic units



Significant Unavoidable Impacts

- Air Quality
- Greenhouse Gas Emissions
- Population
- Noise
- Transportation and Traffic



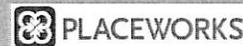
Significant Unavoidable Impacts

Air Quality

- Long-term operational emissions for VOC, NO_x, CO, PM₁₀, and PM_{2.5} from Phase 2 onward
- Air Quality Management Plan inconsistency

Greenhouse Gas Emissions

- Exceedance of SCAQMD's threshold (4.8 MTCO₂e) for GHG emissions



Significant Unavoidable Impacts

Noise

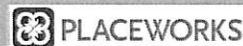
- Short-term construction noise
 - Offsite impacts
 - Exceed City's interior noise standard (55 dBA for 15 mins) by 3 dBA for offsite residences along Westward Ave, Lovell Street, and 22nd Street
 - No established County noise standard, but project would impact offsite County residences on Turtledove Lane (87 dBA exterior, 63 dBA interior)
 - Onsite impacts
 - Exceed City's interior noise standard (55 dBA for 15 mins) if onsite already-built residences and schools are within approx. 71 feet of construction activities



Significant Unavoidable Impacts

Noise – cont'd.

- Traffic noise – 16 homes along Sunset Avenue north and south of Lincoln Street
 - 2035 Buildout traffic noise levels approx. 67.8 to 68.7 dBA CNEL
 - Existing 6-foot concrete backyard walls provide noise reduction by approx. 5 dBA
 - Even with 5 dBA reduction from wall, traffic noise still exceeds 60 dBA CNEL threshold by approx. 2.8 to 3.7 dBA



Significant Unavoidable Impacts

Population

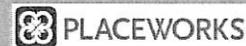
- Exceedance of SCAG's population projection for the City in 2040 by 1,041 residents
 - Proposed project: 9,038 residents
 - SCAG projection: +7,997 residents between 2010-2040



Significant Unavoidable Impacts

Transportation and Traffic

- Roadway segment operations under Beaumont and Caltrans jurisdictions
- I-10 freeway mainline segments and ramps operations under Caltrans jurisdiction
- Exceedance of Riverside County Congestion Management Program service standards



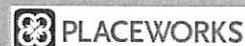
Project Alternatives

- Per CEQA Guidelines Section 15126.6, an EIR must address a range of reasonable alternatives to the project which would:
 - Feasibly attain most of the basic project objectives
 - Avoid or substantially lessen any of the significant project effects
 - Evaluate comparative merits of alternatives



Project Alternatives

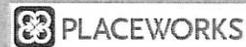
- 1. No Project/No Development Alternative**
 - No development would occur onsite
- 2. No Project/Existing General Plan Alternative**
 - Site would be developed based on current land use designations— Very Low Density Residential, Medium Density Residential, High Density Residential, Rural Residential, Open Space-Parks and Open Space-Resources, and Light Agriculture
- 3. Reduced Density Alternative**
 - Residential development would be reduced by 20 percent to 2,708 dwelling units



Project Alternatives Analysis

1. No Project/No Development Alternative

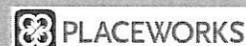
- Reduces majority of impacts
- Eliminates S/U impacts to air quality (operations), greenhouse gas emissions, noise (construction and operations), and population
- Increases impact to transportation and traffic
- Does not achieve any of the 13 project objectives



Project Alternatives Analysis

2. No Project/Existing General Plan Alternative

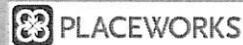
- Reduces majority of impacts
- Eliminates S/U impact to population
- Similar impacts to biological resources, cultural resources, hazards and hazardous materials, and recreation
- Achieves 4 of 13 project objectives



Project Alternatives Analysis

3. Reduced Density Alternative

- Reduces majority of impacts
- Eliminates S/U impact to population
- Similar impacts to agriculture and forestry resources, biological resources, cultural resources, and hazards and hazardous materials
- Achieves 11 of 13 project objectives

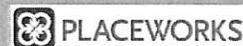


Rancho San Gorgonio Specific Plan

City Council Public Hearing

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

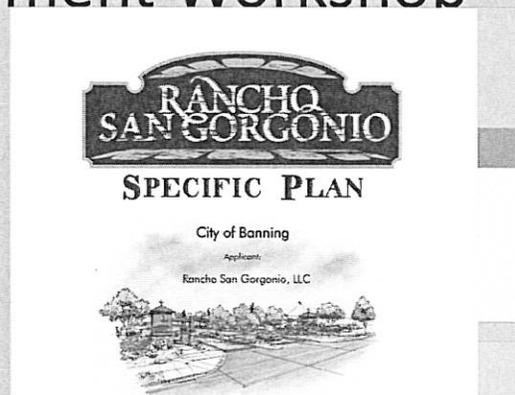
September 27, 2016
6:00 P.M.



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EXHIBIT "F"

Banning & RSG Development Agreement Workshop



OVERVIEW

- Rancho San Gorgonio Project is approximately 831 acres with plans to construct a maximum of 3,385 dwelling units, 9.3 acres of commercial development, and approximately 50 acres of community and neighborhood parks with a 12,000 square foot community center.
- Benefits of this project include increased tax revenues, traffic improvements by way of construction or paying fees to the City, increased employment within the City, and expansion of water facilities.
- If the neighborhood commercial and school sites are built, the dwelling units constructed could be reduced to 3,133.

OVERVIEW (continued)

▪ If the number of dwelling units constructed is 3,133, the City shall collect the equivalent of **\$89,970,361** in the following fees:

- Local Development Impact fees of **\$46,553,247**
- Regional Fees of **\$33,870,863**
- Permit and Other Fees of **\$9,546,251**

**Based on Current Fees (fee study is currently in progress)*

OVERVIEW (continued)

DEVELOPMENT IMPACT FEES		RSG PROJECT	RSG PROJECT
RESIDENTIAL - SINGLE FAMILY DETACHED		DWELLING UNITS	ESTIMATED COST
Fire Facilities	\$ 1,335.00	3,133	\$ 4,182,555.00
Police Facilities	\$ 823.00	3,133	\$ 2,578,459.00
Traffic Control Facilities	\$ 250.00	3,133	\$ 783,250.00
Parkland	\$ 1,955.00	3,133	\$ 6,125,015.00
General City Facilities	\$ 478.00	3,133	\$ 1,497,574.00
Water Connection	\$ 7,232.00	3,133	\$ 22,657,856.00
Wastewater Connection	\$ 2,786.00	3,133	\$ 8,728,538.00
ESTIMATED DIF	\$ 14,859.00		\$ 46,553,247.00
REGIONAL FEES		RSG PROJECT	RSG PROJECT
RESIDENTIAL - SINGLE FAMILY DETACHED		DWELLING UNITS	ESTIMATED COST
Transportation Uniform Mitigation Fe	\$ 8,873.00	3,133	\$ 27,799,109.00
Multi-Species Habitat Conservation F	\$ 1,938.00	3,133	\$ 6,071,754.00
ESTIMATED REGIONAL FEES	\$ 10,811.00		\$ 33,870,863.00

OVERVIEW (continued)

PERMIT/OTHER FEES		RSG PROJECT	RSG PROJECT
RESIDENTIAL - SINGLE FAMILY DETACHED		DWELLING UNITS	ESTIMATED COST
Building Permit Fee (estimate)	\$ 1,817.00	3,133	\$ 5,692,661.00
General Plan	\$ 75.00	3,133	\$ 234,975.00
Energy Conservation	\$ 45.00	3,133	\$ 140,985.00
Disaster Education Materials	\$ 5.00	3,133	\$ 15,665.00
Fire Inspection	\$ 134.00	3,133	\$ 419,822.00
Fire Plan Check	\$ 134.00	3,133	\$ 419,822.00
Grading Fee	\$ 15.00	3,133	\$ 46,995.00
Electric Meter Installation	\$ 265.00	3,133	\$ 830,245.00
Water Meter Fee	\$ 268.00	3,133	\$ 839,644.00
Site Plan Check	\$ 289.00	3,133	\$ 905,437.00
ESTIMATED PERMIT/OTHER FEES	\$ 3,047.00		\$ 9,546,251.00
			\$ 89,970,361.00

Development Agreement by Section

- 1. Definitions: 1.1 through 1.74 explain term definitions
- 2. Exhibits: Exhibits "A" through "J" to the Agreement
- 3. Term: Period of 30 years
 - 1st Option to extend 5 years contingent upon –
 - Developer has completed 1,000 homes w/certificates of occupancy, &
 - Developer is not in default of its obligations
 - 2nd Option to extend 5 years contingent upon –
 - Developer has completed 2,000 homes w/certificates of occupancy. &
 - Developer is not in default of its obligations
 - Term shall not exceed 40 years

Development Agreement by Section

- 4. Development of the Developer's Property
 - The Developer shall have a vested right to develop property as permitted by the Development Plan and this Agreement (subject to Article 11)
 - Land use and Development of the property shall be governed by the Specific Plan and this Agreement.
- 5. Financing and the City's Obligations
 - Within 90 days of the Effective Date, the City will adopt goals and policies to develop a Financing Plan. The intent is that some or all of the Eligible Facilities shall be funded through the formation of a Community Facilities District (CFD) and levy a special tax to finance maintenance of park and community center facilities as well as other eligible facilities and open space areas.

Development Agreement by Section

- 6. Time for Construction and Completion of Project
 - Public Improvements are required for the Project, to be constructed by both the Developer and the City and are agreed upon by both parties to be completed by specific phasing in order to proceed.
 - Major Reviews shall be conducted by both the Developer and the City, to review the performance of both parties of their obligations to have been performed pursuant to this agreement and the development of the Project. Major Reviews shall take place on the 6th, 14th, 22nd, and 30th anniversaries of the Effective Date.
 - If Options to Extend are exercised, additional Major Reviews may be at the 35th and 40th anniversaries.

Development Agreement by Section

- 7. Fees, Taxes, and Assessments
 - During the Term of this Agreement, the City may require Developer to pay all Processing Fees applicable at the rates in effect on the application date.
 - Development Impact Fees (DIF)
 - Developer shall construct and install improvements relating to water connections, treatment and transmission of reclaimed water, parks, community facilities, open space and trails, and possibly wastewater treatment in exchange for the payment of the DIF.
 - The construction of such improvements shall exceed the equivalent DIF that the City shall otherwise collect if Developer does not construct.

Development Agreement by Section

- 7. Fees, Taxes, and Assessments (continued)
 - Development Impact Fees (DIF)
 - The City is conducting a DIF Study, that may impact fees. The Developer shall be required to pay an increase in fee, if applicable, not to exceed a 7% increase of the current DIF, at the conclusion of the Study.
 - Subsequent to the current study, the Developer shall be subject to pay any future increased DIFs at the Major Review periods, and limited to the greater of 1.) Consumer Price Index for All Urban Consumers in LA-Riverside-Orange Counties, or 2.) 1% each year

Development Agreement by Section

- 7. Fees, Taxes, and Assessments (continued)
 - TUMF Fees
 - The Developer and City shall enter into a WRCOG/TUMF Credit Agreement, in which the developer shall contribute up to \$10,000,000 in TUMF improvements.
 - 100% of the \$10M contributed and/or constructed by the Developer shall be dedicated to the local project and the City will not be subject to the current fee split to benefit other regional projects.
 - The TUMF Project identified by the City for the Developer to construct is the Sunlakes Extension Project.

Development Agreement by Section

- 8. Dedications and Conveyances of Property Interests
 - Prior to construction of parks, the Developer shall meet with the Parks Director to review the provisions set forth in the Specific Plan
 - Developer shall pay DIFS and City shall construct the fire station. The Developer shall dedicate 1 acre of land, including a super pad with utilities stubbed to the site, with an additional acre of land surrounding that site available for expansion and dedicated to the City.
 - Developer shall dedicate a 0.25 acre site for an electrical substation to be constructed by the City

Development Agreement by Section

- 9. Processing of Requests and Applications: Other Government Permits
 - The City and Developer shall promptly commence and diligently proceed to complete all required steps necessary for implementation of this Agreement.
- 10. Amendment and Modification of Development Agreement
 - Either Party may propose an amendment to this Agreement.
- 11. Reservations of Authority
 - Acknowledges the limitations, reservations, and exceptions to regulatory agencies.

Development Agreement by Section

- 12. Annual Review
 - Following commencement of construction, the City and the Developer shall review the performance of this Agreement and the Development of the Project.
- 13. Default, Remedies and Termination
 - Acknowledges the rights of each Party
- 14. Assignment
 - Acknowledges the terms of agreement, termination, and declaration of covenants, conditions and restrictions.

Development Agreement by Section

- 15. Releases of Indemnities
- 16. Effect of Agreement on Title
- 17. City Officer and Employees: Non-Discrimination
- 18. Mortgagee Protection
- 19. Miscellaneous

Development Agreement by Section

- EXHIBITS:
 - Exhibit "A": Map and Legal Description of the Developer's Property
 - Exhibit "B": Existing Development Approvals
 - Exhibit "C": Estoppel Certificate
 - Exhibit "D": Development Impact Fees
 - Exhibit "E": [Intentionally Omitted]
 - Exhibit "F": [Intentionally Omitted]
 - Exhibit "G": Rancho San Geronio Project Financing Plan
 - Exhibit "H": Form of Assignment and Assumption Agreement
 - Exhibit "I": Summary of Prevailing Wage Requirements
 - Exhibit "J": Form of TUMF Credit Agreement

QUESTIONS & COMMENTS???



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DIVERSIFIED PACIFIC
COMMUNITIES

Rancho Cucamonga Based Homebuilder for over 25 years

Our Active Home Building Communities include:

- *The Estate Collection in Woodcrest*
- *The Orchard Collection in Wildomar*
- *The Orchard Collection in Redlands*
- *The Orchard Collection in Highland*



Design and Planning Team



Market Profiles
Marketing Analysis

LSA, Inc.
Environmental Consultants

Kunzman Associates, Inc.
Traffic Consultants

Architerra Design Group
Landscape Architecture

RMA GeoScience
Geotechnical Consultants

RBF Consulting (Michael Baker)
Specific Plan Preparation

KTGY Group, Inc.
*Land Planning & Architectural
Design Guidelines*

Madole and Associates, Inc.
Encompass Engineering
Civil Engineering

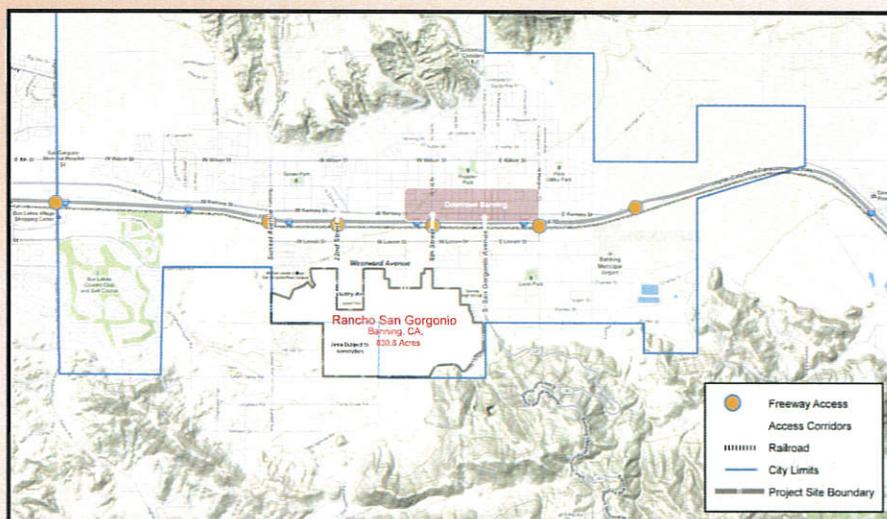
David Taussig and Associates.
Financial Analysis



Site Description Existing Conditions



Site Location



Current Land Use Designation

- Existing General Plan and Zoning Designations on the RSG site are Rural Residential (RR), Very Low Density Residential (VLDR), Very High Density Residential (VHDR), Very High Density Residential (VHDR), and Park/Open Space.
- The current general plan and zoning land use designations allow for a build out of 1865 dwelling units on the RSG site.
- Under current land use designations the development of the site would occur via traditional subdivisions or multi-family projects.

Very Low Density Residential (0-2 du/ac)	Ranch/Agriculture (10 ac min.)
Very High Density Residential (19-24 du/ac)	Open Space - Parks
Low Density Residential (0-5 du/ac)	Business Park
High Density Residential (20-24 du/ac)	



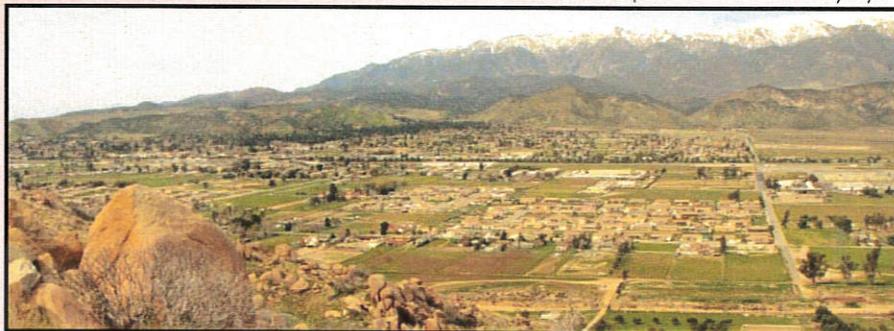
*160 Acres to be annexed from unincorporated Riverside County to the City of Banning. This area is currently in the City of Banning's Sphere of Influence. County zoning designation is A-1-10.



Geology/Soils

"The site is not located within the boundaries of an Earthquake Fault Zone for fault-rupture hazards as defined by the Alquist-Priolo Earthquake Fault Zoning Act. The nearest Earthquake Fault Zone is located more than one mile to the north along the San Geronio Pass fault. In addition, the site is not located within a fault rupture hazard zone established by either the City of Banning or the County of Riverside."

-RMA GeoScience (Geotechnical Analysis)



Previous Proposals

Lariat Specific Plan

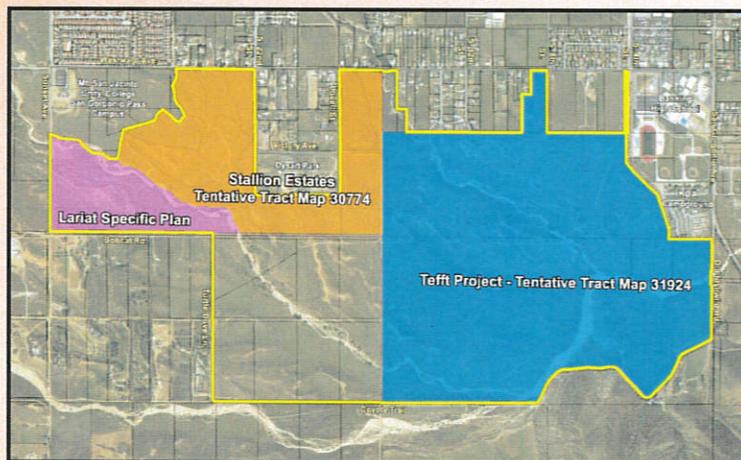
Proposed in 2006 however was withdrawn and never approved

Stallion Estates

Approved in May of 2003
Tentative Map has Expired

Tefft Project

Approved in May of 2005
Tentative Map has Expired



Master Planned Communities



Master Planned Communities

Community Amenities such as Parks, Trails, Paseos, and Open Space

Effective and Efficient Land Planning

Consistent and Themed Development Standards

Community Identity



Master Planned Communities (MPC)

Retaining Value

Historically, properties in MPCs are more resilient during market fluctuations and maintain value better.

High Quality Amenities

MPCs are focused on quality and design throughout the community. Recreational amenities contribute to healthy lifestyles and a better quality of life for residents.

Sense of Community

By nature, the parks, trails, and other amenities provide opportunities for neighbors to interact and get to know one another, creating an inherent sense of community.

Maintaining Quality

The Master Homeowners Association is responsible for enforcing the community's CC&R's as well as maintaining common areas and amenities, ultimately protecting and enhancing property values.

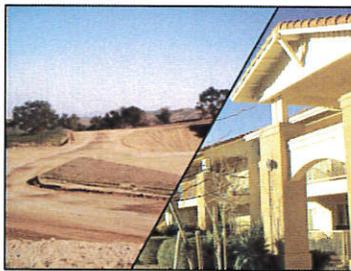


Market Analysis



Market Profiles

MARKET PROFILES, INC.



Real World Researchers Serving Developers Since 1968

By determining market demand and development opportunity, Market Profiles' continuing objective is to provide timely real estate recommendations to developers, municipalities or institutions that are owners of residential, commercial, industrial or recreational properties.

Market Profiles, Inc.

Phone: 714-648-3814

Fax: 714-648-0933

info@marketprofilesinc.com



Market Profiles

- Established in 1968
- Provides economic, market analysis, and marketing services spanning the complete spectrum of real estate development

Boyd Martin

- Chairman of Market Profiles since 1991.
- Former Board Member of the Sales and Marketing Council, Home Builders Council, and Building Industry Association - Orange Country

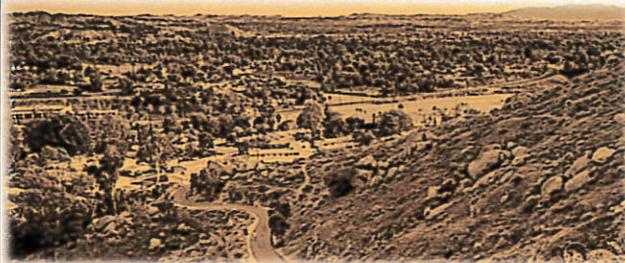
David Dickey

- Senior Economist with Market Profiles and affiliated with the company since 1978.
- Provided Financial and Real Estate Analysis for over 600 projects.

Analysis of the San Gorgonio Pass Region

Regional and Local Analysis

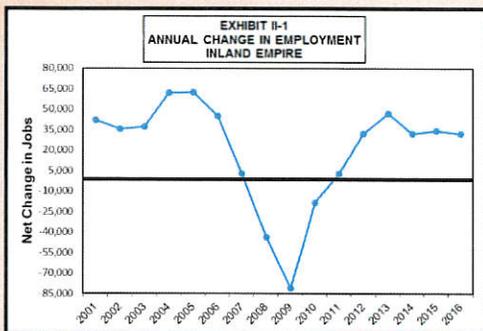
- Housing Demand
- Housing Deficiencies
- Demographics
- Renters vs Owner Occupied
- Employment Growth
- Median Income
- Price Trends
- Existing Housing Inventory
- Existing Housing Prices
- Sales rates and Absorptions
- Historical Data
- Forecasting and Projections
- Competition
- Product Descriptions



Detailed analysis of the regional and local housing markets, demographics, and economy guide the development and product in an area.



Market Trends in the Inland Empire and Western Riverside County



**EXHIBIT II-3
POPULATION AND HOUSEHOLD GROWTH TRENDS
BANNING ECONOMIC STUDY AREA
AND WESTERN RIVERSIDE COUNTY**

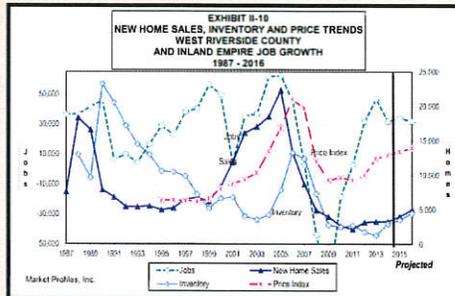
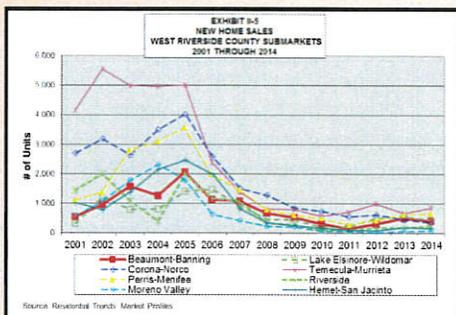
DESCRIPTION*	Banning ESA	West Riverside Co.
POPULATION		
2020 PROJECTION	103,362	1,931,690
2015 ESTIMATE	93,237	1,828,940
2010 CENSUS	86,193	1,722,077
2000 CENSUS	52,504	1,180,502
GROWTH 2015-2020	10.9%	5.6%
GROWTH 2010-2015	8.2%	6.2%
GROWTH 2000-2010	64.2%	45.9%
HOUSEHOLDS		
2020 PROJECTION	35,644	567,098
2015 ESTIMATE	32,284	539,469
2010 CENSUS	30,401	516,719
2000 CENSUS	19,352	376,056
GROWTH 2015-2020	10.4%	5.1%
GROWTH 2010-2015	6.2%	4.4%
GROWTH 2000-2010	57.1%	37.4%
AVERAGE HOUSEHOLD SIZE	2.83	3.35
ESTIMATED HOUSEHOLDS BY INCOME	32,284	539,469
UNDER \$15,000	12.0%	10.8%
\$15,000 TO \$24,999	12.0%	10.7%
\$25,000 TO \$34,999	11.0%	10.0%
\$35,000 TO \$49,999	16.6%	13.9%
\$50,000 TO \$74,999	17.5%	18.5%
\$75,000 TO \$99,999	12.7%	13.8%
\$100,000 TO \$124,999	7.8%	8.5%
\$125,000 TO \$149,999	4.0%	5.3%
\$150,000 TO \$199,999	3.7%	5.5%
\$200,000 TO \$249,999	1.2%	1.4%
\$250,000 TO \$499,999	1.4%	1.5%
\$500,000 AND OVER	0.3%	0.2%
EST. AVERAGE HOUSEHOLD INCOME	\$65,088	\$71,273
EST. MEDIAN HOUSEHOLD INCOME	\$48,612	\$56,331

* All data as of 2015 unless noted.
Source: Nielsen/Ciarias, Market Profiles



New Home Market

A Master Plan Community should incorporate the flexibility to adjust to market trends over the long term



**EXHIBIT II-12
PROJECTED ANNUAL NEW HOME DEMAND
DISTRIBUTED BY PRICE RANGE
BANNING ECONOMIC STUDY AREA
2016 - 2020**

PRICE RANGE	Ave. Annual Sales	
	TOTAL	%
Under \$200,000	25	5%
\$200,000-\$300,000	200	40%
\$300,000-\$400,000	175	35%
\$400,000-\$500,000	75	15%
\$500,000 and Over	25	5%
TOTAL	500	100.0%



Banning New Home Market

Banning Residential Building Permits

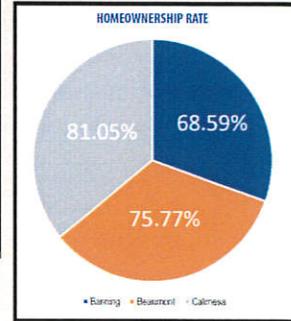
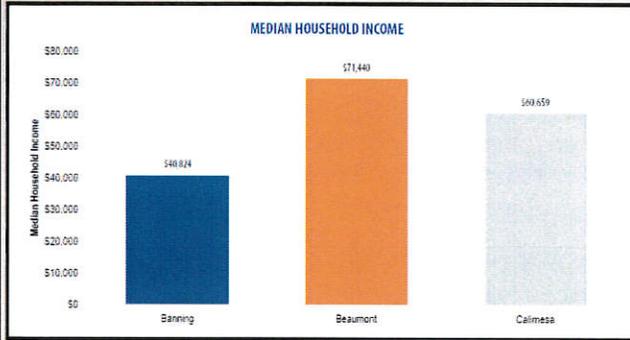
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Avg.
Single Family Permits	157	319	388	548	310	77	54	13	1	1	0	0	0	2	2	0	110
MF Permits	0	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0
Total	157	319	390	548	312	77	54	13	1	1	0	0	0	2	2	0	110

Beaumont Residential Building Permits

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Avg.
Single Family Permits	117	447	522	1,137	1,206	2,353	1,454	1,036	300	350	333	169	267	496	435	380	659
MF Permits	0	0	0	0	0	0	44	0	0	0	0	0	0	0	0	0	3
Total	117	447	522	1,137	1,206	2,353	1,498	1,036	300	350	333	169	267	496	435	380	661



Impacts of the New Home Market



*Beaumont's median household income in 2007 was \$40,295



Market Recommendation

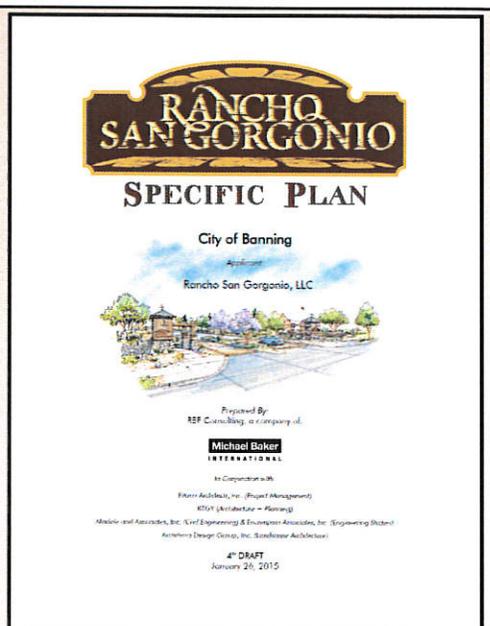
- Growth trends have been established within and through the San Gorgonio Pass and Western Riverside County.
- The Banning submarket has had no new housing options of any substance in over a decade.
- There is a market for high quality housing in a planned community environment.
- Rancho San Gorgonio is ideally positioned to capture this demand.



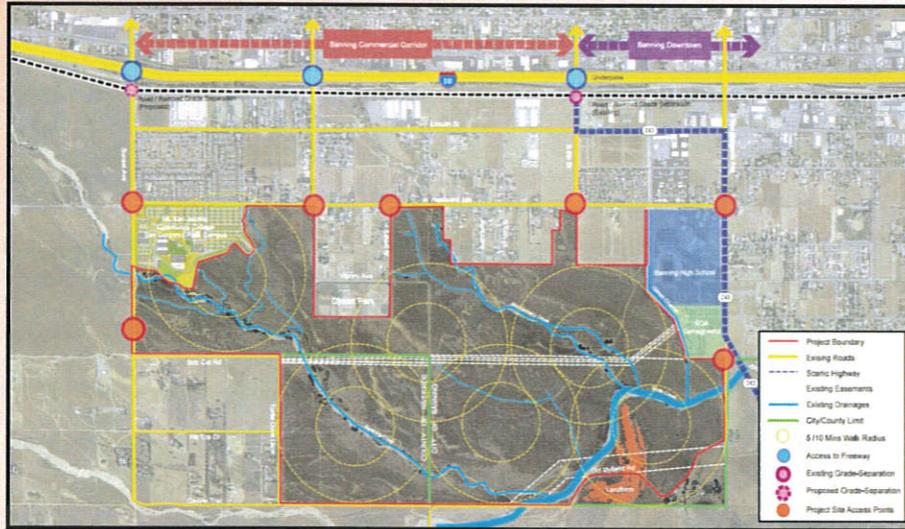


Planning

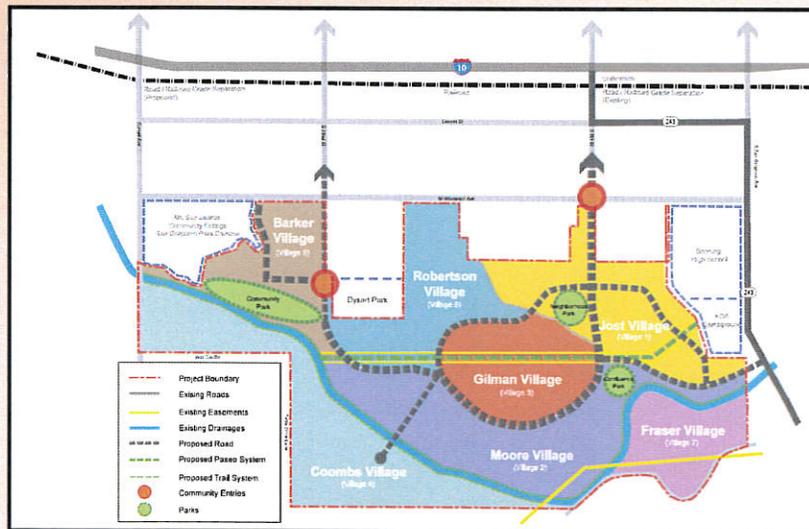
- Community Outreach and conceptual land planning began in the early stages of the project.
- A First Draft of the Specific Plan was submitted to the City in 2013.



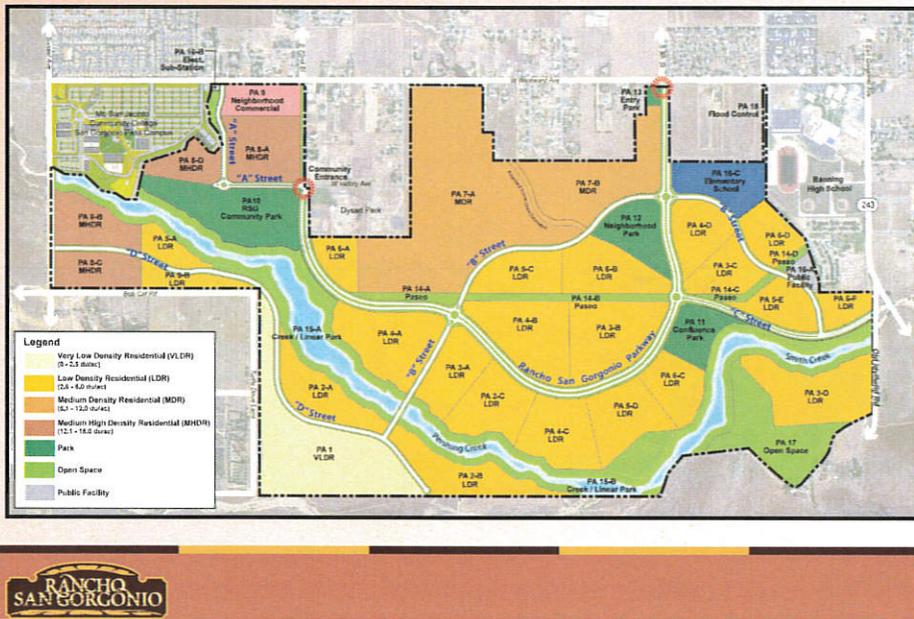
Opportunities and Constraints



Village Plan



Land Use Plan



Land Use Plan

- RSG is organized into 44 planning area (PAs)
 - Land Use
 - Residential: 516.5 Acres
 - Parks/Open Space: 210.3 Acres
 - Commercial: 9.3 Acres
 - Roads: 77 Acres
 - Other: 17.7 Acres
- 830.8 Acres**
- Maximum units allowed 3,385

Table 2-1: General Land Use Summary

Land Use	2013 Rancho San Geronimo Specific Plan				
	Gross Acres	% of Area	Dwelling Units	% of Dwelling Units	Average Gross Density (du/ac)
Residential					
Very Low Density (VLDL) (0-2.5 du/ac)	47.1	5.7%	94	2.8%	2.0
Low Density Residential (LDR) (2.6-6.0 du/ac)	301.8	36.3%	1,355	40.0%	4.5
Medium Density (MDR) Age Qualified (6.1-12.0 du/ac)	115.9	14%	754	22.3%	6.5
Medium/High Density (MHDR) (12.1-18.0 du/ac)	51.7	6.2%	930	27.4%	18.0
Residential Totals	516.5	62.2%	3,133	92.5%	6
Parks/Open Space					
RSG Community Park	26	3.2%			
Confluence Park	10.2	1.2%			
Neighborhood Park	12.7	1.5%			
Entry Park	1.1	0.1%			
Village Parcels	12.0	1.5%			
Creeks/Creek Edge Linear Parks	122	14.7%			
Natural Open Space	25.7	3.1%			
Open Space Subtotals	210.3	25.2%			
Other					
Neighborhood Commercial	9.3	1.1%	168*	5.0%**	18.0*
Public Facility	2.6	0.3%			
School	14	1.7%	84***	2.5%***	6.0**
Backbone Roadways Right-of-Way	77	9.3%			
Stream Drain Easement	1.1	0.1%			
Other Subtotals	104	12.5%			
SPECIFIC PLAN TOTALS	830.8	100%	3,385****	100%	4.0
Notes:					
* A Residential Overlay alternative of Medium/High Density Residential (MHDR, 12.1-18.0 du/ac) is allowed on Planning Area 9 in lieu of the Neighborhood Commercial designation, if PA 9 does not develop as commercial.					
** A Residential Overlay alternative of Low Density Residential (LDR, 2.6-6.0 du/ac) is allowed on Planning Area 10-C in lieu of the School use designation, if the Banning Unified School District does not to acquire PA 10-C and the site is not developed with a school use.					
*** The maximum number of dwelling units to be allowed in the Specific Plan is 3,385.					

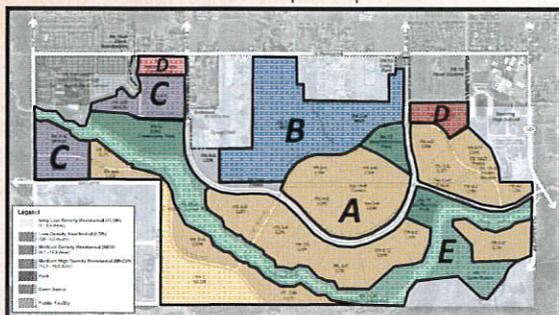


Land Use Plan

- Zone A Detached Single Family Homes
- Zone B: Age Qualified Medium Density
- Zone C: Medium Density adjacent to MSJCC
- Zone D: Potential Residential Overlay*
- Zone E: Parks and Open Space

1449 Dwelling Units
 754 Dwelling Units
 930 Dwelling Units
 252 Dwelling Units

 3385 Dwelling Units
 210.3 Acres



*If Banning Unified School District does not proceed with the school, the Specific Plan allows a residential overlay. The Planning Commission recommends that "PA 9" omit the residential overlay as an option.



Land Use Plan (Retail Site)

Benefits of Proposed Location

Westward is a collector street and, when improved, is designed to accommodate this use

22nd Street has access to the 10 freeway

The site is adjacent to the planned campus of MSJCC

This location provides convenient vehicle and pedestrian access to RSG's future residents

The site is conveniently located for more residents of south Banning

Economic Analysis

Retail Sales Tax Generation will benefit the City's general fund

Demographic indicators which are needed to support a retail center do not exist under current circumstances, however, these indicators will be met as RSG develops

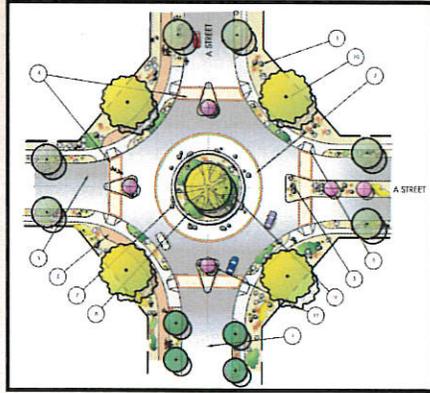
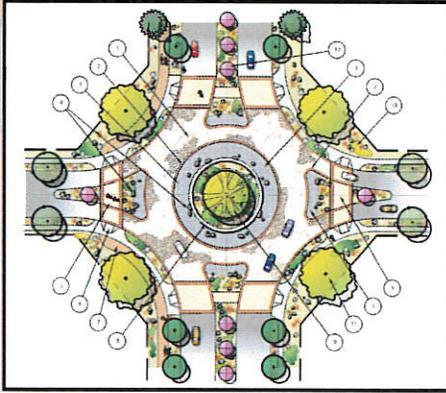
This site has been analyzed by a leading southern California supermarket chain. They have expressed an interest in the site as growth occurs and they believe their indicators will be satisfied as Phase III is nearing completion



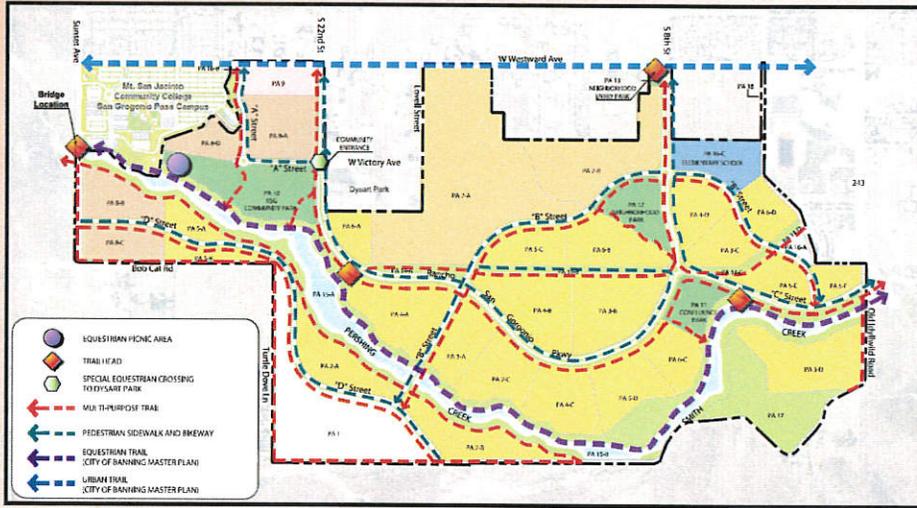
Bridge Design



Roundabout Design



Non-Motorized Circulation Plan

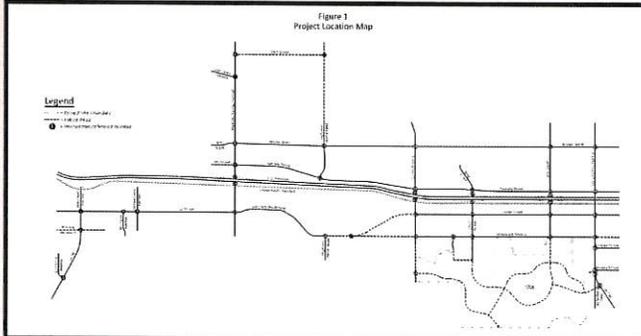


Traffic Impact Analysis



- Analyzed 44 intersections surrounding the project as identified by the County Transportation Department.
- Notes the existing traffic conditions with and without the project.
- Recommends traffic improvements on a phase by phase basis for each intersection. This will allow operation at a level of service (LOS) required by the General Plan.

Report analyzes the traffic impacts of the proposed project in accordance with the Riverside County Transportation Department Traffic Impact Analysis Preparation Guide and the RIVTAM Computer Model.

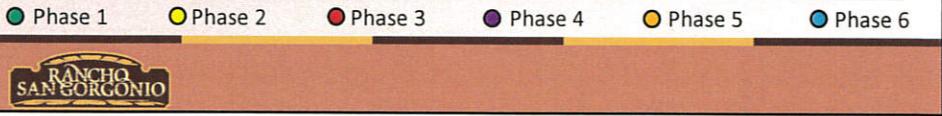
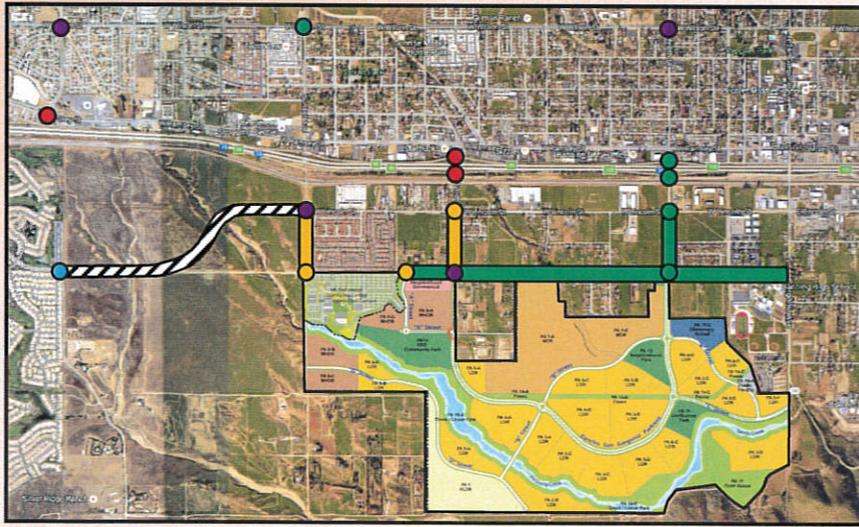


Traffic Impact Analysis - Intersections

<p>Beaumont Avenue/SR-79: 1st Street Potrero Boulevard California Avenue</p> <p>Michigan Avenue: 1st Street</p> <p>Pennsylvania Avenue: 1st Street</p> <p>Highland Springs Avenue: 14th Street Oak Valley Parkway 8th Street/Wilson Street 6th Street/Ramsey Street I-10 Freeway WB Ramps I-10 Freeway EB Ramps 1st Street/Sun Lakes Boulevard</p> <p>Highland Home Road: 14th Street Wilson Street Ramsey Street Sun Lakes Boulevard</p>	<p>Lincoln Street: Westward Avenue (extension of Sun Lakes Boulevard)</p> <p>Sunset Avenue: Wilson Street Ramsey Street I-10 Freeway WB Ramps I-10 Freeway EB Ramps Lincoln Street Westward Avenue C Street</p> <p>A Street: Westward Avenue</p> <p>22nd Street: Ramsey Street I-10 Freeway WB Ramps I-10 Freeway EB Ramps Lincoln Street Westward Avenue</p>	<p>San Gorgonio Avenue: Wilson Street Ramsey Street Lincoln Street Westward Avenue Charles Street Wesley Street</p> <p>8th Street: Wilson Street Ramsey Street I-10 Freeway WB Ramps I-10 Freeway EB Ramps Lincoln Street Westward Avenue</p> <p>San Gorgonio Avenue/SR-243: Old Idyllwild Road</p> <p>SR 243: C Street</p>
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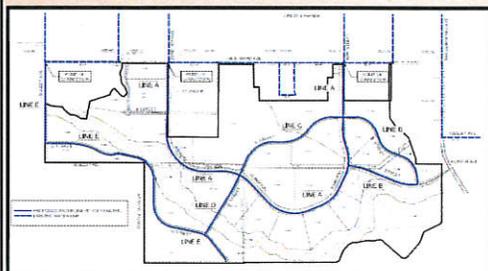


Offsite Traffic Improvements



Water Facilities

Water Master Plan



- RSG Water Master Plan evaluates the existing infrastructure and determines the required improvements to provide potable water to the entire project.
- Additional water storage facilities will be developed for the City as part of this project.
- In addition to the Master Plan RSG was required to prepare a Water Supply Assessment (WSA) which evaluates the availability of water to serve the project.



Water Supply Assessment

- Analysis projects the water demands of the City with and without the project in comparison with current and projected water availability.
- The WSA uses conservative estimates for per capita per day water use.
- Even using conservative estimates, the WSA projects that the City will have an increase in net water usage by only 16 acre-feet per year in 2035.

Table 4-11 - Proposed Projected City Water Demand [acre-ft]
 Non-Project Demand Based on City-wide Land Use Factors (with 20x2020)
 Project Demand Based on Residential Per Capita Usage Rates²

Water Use Sectors	Average % Use of Water Supply 2005-2010	2015	2020	2025	2030	2035
		Population (per General Plan) ¹	30491	36086	39842	43989
less RSG's current (General Plan) project area population and Butterfield SP Reduction ⁴			-328	-739	-2535	-2945
Adjusted Population, without Project		30491	35758	39103	41454	45622
Per Capita Water Use [gpcpd] ⁵		283	252	252	252	252
Single Family Residential	56.2%	5440	5673	6203	6576	7237
Multi-family Residential	2.3%	223	232	254	269	296
Commercial/Institutional	26.2%	2536	2645	2892	3066	3374
Industrial	1.2%	116	121	132	140	155
Irrigation	11.9%	1152	1201	1314	1392	1532
Other	1.1%	106	111	121	129	142
Sales to other Agencies	1.1%	106	111	121	129	142
Subtotal [acre-ft/yr] ⁶	9679.8	10094	11038	11701	12878	
Project Population ⁷		1170	2973	8065	8936	
Per Capita Water Use [gpcpd] ⁸		141	141	141	141	
Subtotal, Project [acre-ft/yr] ⁹		185	469	1274	1411	
Gross Total		10279	11507	12975	14289	
Increase over (decrease from) current projections ¹⁰		96	264	562	584	
Additional infiltration recharge due to project ¹¹		(26)	(66)	(180)	(199)	
Additional recycled water available to reduce potable use elsewhere in the city ¹²		(33)	(84)	(227)	(252)	
Return flows from irrigation (25% of recycled water generated) ¹³		(15)	(39)	(106)	(118)	
Net Total: Increase (decrease) in demand less project generated sources ¹⁴		22	75	49	16	



Technical Studies

- Air Quality & Green House Gas Analysis
- Biological Resources Report
- Multiple Species Habitat Conservation Plan Consistency Report (MSHCP)
- Determination of Biologically Equivalent or Superior Preservation Report (DBESP)
- Water Quality Management Plan (WQMP)
- Cultural Resources Assessment
- Phase I Environmental Site Assessment
- Master Plan of Drainage
- Water Supply Assessment (WSA)
- Geotechnical Investigation Report
- Noise Study
- Traffic Impact Analysis
- Master Plan of Sewer
- Master Plan of Water



Infrastructure Statistics

- Install 29,950 LF (5.67 miles) of Main Potable Waterlines
- Install 27,230 LF (5.16 miles) of Main Recycled Waterline
- Contribute to the construction of additional above ground water storage
- Install 36,000 LF (6.82 miles) of new Main Sewer lines which includes 15,000 LF (2.84 miles) of the "Deutsch" Trunk Sewer Line
- Install 22,400 LF (4.24 miles) of Storm Drains varying in size from 36" diameter RCP to Triple Box 12'x8' RCB
- Design and build over 210 acres of public parks, trails, open space, and paseos.
- Install or contribute to the construction of numerous offsite street improvement, street widening projects, and traffic controls.
- The retention of storm water runoff will provide groundwater recharge. RSG is estimated to produce 199 acre-feet per year (based on average annual rainfall). An acre-foot per year is about 893 gallons per day. Utilizing current water demand projections (about 141 gppd) this equals approximately .16 acre-feet per year per person. That's enough water for over 1200 people as a result of responsible design and planning to capture runoff.

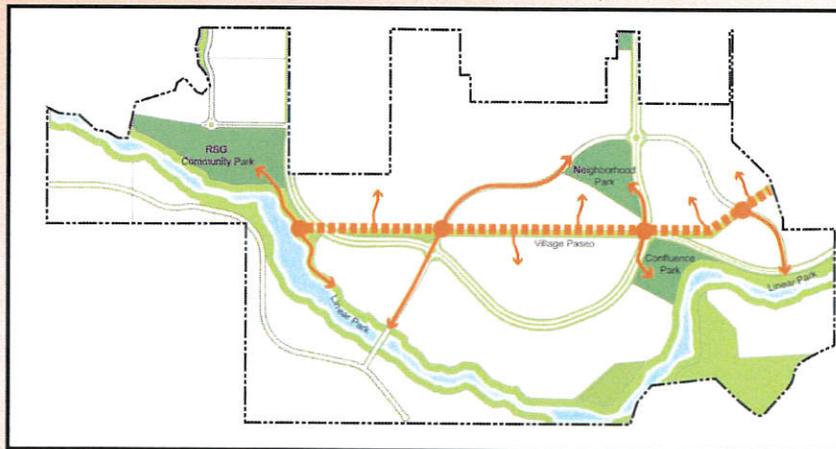


Parks, Trails, and Open Space

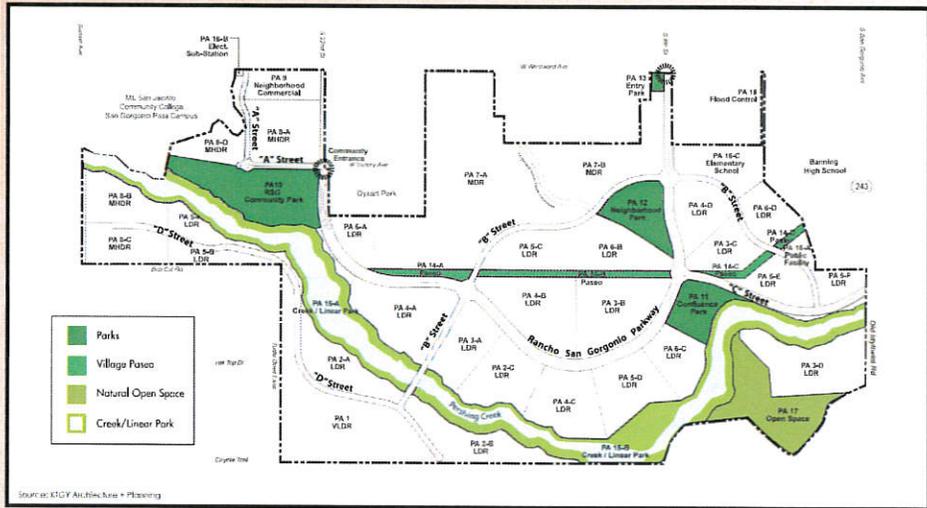


Parks & Open Space

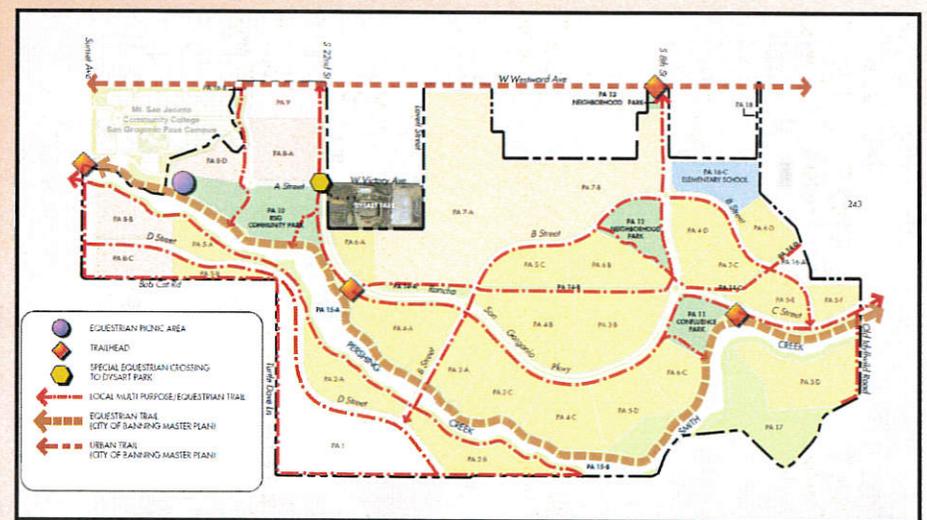
All parks and greenspace in Rancho San Geronio will be connected by a series of trails and paseos that provide the opportunity for pedestrian, bike, and equestrian use.



Parks and Trail System



Equestrian Multi-Purpose Trails



Confluence Park

10.2 Acres



Neighborhood Park

12.7 Acres



Community Park

25 Acres

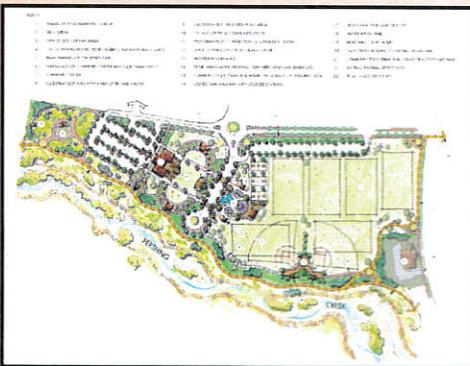


Community Park

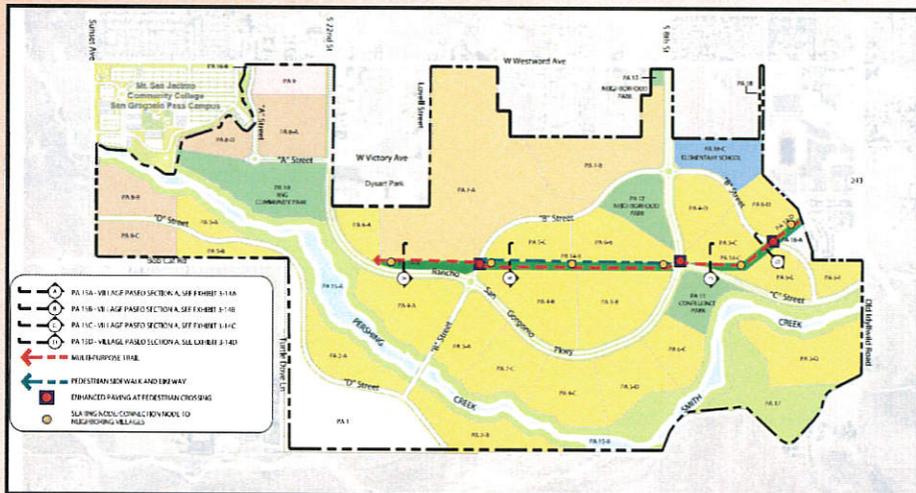
This 25 acre park will provide recreational opportunities for the residents of Rancho San Gorgonio and the entire City of Banning to enjoy.

Park Amenities

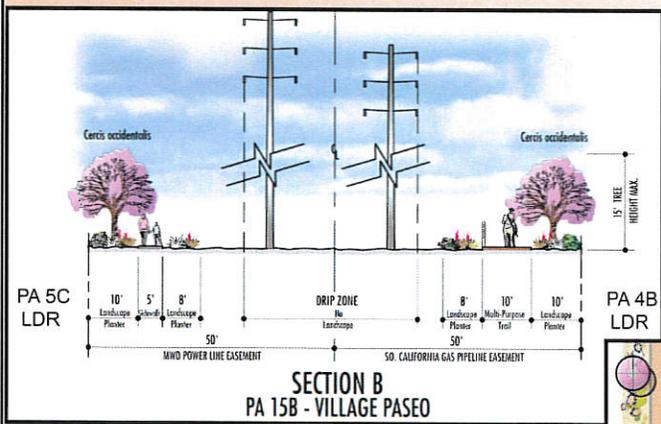
- Community Center
 - Approximately 12,000sf
 - City to determine programming
- Fire Station
- Programmable Sports Fields
 - Soccer and Baseball/Softball
- Exercise stations
 - Walkways
- Equestrian Rest Area
 - Connected to Trails Along Pershing Creek
- Basketball Courts
- Tot Lots
- Shaded Picnic Areas
- Rest Areas



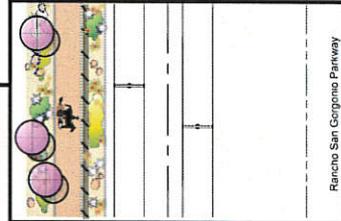
Village Paseo Plan



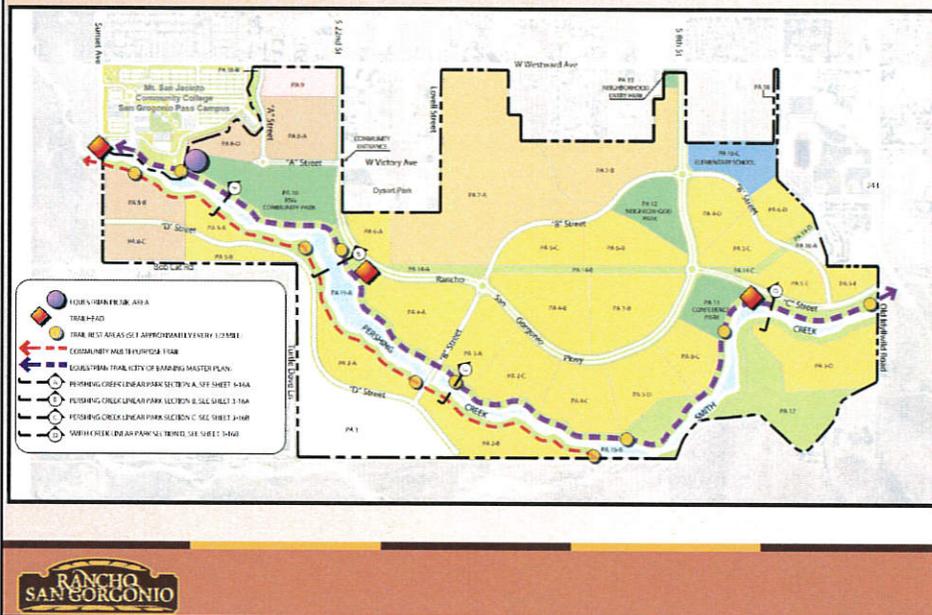
Village Paseo Section



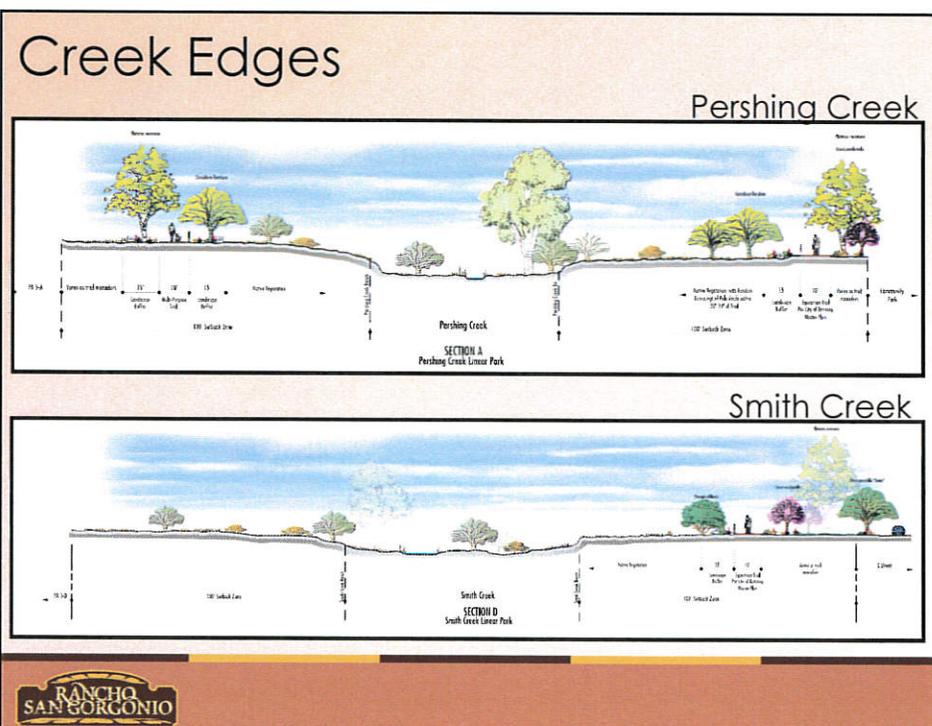
The existing fifty(50) foot wide utility easement will be developed as a village paseo trail.



Creek Trail Plan



Creek Edges



Architectural and Landscape Design Guidelines



Design Guideline Objectives

Establish a Place

Sense of Community
Iconic First Impression
Activity and Sense of Destination

Neighborhood Crafting

Diversity of Housing Types
Architecture Forward Design
Convenient Park Locations

Connectivity

Pedestrian Experience
Walkability
Meaningful Destinations
Physical and Visual Connections

Sustainability

Preservation of key Features
Green Programming



Landscape Guidelines & Objectives



- Specific Plan Covers
- Water Conservation
 - HOAs and LMDs
 - Drought Tolerant
 - Xeriscape
 - Typical Front Yards
 - Soil Testing
 - Streetscape
 - Private Slopes
 - Public Slopes
 - Irrigation Design
 - Park Planting

"The landscape character of the Rancho San Gorgonio (RSG) Specific Plan community encompasses the elements of the rustic and natural beauty of the site's surrounding rural foothill environment."



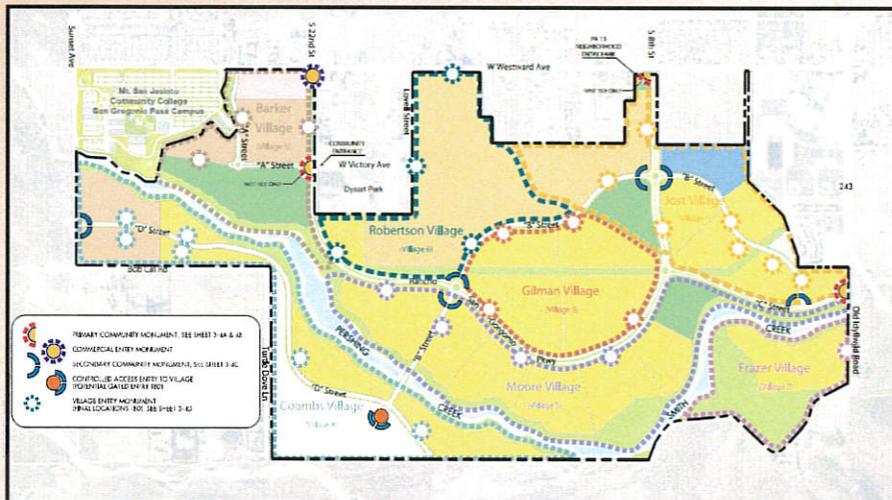
Landscape Materials

Rancho San Gorgonio Plant Palette		Estimated Water Use	Streetscape	Park Space	Poison within Utility Corridor	Full Irrigation	Zone	Water Conservation	Soil Testing	Private Slopes	Public Slopes	Typical Front Yards	Soil Testing	Soil Testing	Soil Testing
Botanical Name	Common Name														
TREES															
<i>Acacia senescens</i>	Mulga	L	✓	✓											
<i>Acacia strictophylla</i>	Shoestring acacia	L	✓	✓											
<i>Acacia willariana</i>	Palo Blanco	L	✓	✓											
<i>Adiantum species</i>	Strawberry Tree	L	✓	✓											
<i>Brahea edulis</i>	Black Hoopoe Palm	L	✓	✓											
<i>Callistemon citrinus</i>	Bottle Brush	L	✓	✓											
<i>Callistemon viminalis</i>	Weeping Bottle Brush	M	✓	✓											
<i>Cedrus deodora</i>	Deodar Cedar	M	✓	✓											
<i>Cercidium floridanum</i> (See <i>Parkinsonia florida</i>)															
<i>Cercidium microphyllum</i>	Lute Leaf Palo Verde	L	✓	✓											
<i>Cercis occidentalis</i>	Western Redbud	L	✓	✓											
<i>Chilopsis linearis</i>	Desert Willow	L	✓	✓											
<i>Chilopsis salicoides</i>	Chilopsis	L	✓	✓											
<i>Cupressus arborescens</i> ssp. <i>arborescens</i>	Calaverita Cypress	L	✓	✓											
<i>Cupressus sempervirens</i>	Italian cypress	L	✓	✓											
<i>Fraxinus angustifolia</i>	Raywood Ash	M	✓	✓											
<i>Fraxinus americana</i>	American White Ash	M	✓	✓											
<i>Galera parviflora</i>	Australian Willow	M	✓	✓											
<i>Gleditsia triacanthos</i>	Honey Locust	L	✓	✓											
<i>Leptochloa densiflora</i>	Chinoneo Kermes Tree	M	✓	✓											
<i>Laguncularia racemosa</i>	Croton Bayleaf	M	✓	✓											
<i>Oliva europaea</i>	Oliva	L	✓	✓											
<i>Parkinsonia aculeata</i>	Mexican palo verde/ Jerusalem thorn	L	✓	✓											
<i>Parkinsonia florida</i> (See <i>Parkinsonia florida</i>)															
<i>Parkinsonia florida</i> (See <i>Parkinsonia florida</i>)															
<i>Pinus attenuata</i>	Desert Mustang	L	✓	✓											
<i>Pinus brutia</i> ssp. <i>oliveriana</i>	Italian Pine	L	✓	✓											
<i>Pinus halepensis</i>	Algerian Pine	L	✓	✓											
<i>Pinus jeffreyi</i>	Jeffrey's Pine	L	✓	✓											
<i>Pinus ponderosa</i>	Monterey Pine	M	✓	✓											
<i>Platanus californica</i>	California Sycamore	M	✓	✓											
<i>Platanus virginiana</i>	American Sycamore	M	✓	✓											

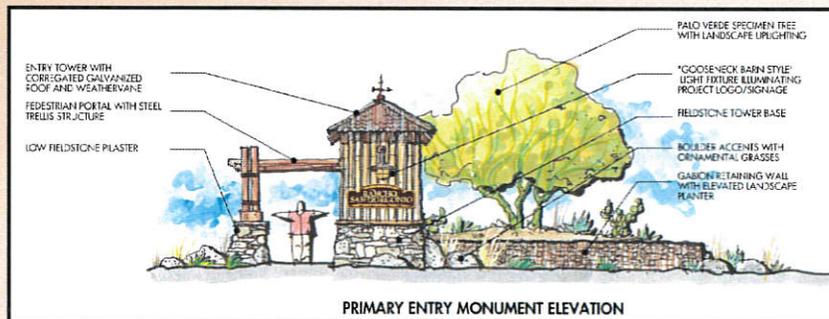
Rancho San Gorgonio Specific Plan identifies a plant palette suitable for sustainable and drought tolerant design requirements.



Entry Monumentation Design



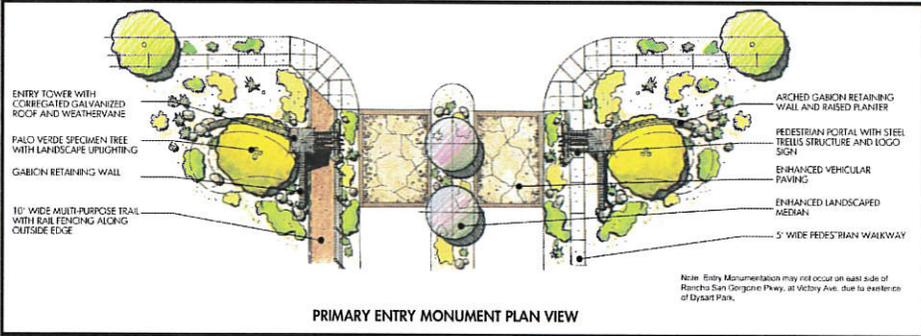
Entry Monumentation Design



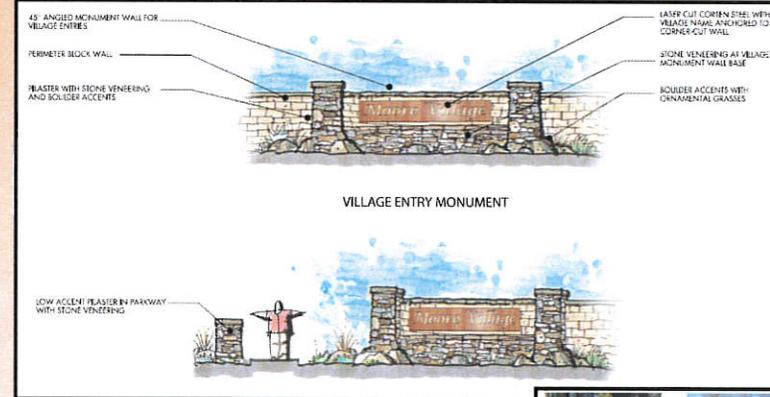
PRIMARY ENTRY MONUMENT ELEVATION



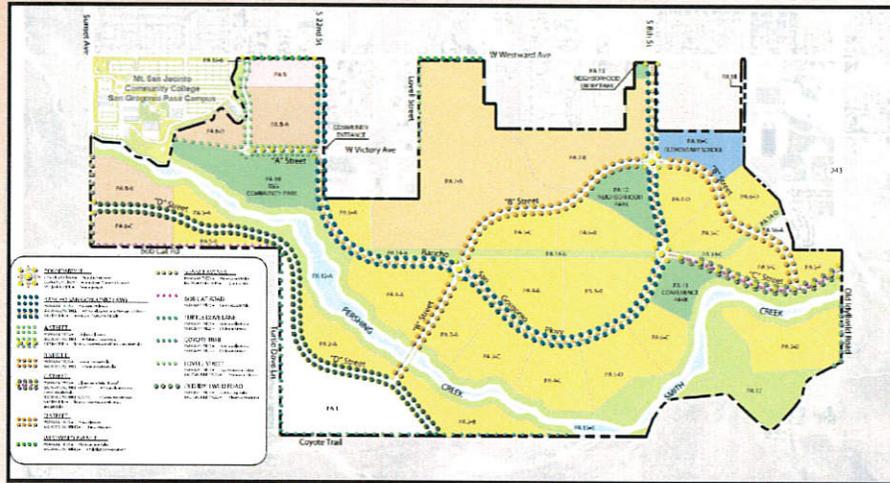
Entry Monumentation Design



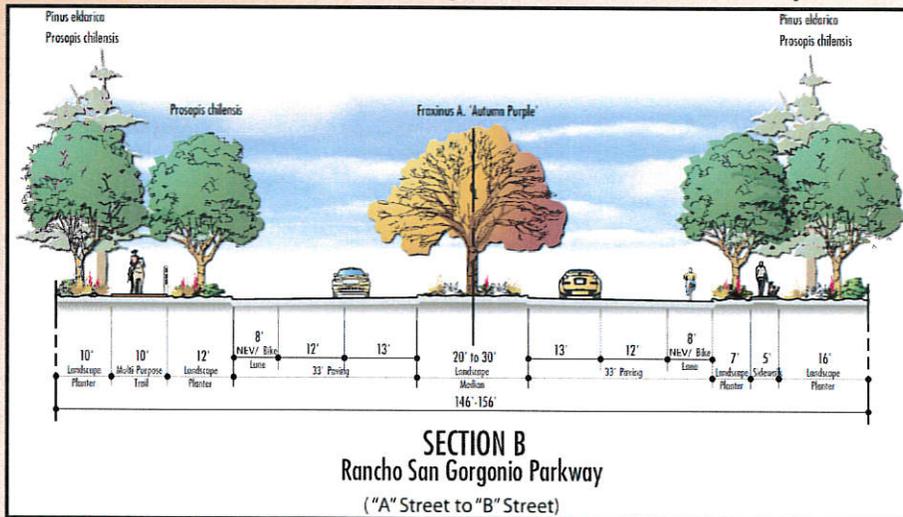
Entry Monumentation Design



Street Tree Master Plan



Rancho San Geronio Parkway



SECTION B
Rancho San Geronio Parkway
("A" Street to "B" Street)



Architectural Guidelines

Rancho San Geronio will feature three distinct architectural themes. Each theme is further refined by identifying consistent architectural styles.

The intent is to allow a variety of design options and encourage a "village feel" to each individual planning area.

Spanish
 Spanish Colonial
 Monterey
 Andalusian
 Santa Barbara

California
 Napa
 Farmhouse
 Ranch
 Prairie
 Craftsman

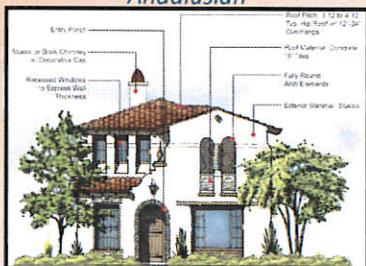
Mediterranean
 Tuscan



Spanish Style

This style reflects the traditional heritage of southern California homes.

Andalusian



Monterey



Spanish Colonial

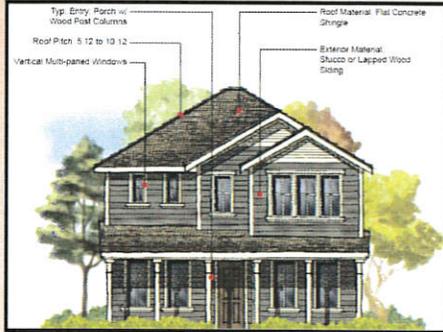


Santa Barbara



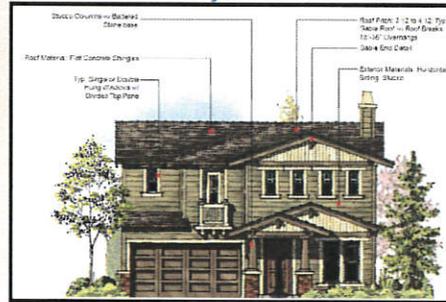
California Style

Farmhouse



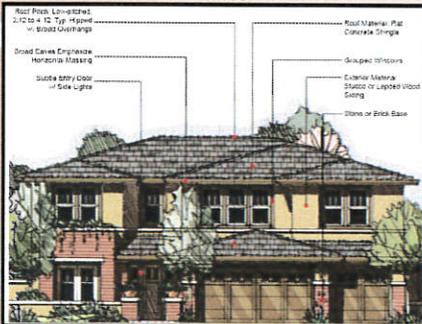
This style is sometimes characterized as "traditional" architecture. This collection represents traditional American styles found throughout the country and southern California.

Craftsman



California Style

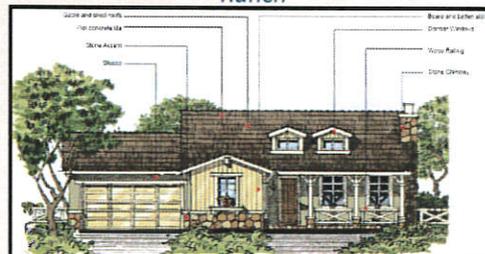
Prairie



Napa

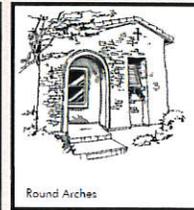
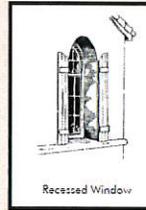
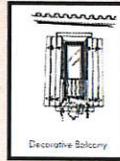


Ranch

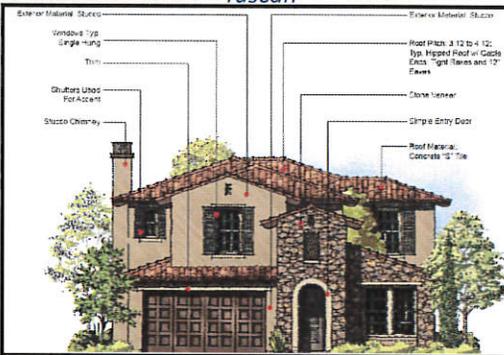


Mediterranean Style

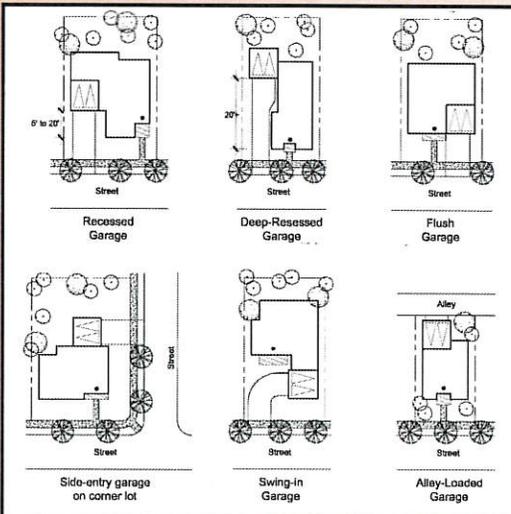
This style is a good example of a transplanted style development in a climate zone similar to the climate found in California. It would be mainly used at very low and low density residential areas.



Style Elements	Required - Mediterranean
Form	<ul style="list-style-type: none"> Informal arrangement of one- and two-story building forms
Roof	<ul style="list-style-type: none"> Low pitched roofs, 3:12 to 4:12 Tight to 18" overhangs at eaves Tight to 12" overhangs at rakes Full 3" concrete tile Shed and hip roofs or occasional gable or cross gable
Walls	<ul style="list-style-type: none"> Stucco exterior walls, smooth to light sand finish MIS stone accents
Windows	<ul style="list-style-type: none"> Recessed windows Shaped window trims
Details	<ul style="list-style-type: none"> Decorative "facy" wrought iron grille work Entry door patterns shall reflect architectural style of the building Decorative iron accents Decorative shutters and awnings Arched windows or openings Decorative shaped rafter tails
Colors	<ul style="list-style-type: none"> Variety of rich earth tone building color Lighter or darker contrasting trim color Dark or bright accent color



Garages and Building Articulation



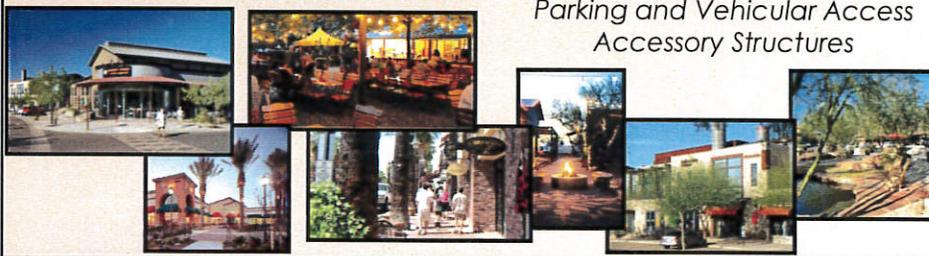
RSG provides a variety of garage types that will allow for a wide variability in streetscape.



Commercial Design Guidelines



- Form, Massing, and Articulation
- Color and Materials
- Building Site Orientation
- Rooftops
- Utilities and Mechanical Equipment
- Service Loading and Storage Areas
- Trash and Recycling Facilities
- Parking and Vehicular Access
- Accessory Structures



Sustainable Community Design

- Site Planning*
- Water Efficiency
- Energy Efficiency
- Material Efficiency
- Healthy Living Environment
- Sustainable Landscape Design
- Sustainable Stormwater Management/Stormwater Quality



"Site-specific sustainable community design strategies... take into consideration specific conditions related to the Specific Plan area, Banning, the San Geronimo Pass area, and the region in regards to responsible development of the site."

*Site Planning

- Neighborhood Design
- Land Use Pattern
- Walkability/Mobility
- Vehicle Use
- Solar Orientation



Water Efficiency

"The RSG Specific Plan employs a multi-faceted approach to water efficiency"

Elements

- Reduces potable water demand by utilizing recycled water for common area irrigation purposes.
- Requires high efficiency plumbing fixtures and appliances that meet or exceed the CalGreen code, including installation of ultra-low flow water closets at maximum 1.28 gallons/flush.
- Covenants, Conditions, and Restrictions (CC&R's) shall require landscaping on all residential and commercial projects to comply with the water conservation xeriscape principles in the Banning Municipal Code section 13.16.030.
- Employs strategies that reduce turf areas in Parks.



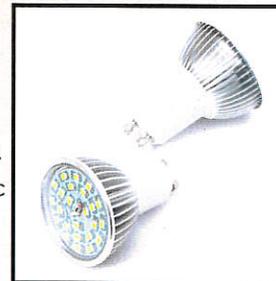
Energy Efficiency



Development within RSG Specific Plan is required to be Energy Efficient, using various conservation and generation technologies including strategies and techniques that meet or exceed the California Green Building Standards (CalGreen Code) and California Energy Code.

Elements

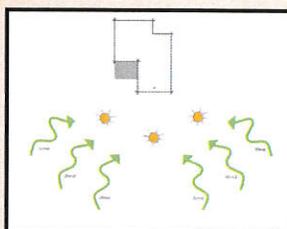
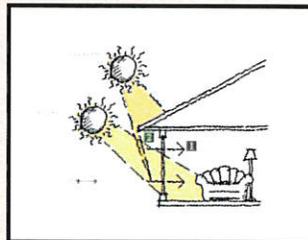
- New buildings within RSG shall design to USGBC LEED, GreenPoint Rated standards or better.
- LED lighting and solar photovoltaic lighting fixtures where feasible in common areas.
- RSG requires the installation of energy efficient appliances (Energy Star or equivalent) in all residences and businesses.
- A minimum of 25% of all residences shall utilize photovoltaic panels.
- Electric vehicle charging stations are required at all multifamily and commercial development.



Green Building

Elements

- The use of recycled material is encouraged including the use of wood certified by the Forest Stewardship Council.
- Use of exterior building materials that do not require painting is encouraged.
- Visible roof materials shall have a 30-year life expectancy and have a radiant barrier.
- Low energy glazing is required.



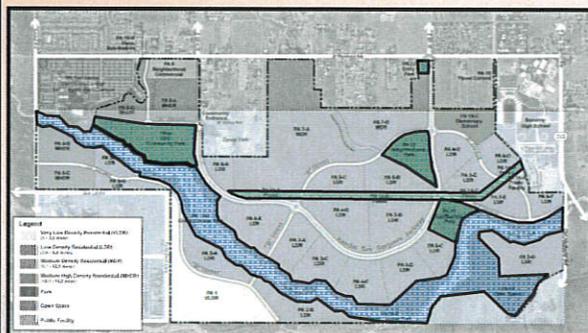
"Builders are encouraged to incorporate building articulation and form that are driven by site conditions such as solar orientation, views, noise, prevailing winds, and local climate."



Management



Public Ownership



Parks/Paseos/Medians/
Parkways/Trails
City of Banning



Creek Conservation Area
Conservation Agency and/or
City of Banning



The project will create a Landscape Maintenance District (LMD) which will provide a revenue source to the City for the purpose of maintaining parks, trails, and open space under the Cities jurisdiction.

Flood Control improvements larger than 36" in diameter will be maintained by Riverside County Flood Control.



Master Homeowners Association (HOA)

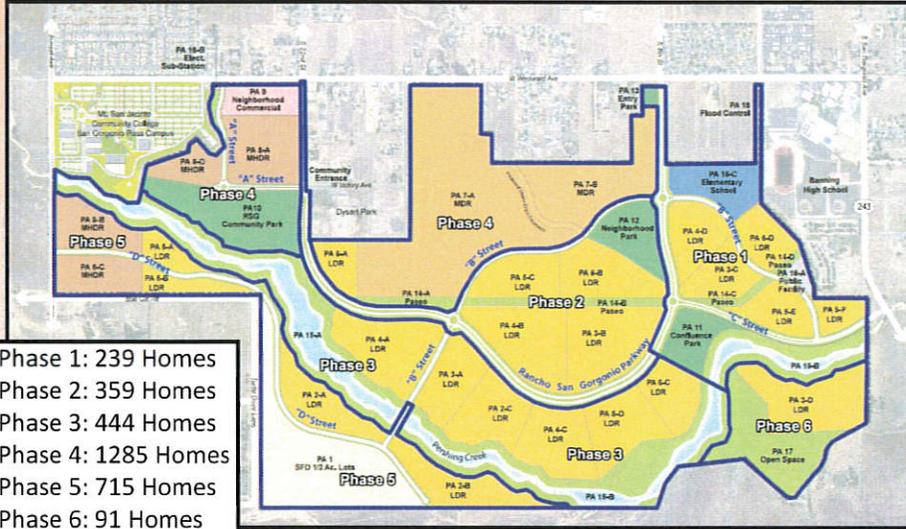
Elements

- Conditions Covenants & Restrictions (CC&Rs) with significant enforcement power vested in a Master HOA with the Master Developer controlling a majority of board positions.
- Through this management authority, the developer can implement and maintain the Specific Plan's vision.
- Strong CC&R's provide the Master HOA with tools to maintain an attractive environment and enhance property values.
- Individual HOAs may be formed for specific planning areas, to provide additional layers of enforcement.

Rancho San Geronimo will have a Master HOA that will govern the entire Specific Plan. This HOA Board will have the power to maintain Rancho San Geronimo as an attractive community in perpetuity.



Phasing



Economic Analysis



Fiscal Impact Analysis

Elements

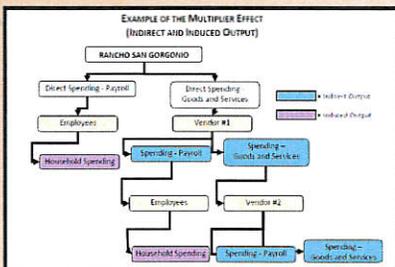
- Economic Analysis prepared by David Taussig & Associates
- Analyzes the net impact to the City at the build out of Rancho San Geronio.
- Analyzes one time (construction) and long term jobs and benefits to the City and County.
- Analyzes the total recurring and one time economic output to the City and County due to the project.

GENERAL FUND - NET FISCAL IMPACT SUMMARY – SCENARIO 1
(ALL NUMBERS SUBJECT TO ROUNDING)

Fiscal Impact Category	Total
Total Annual Recurring Revenues	\$4,779,060
Total Annual Recurring Costs	(\$4,371,861)
Total Annual Recurring Surplus/(Deficit)	\$407,199
Total Annual Revenue/Cost Ratio	1.09



Fiscal Impact Analysis



Economic Output

- Total benefit of \$810,498,032 in economic activity with \$42,561,870 reoccurring on an annual basis.
- Reoccurring economic output is based on the total flow of goods and services once the project is completed.

Multiplier effect measures induced or indirect economic output. As money is spent in a region or City, a percentage of that money will be reinvested into that community.

One-Time Total Output

(ALL NUMBERS SUBJECT TO ROUNDING)

One-Time Impact	Direct	Indirect	Induced	Total
Overall Output				
City of Banning	\$652,370,000	\$70,953,061	\$87,174,971	\$810,498,032
County of Riverside	\$652,370,000	\$141,906,121	\$174,349,942	\$968,626,063

RECURRING TOTAL OUTPUT

(ALL NUMBERS SUBJECT TO ROUNDING)

Recurring Impact	Direct	Indirect	Induced	Total
Overall Output				
City of Banning	\$33,284,391	\$3,846,828	\$5,430,651	\$42,561,870
County of Riverside	\$33,284,391	\$7,693,656	\$10,861,301	\$51,839,349



Fiscal Impact Analysis

Employment Creation

- Rancho San Geronio is projected to bring 3,133 temporary (construction) jobs and 247 permanent jobs to Banning.
- Economic computer modeling was utilized to quantify direct economic impacts (output and job creation) which will occur directly on-site, and indirect/induced impacts that will occur elsewhere within the City.

RECURRING EMPLOYMENT (ALL NUMBERS SUBJECT TO ROUNDING)				
Recurring Impact	Direct	Indirect	Induced	Total
<u>Employees</u>				
City of Banning	211	15	22	247
County of Riverside	211	30	43	284

ONE-TIME INCREASES IN EMPLOYMENT (ALL NUMBERS SUBJECT TO ROUNDING)				
One-Time Impacts	Direct	Indirect	Induced	Total
<u>Employees</u>				
City of Banning	2,343	378	392	3,113
County of Riverside	2,343	756	784	3,883



Community Outreach and Support



Community Outreach

Neighborhood Meetings

- Diversified Pacific hosted community meetings inviting all property owners within 1200 feet of the site.
- First community meeting was in February of 2013 at Banning High School and discussed the overall vision and concept land plan for the project.
- Second community meeting was in April of 2015 to update the community on progress and to answer questions.
- RSG was presented to the Banning Parks Commission in July of 2013 and July of 2014.



Community Group Presentation

- Mount San Jacinto Community College Board of Directors
- Banning Rotary Club
- Banning Chamber of Commerce
- Banning Women's Club
- Banning Library District
- Banning Kiwanis Club
- Banning Unified School District Superintendent and Senior Staff

Neighborhood Coffees

- Diversified Pacific hosted community coffees between August and November 2015 for individuals and groups active in the community.



Project Endorsements

Banning Chamber of Commerce

RESOLUTION OF THE BOARD OF DIRECTORS SUPPORTING THE APPROVAL OF RANCHO SAN GERONIMO BY THE CITY OF BANNING:

WHEREAS, the Banning Chamber of Commerce is committed to providing a vibrant, diverse, and vibrant community for all residents and visitors to the City of Banning, and

WHEREAS, Rancho San Geronimo is a premier, master-planned community of high-quality homes, retail, public parks, parks, trails, and open space which will be built adjacent to the San Geronimo Campus, and

WHEREAS, Rancho San Geronimo is a premier, master-planned community of high-quality homes, retail, public parks, parks, trails, and open space which will be built adjacent to the San Geronimo Campus, and

WHEREAS, Rancho San Geronimo will provide important infrastructure improvements to roads, water, sewer, and storm drain systems, that will improve the access and infrastructure that will support the San Geronimo Campus, and

WHEREAS, Rancho San Geronimo will make significant improvements to local roads including the construction of a bridge on Laurel Avenue, providing all weather access and important flood control improvements along Peeling Creek that will protect the San Geronimo Campus, and

WHEREAS, the new residents of Rancho San Geronimo will provide significant new revenue to the Mt. San Jacinto College District through the recently adopted Measure AA, and

WHEREAS, Rancho San Geronimo will provide needed additional housing opportunities for faculty and students near campus, and

WHEREAS, Rancho San Geronimo will provide a substantial increase in its property values and in the value of its residents, in the value of its residential property, and

WHEREAS, Rancho San Geronimo will provide significant economic benefits for the local economy.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BANNING CHAMBER OF COMMERCE DO HEREBY RESOLVE TO SUPPORT THE APPROVAL OF RANCHO SAN GERONIMO BY THE CITY OF BANNING.

The Banning Chamber of Commerce hereby certifies that Rancho San Geronimo is a premier, master-planned community of high-quality homes, retail, public parks, parks, trails, and open space which will be built adjacent to the San Geronimo Campus, and

APPROVED AND ADOPTED on this 11th day of August, 2015.

THOMAS WATKINS, President of the Banning Chamber of Commerce

[Signature]
For Public Review

Mount San Jacinto Community College

RESOLUTION OF SUPPORT FOR THE APPROVAL OF RANCHO SAN GERONIMO BY THE CITY OF BANNING:

WHEREAS, Mt. San Jacinto College District is committed to the success of all of its campuses, including the San Geronimo Campus, in the City of Banning, and

WHEREAS, Rancho San Geronimo is a premier, master-planned community of high-quality homes, retail, public parks, parks, trails, and open space which will be built adjacent to the San Geronimo Campus, and

WHEREAS, Rancho San Geronimo will provide important infrastructure improvements to roads, water, sewer, and storm drain systems, that will improve the access and infrastructure that will support the San Geronimo Campus, and

WHEREAS, Rancho San Geronimo will make significant improvements to local roads including the construction of a bridge on Laurel Avenue, providing all weather access and important flood control improvements along Peeling Creek that will protect the San Geronimo Campus, and

WHEREAS, the new residents of Rancho San Geronimo will provide significant new revenue to the Mt. San Jacinto College District through the recently adopted Measure AA, and

WHEREAS, Rancho San Geronimo will provide needed additional housing opportunities for faculty and students near campus, and

WHEREAS, Rancho San Geronimo will provide a substantial increase in its property values and in the value of its residents, in the value of its residential property, and

WHEREAS, Rancho San Geronimo will provide significant economic benefits for the local economy.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Mt. San Jacinto College District hereby certifies its support of Rancho San Geronimo and encourages that the Board of the City of Banning support the project, as it will provide additional benefits for the San Geronimo Campus, and the more so upon

PASSED AND ADOPTED this 11th day of October, 2015.

[Signature]
Secretary of the Governing Board

Board Members

- | | |
|----------------|-------------------|
| Ron Duncan | Laura Leindecker |
| Onalyse Lyons | Juan De La Fuente |
| Bill Dickson | Robin Calder |
| Thomas Watkins | Heather Perry |
| Reako Davis | Diane Benhar |

Board of Trustees

- | | |
|-----------------|-------------------|
| Tom Ashley | Anne Motte |
| Bill Zimmerman | Dorothy McGargill |
| Sherrie Gerrero | Liliana Gomez |



Individual Supporters

Supporters

Bill Dickson
Diana Benhar
Onalyse Lyons
Reako Davis
Amy Herr
David Kealy
Bill Bell
Bonnie Devine
George Johns
Richard Sanchez
Henry DeRoule
Bob Ewert
David Frank
Cathy Leograde
Robert Phelps
Gerry Phelps
Silvia DeCoud
Beverly Davis
Sharon Kealy
Jean Schipper
Dorothy Lewis

Jack Sidwell
Allen Braswell
Jay McCormack
Arthur D'Souza
Bob Rochelle
Beverly Rashidd
Carol Newkirk
Don Robinson
Karen Clavelot
Ann Botts
Gary Fawcett
Ron Duncan
John Savaggio
Jim Smith
Jay McCormack
Coula Ringold
Helen Searcy
Thelma Thomas
Gerry Fawcett
Wendell Bainter
Kathy Bainter

Dr. Gene Kadow
David Frank
Jan Spann
Kerri Mariner
John Jeter
Dr. Roger Shultz
Dr. Sherrie Guerrero
Ron Duncan
Dinaz D'Souza
Nelson Ringold
Bob Botts
Helen Enriquez
Fred Sakurai
Charlene Sakurai
Buddy Hawkins
Dick Peck
Brad Bowman
Heather Perry
Anita Simon
Joe Leograde
Lynette Simonson



*Partial Listing



Benefits of RSG to the Community and the Public

Public Improvements

- Traffic Control Improvements
- Recycled Water Infrastructure
- Sewer/Water Infrastructure
- Increased Water Storage
- Ground Water Recharge Basins
- Flood Control Improvements
- Fire Station
- School Site

Commercial/Retail



Rooftops are the primary driver of new retail and commercial development in any community.

RSG anticipates a 100,000 square foot retail center.

Parks/Amenities

- Four Public Parks
- Trails/Paseos
- Sports Fields
- Equestrian Trails



Economic Benefits

- Increased tax revenue through appreciating property values
- Real estate values which stabilize and escalate with the value of the MPC
- The Increase in rooftops becomes a citywide economic catalyst



Planning Commission Resolutions



Project Applications

- Environmental Impact Report (State Clearinghouse #2015041064)
- General Plan Amendment No. 13-2503
- Zone Change No. 13-3501
- Specific Plan No. 13-2001
- Development Agreement No. 13-1502
- Tentative Tract Map No. 36586
- Annexation No. 13-1001

On September 7th, the Banning Planning Commission unanimously recommended approval of all applications.

Table 1-2: Requested Approvals

Permit/Approval Currently Being Sought	
Specific Plan Amendment Adoption	City of Banning
General Plan Amendment	City of Banning
Zone Change/Pre-Zoning	City of Banning
Development Agreement	City of Banning
Annexation	City of Banning / Riverside County LAFCO
Master Tentative Tract Map Approval	City of Banning
Water Supply Assessment	City of Banning – Water Department
1602 Permit	California Department of Fish and Wildlife
404 Permit	U.S. Army Corps of Engineers
401 Permit	Regional Water Quality Control Board
NPDES	Regional Water Quality Control Board





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EXHIBIT "H"



September 23, 2016

Banning City Council

Dear Council,

My name is Jay McCormack and I am a Senior Vice President and former owner with Rio Ranch Markets.

I am writing to express our companies' support for the proposed San Gorgonio development project

I have attended the study session and Planning Commission hearing and have found the project to be completely spelled out in detail, public open space, roads, parks, and traffic flow addressed, along with the need for new roof tops in Banning.

As I mentioned when attending the meetings above, Rio Ranch Markets has considered expanding our store to the east lot. We have been reluctant, although our business has been good, we need additional customers and sales to justify the expansion.

This development provides an opportunity to consider expansion and Rio Ranch Markets will make a determination, based on the additional residents the development will produce.

The plan appears to be very detailed and complete and we urge the Banning City Council to approve the project.

Thank you for your time and consideration.

Sincerely,

George Gardner
President and CEO
Rio Ranch Markets

Jay McCormack
Senior Vice President
Rio Ranch Markets

EXHIBIT "I"



Marie Calderon

From: Jacob Niemi
Sent: Friday, September 23, 2016 10:41 AM
To: CityCouncil; Marie Calderon
Subject: Housing Developments

Good Morning,

I want to express my absolute opposition to housing developments (Rancho San Gorgonio, Butterfield, etc.).

This opposition is for environmental, moral, and practical reasons.

Environmentally, this will drain the fragile resources available to us (open space, dark skies, water, etc.) and place a burden on our chaparral habitat.

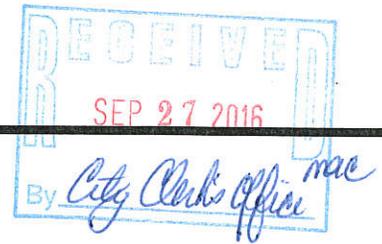
Morally, I am opposed because I believe these deals appear to be accomplished largely under the cover of night with little oversight from most citizens. I am not necessarily alleging illegal behavior, but it is still immoral to force it down the throats of Banning citizens.

Practically, this will be a disaster. Schools will be overcrowded. Section 8 residents will flood these low-income developments and crowd our schools and burden our police officers with what I am sure will be increased drug use, etc.

I may be wrong, but it appears that you want to turn our city into Desert Hot Springs. It may be too late, but at least one citizen is not okay with it. You have let us down. There will be no *rural Banning* anymore, just an extension of Los Angeles.

Respectfully,

Jacob T. Niemi



Marie Calderon

From: Gary Hironimus <ghironimus@gmail.com>
Sent: Tuesday, September 27, 2016 11:16 AM
To: Marie Calderon; City Manager
Subject: Rancho San Gorgonio

Please read this into the record as public comment at tonight's council meeting:

This Rancho San Gorgonio project is a complete disaster for this city. Where to start? We spent 10 years developing a general plan; this project ignores that plan and changes the zoning. Why did we bother? The Butterfield project, on the north side of the city, will provide more than enough homes on tiny lots; the south side IS NOT THE PLACE FOR THEM! That is the only area within the city still zoned and available for rural living. This developer has already proven that Banning's best interests are irrelevant to him; only profits matter. Unfortunately, at least 3 members of the council agreed with him when they changed the zoning for the smaller project off of Sunset & Wilson. And now they are likely to do the same with a project that is 30 times larger!! Can anyone say "campaign contributions"? Again, why do we have a General Plan?

This project will also rely on Mello Roos bonds. Doesn't anyone in this city pay attention to what has happened right next store in Beaumont? Mello Roos results in lower initial home prices, but ridiculously higher taxes, forcing continuous turn-over in the housing market. Banning needs long term homeowners for stability, not constant turnover. Mello Roos are a disaster in the making, as evidenced by the fact that they resulted in 7 Beaumont officials facing nearly 100 felony charges, with 43 million dollars stolen, and another 350 million dollars still missing. Of course the developer doesn't care about that, because he's not on the hook for any of that. He builds and runs, and Banning will pay and suffer.

What are we doing? We have only to look right next store to see exactly what this development will bring to our city: massive traffic problems...tiny postage stamp size lots and cookie cutter homes...cut-and-run development...over-burdened infrastructure...continuous home turnover...

Beaumont looked to outsiders like a jewel, with it's Home Depot and Walmart, with it's free headliner concerts in the parks...till the façade fell off and revealed the absolute corruption and deterioration underneath. Is that really what we are going to strive for? Why can't we learn from Beaumont and say NO?

Gary Hironimus

By *City Clerk's Office*

From: Libi Uremovic
Sent: Tuesday, September 27, 2016 10:11 AM
To: Marie Calderon; Art Welch; George Moyer; Edward Miller; Debbie Franklin; Don Peterson
Subject: Public Comment Rancho San Gorgonio Specific Plan

Please Read into the Record as Public Comment for Agenda Item VI. 1.. Rancho San Gorgonio Specific Plan

The Banning City Council is considering Approving the Rancho San Gorgonio Specific Plan which includes Approval of the CEQA, Changing the General Plan, changing the Zoning, Adopting a Water Supply Assessment, and Approving Ordinance 1499, which, although it doesn't say, is an Agreement to acquire Mello Roos Bond Debt to finance the Developer and throw the burden onto the 'future' property owners just like Beaumont has done for 20 years.

The City of Banning has acquired a \$42.7 Million Bond in 2005 to build Infrastructure including a Recycled Water Facility. There is no Recycled Water Facility and the City can only produce documentation showing \$2.3 Million transferred to the City for 'design'. The 2005 Bond was Refinanced in 2015, but the City refused to release any documentation to show Expenditures.

Federal Law requires Government Agencies to properly maintain all Bond Records. The Banning City Council can 'promise' the Developer Bonds, but if the Banning Staff and Council has misappropriated previous Bond Funds; there will be no Bond Funding in the Future.

Also on the Agenda is Resolution 2016-43: an Agreement with the Riverside County Fire Department to lease Fire Engines to "guarantee the City will have two serviceable fire engines".

It's a little hard to believe that the CEQA for the Rancho San Gorgonio Specific Plan is factual when the City has never built a Recycled Water Facility and doesn't have the money to purchase their own Fire Engines.

The 2005 Wastewater Bond states that the City will have Recycled Water by 2010. The 2015 Bond claims that the City will have Recycled Water by 2020.

The CEQA requires a Title 22 Compliant Recycled Water Facility and points out the fact that there is not adequate Fire Protection.

The City's documents claim that the Developer will build a Fire Station AFTER all of the houses are built. AFTER is too late. The Fire Station needs to be built BEFORE the houses are built.

Council has a duty of care to ensure the that basic Infrastructure and Services can be provided BEFORE Approval of the project. It should concern the Banning City Council that their Planning Department and Consultants are pushing a Project knowing that vital Infrastructure like Recycled Water and Fire Protection can not be provided.

A special meeting of the Banning City Council was called to order by Mayor Welch on October 4, 2016 at 10:30 a.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
 John C. Cotti, Interim City Attorney
 Rochelle Clayton, Administrative Services Dir./Deputy City Manager
 Alex Diaz, Police Chief
 Fred Mason, Electric Utility Director
 Heidi Meraz, Community Services Director
 Arturo Vela, Public Works Director
 Brian Guillot, Community Development Director
 Tim Chavez, Battalion Chief
 Ted Shove, Economic Development Manager
 Marie A. Calderon, City Clerk

The invocation was given by Senator Mike Morrell. Councilmember Peterson led the audience in the Pledge of Allegiance to the Flag.

PRESENTATION

1. 2016 State of the City Address

Mayor Welch welcomed everyone to the State of the City and introduced the dignitaries. He said it is his pleasure to preside over this State of the City of the City of Banning. It has been a busy and exciting year for the community. The presentation today has been divided into four sections consisting of Customer Service, Customer Service Improvements, City Budget, Capital Improvement Projects and Strategic Goals Accomplished. Mayor Welch turned the meeting over to the City Manager and staff to make their presentations (see attached Exhibit "A"). After the presentations Mayor Welch turned the meeting back over to the City Manager for the City of Banning video production.

City Manager said that the City of Banning was chosen from hundreds of cities across the United States to participate in a short video to explain the city, market the city, and to talk about the city's present and future. He said the City was interviewed by the International City Managers

Association (ICMA) and a company called WebsEdge that contracts with ICMA to produce these videos. They interviewed him here at the City and lots of other cities and they felt after all their analysis that Banning was a perfect choice to premier and they only chose ten cities this year to do these videos. He said our very own Media Specialist Patrick Stephens worked collaboratively with WebsEdge who produced this 6 minute and 39 second video showing the very best of Banning and the Pass Area. He is very pleased to present to you the “Proud History – Prosperous Tomorrow” for the City of Banning.

Mayor Welch thanked all of the staff that participated in the production and the hard work that is accomplished every day that makes this a very productive year and very positive State of the City for us to deliver to you. He said that he can’t compliment more the staff of the City of Banning who are on the job everyday helping improve our community.

ADJOURNMENT

By common consent the meeting adjourned at 11:04 a.m.

Marie A. Calderon, City Clerk

EXHIBIT “A”

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CITY COUNCIL

Mayor Arthur Welch

Mayor Pro Tem George Moyer

Council Member Deborah Franklin

Council Member Don Peterson

Council Member Edward Miller

CITY TREASURER

John McQuown

CITY CLERK

Marie Calderon

PRESENTATIONS

Customer Service: City Manager Michael Rock

Budget: Deputy City Manager Rochelle Clayton

Capital Projects: Public Works Director Art Vela

Electric Utility Projects: Utility Director Fred Mason

Economic Development: Com. Dev. Dir. Brian Guillot

Strategic Goals: Mayor Arthur Welch

2016

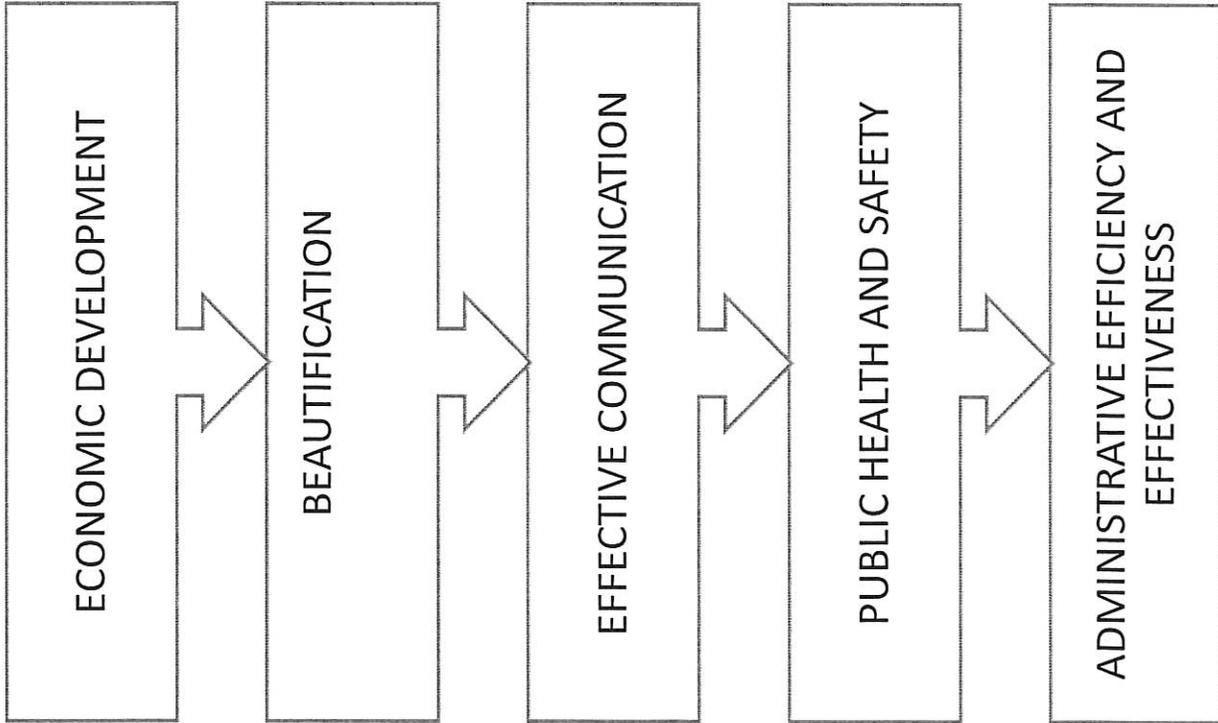


State of the City Address

**City of Banning
Council Chamber
99 E. Ramsey Street**

**October 4, 2016
10:30 a.m.**

Strategic Goals



Welcome & Introductions Mayor Arthur Welch
Invocation Senator Mike Morrell
Pledge of Allegiance Don Peterson
State of the City Address Mayor Arthur Welch & Staff
Video Presentation Michael Rock, City Manager
Adjournment

A special meeting of the Banning City Council was called to order by Mayor Welch on October 11, 2016 at 5:30 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
John C. Cotti, Interim City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Marie A. Calderon, City Clerk

Mayor Welch opened the item for public comments on the closed session items. There were none.

CLOSED SESSION

Interim City Attorney stated that there are three closed session items: 1) Potential litigation pursuant to Government Code Section 54956.8 (d)(4); 2) Anticipated litigation pursuant to paragraph (4) Subdivision (d) of Government Code Section 54956.9 (Vanir); and 3) conference with labor negotiators pursuant to Government Code Section 54957.6.

Meeting went into closed session at 5:31 p.m. and reconvened at 5:59 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:59 p.m.

Marie A. Calderon, City Clerk

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**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL
FROM: Michael Rock, City Manager
PREPARED BY: Sonja De La Fuente, Executive Assistant/Deputy City Clerk
MEETING DATE: October 25, 2016
SUBJECT: Receive and File List of Contracts Approved Under the City Manager's Signature Authority

RECOMMENDATION:

Receive and file the list of Contracts approved under the City Manager's signature authority of \$25,000 or less.

BACKGROUND:

City Council requested regular reports of contracts signed under the City Manager's signature authority of \$25,000 or less. Going forward, this report will be updated monthly and included on the City Council Meeting Agenda for the second meeting of every month.

ATTACHMENTS:

List of Contracts approved by City Manager

Prepared by:

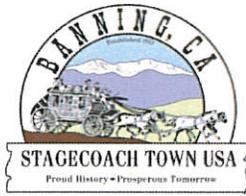
Sonja De La Fuente
Executive Assistant/Deputy City Clerk

Reviewed and Approved by:

Michael Rock, City Manager

Contracts Approved Under City Manager Signature Authority

DATE	DEPARTMENT	COMPANY	AMOUNT NOT TO EXCEED	SERVICE(S)
5/1/2016	Admin Services	RCS Investigations	\$ 25,000.00	Investigative Services
5/1/2016	Public Works	Duke's Root Control	\$ 25,000.00	Sewer Root Treatment
5/19/2016	Public Works	JB Paving	\$ 8,820.00	Street Repairs @ Wilson & Highland Home Road
5/31/2016	Public Works	Tri-County Pump	\$ 1,182.00	Repair Soft Starter @ Well M-10
6/13/2016	Public Works	Swains Electric Motor Services	\$ 4,275.00	Repair Pumps for Mountain Reservoir (3)
7/11/2016	Public Works	Safety Compliance Company	\$ 6,475.00	Monthly Safety Meetings
7/11/2016	Public Works	Merlin Johnson	\$ 10,000.00	Welding repair services to water wells, tanks, mains, hydrants, etc.
7/11/2016	Public Works	Total Western	\$ 2,775.00	Annual Boiler Inspection @ WWTP (year 2 of 3 yr agreement).
7/11/2016	Public Works	All Weather, Inc.	\$ 6,600.00	Annual FAA Inspection/Certification
7/11/2016	Public Works	Design West Engineering	\$ 12,725.00	Electrical plans & specs for Roosevelt Williams Park
8/15/2016	Electric	NSF	\$ 6,825.00	Greenhouse Gas verification
8/31/2016	Public Works	Packham and Toomey, Inc.	\$ 5,850.00	Fuel Tank Inspections and AQMD Testing
9/14/2016	Public Works	TKE Engineering	\$ 25,000.00	On Call Engineering Services
9/27/2016	Public Works	Marina Landscaping	\$ 18,280.00	Landscaping Services
9/28/2016	Finance	Cost Recovery Systems	\$ 8,000.00	State Mandated Reimbursement Claims



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Tammi Phillips, WRCOG Fellow

MEETING DATE: October 25, 2016

SUBJECT: Discussion and Consideration of Adopting Resolution No. 2016-107 in Opposition of Proposition 57.

RECOMMENDATION:

That the City Council adopt Resolution No. 2016-107 in opposition of Proposition 57, which will be on the November ballot.

BACKGROUND:

The provision generating the most concern is the change to parole rules for offenders defined as “non-violent” under current law. Under Proposition 57, many offenders would be eligible to seek parole after serving the full term of their primary offense, without factoring in any sentencing enhancements they received in addition to the base term.

Offenses that could trigger earlier parole under the measure include, but are not limited to:

- Assault with a deadly weapon;
- Throwing acid with the intent to disfigure;
- Human trafficking involving sex act with minors;
- Lewd acts upon a child;
- Rape of an unconscious person;
- Rape accomplished by the use of an intoxicating or controlled substance;
- Taking a hostage;
- Discharging a firearm on school grounds;
- Discharging a firearm at a motor vehicle; and

- Discharging a firearm at an unoccupied dwelling; and the furnishing of a weapon used in a crime.

If Proposition 57 passes, offenders convicted of such crimes would be eligible for parole at an earlier date. While the Board of Parole Hearings would retain the discretion it has under current law to weigh for itself an inmate's progress toward meaningful rehabilitation, and deny parole to any offender, the possibility that this particular population of offenders would potentially be released early has fueled concerns among city officials and the law enforcement community alike.

Compounding concerns of city officials have been the public safety impacts of two recent changes affecting sentencing of offenders which law enforcement officials allege have contributed to recent increases in crime: the 2011 prison realignment measure, AB109, that shifted many state offenders into county jails thereby reducing bed space for local offenders, and Proposition 47 in 2014, which further re-categorized many serious crimes from felonies to misdemeanors.

FISCAL IMPACT:

There is no immediate fiscal impact to the City of Banning and any future fiscal impact is unknown.

ATTACHMENT:

Resolution No. 2016-107

Reviewed and Approved by:



Michael Rock
City Manager

Prepared by:



Tammi Phillips
WRCOG Fellow

RESOLUTION NO. 2016-107

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING IN OPPOSITION TO PROPOSTION 57, “THE PUBLIC SAFETY AND REHABILITATION ACT OF 2016”

THE CITY COUNCIL OF BANNING DOES RESOLVE AS FOLLOWS:

WHEREAS, the City of Banning considers it appropriate to oppose actions or initiatives at local, state and federal levels that could jeopardize the public safety; and

WHEREAS, Proposition 57, known as the “Public Safety and Rehabilitation Act of 2016” has qualified for the November 8, 2016 General Election ballot in California; and

WHEREAS, Proposition 57 is intended to ease over-crowding in prisons, incentivize rehabilitation and provide leniency to inmates who avail themselves of meaningful rehabilitation opportunities; and

WHEREAS, Proposition 57 attempts to establish a more reasoned approach for our court system in its disposition of juvenile offenders, as well as standardize and streamline procedures for establishing an offenders’ eligibility for parole; and

WHEREAS, notwithstanding the objectives of Proposition 57, California has experienced increased and sustained property crime in the aftermath of the 2011 public safety realignment and the passage of Proposition 47 in 2014, leading to an increasing number of crimes being treated as misdemeanors, aggravating a pre-existing shortage of beds in county jails, and resulting in an increasing number of offenders being at liberty on the streets of California’s cities; and

WHEREAS, according to the Los Angeles Times, violent crime in California rose in California by 10% in 2015, a figure corroborated by crime statistics maintained by the California Department of Justice, which indicate that over 15,000 more violent crimes occurred in California in 2015 than in 2014; and

WHEREAS, Proposition 57 would potentially lead to early release for offenders convicted of “non-violent crimes,” many of which seem more properly categorized as violent, including throwing acid with the intent to disfigure, and discharging a firearm from a motor vehicle, to name a few, and this triggers concerns that offenders which committed offenses widely regarded as violent will be provided undue leniency; and

WHEREAS, Proposition 57 could increase the likelihood of parole for persons convicted of “non-violent” felonies after completing the full term for his or her primary offense, and by disqualifying earned enhancements; and

WHEREAS, the passage of Proposition 57 may result in undetermined but negative consequences to public safety and well-being for California’s cities and residents alike,

NOW THEREFORE, CITY COUNCIL OF BANNING does hereby resolve as follows:

Section 1: The CITY COUNCIL OF BANNING opposes Proposition 57.

Section 2: The CITY COUNCIL OF BANNING will join the “NO on 57” Coalition.

Section 3: Staff is directed to email a copy of this adopted resolution to Dave Gilliard at dave@gbacampaigns.com

PASSED, APPROVED AND ADOPTED this 25th day of October 2016.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

John C. Cotti, Interim City Attorney
Hogan & Jenkins, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing resolution No. 2016-107 was duly adopted by the City Council of the City of Banning, California, at a regular meeting held the 25th day of October, 2016, by the following to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning

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ORDINANCE NO. 1502

**AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA,
AMENDING SECTION 3.18.030 OF CHAPTER 3.18 OF THE
BANNING MUNICIPAL CODE REDUCING THE MINING TAX
FROM EIGHTY CENTS TO TWENTY-FIVE CENTS PER TON OF
ROCK MATERIALS EXCAVATED, PROCESSED AND
TRANSPORTED WITHIN THE CITY OF BANNING.**

The City Council of the City of Banning does hereby ordain as follows:

SECTION 1. Findings and Purpose.

- A. In November, 2014, the City of Banning (“the City”) placed on the ballot a proposed tax on surface mining operations within the City limits (“the Mining Tax”). In the November, 2016, election, Banning voters passed the Mining Tax, and the City Council subsequently set the Mining Tax rate at eighty (\$.80) cents per ton of mined aggregate;
- B. Robertson’s Ready Mix, Ltd. (“Robertson’s”) challenged the necessity and legality of the Mining Tax by filing several lawsuits against the City, including (1) Robertson’s v. City of Banning, et al., Case No. RIC 1409037 ("CEQA/1983 case"), (2) Robertson's v. City of Banning, et al., Case No. RIC 1409829 ("Brown Act case"), (3) Robertson's v. City of Banning, Case No. RIC 1500296 ("Public Records Act case "), and (4) Robertson's v. City of Banning, et al., Case No. RIC 1513475 ("Tax Refund case") (collectively, “Actions”);
- C. In September, 2016, to resolve the Actions, the City and Robertson’s entered into a Memorandum of Understanding (“MOU”);
- D. Section 1 of the MOU requires a reduction from \$0.80 to \$0.25 per ton of mined aggregate following the execution of this MOU by all parties, and adoption by the City Council of a City Ordinance suspending the \$0.80 per ton Mining Tax rate, effective July 1, 2016.

SECTION 2. Section 3.18.030, of Title 3, Chapter 3.18 of the Banning Municipal Code, is hereby amended to add Subsection E, as follows:

"3.18.030 Tax for Rock Material Excavation/Processing/Transportation.

- E. Effective July 1, 2016, the eighty-cent (\$0.80) per-ton tax rate in Subsection A of this Section is hereby suspended and reduced to twenty-five cents (\$0.25) per ton of rock materials excavated, processed and transported.

The suspension of the eighty-cent (\$0.80) per-ton tax rate in Subsection A, and the reduced tax rate of twenty-five cents (\$0.25) per ton of rock materials excavated, processed and transported established herein, shall remain in full force and effect unless and until the City Council adopts an ordinance lifting the suspension or modifying the

tax rate. Pursuant to Section 1.d. of the MOU, the City Council may, but is not required to, adopt such an ordinance, but may do so only upon, and in compliance with, the earlier of the following conditions as set forth in Section 1.c. of the MOU.”

SECTION 4. Severability. If any sections, subsections, sentences, phrases, or portions of this Ordinance are for any reason, held to be invalid or unconstitutional by the decision of any Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council of the City of Banning hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Banning’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 6: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Banning, California, this 25th day of October, 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, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1502 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 11th day of October, 2016, and was duly adopted at a regular meeting of said City Council on the 25th day of October, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

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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: October 25, 2016

SUBJECT: Approval of Accounts Payable and Payroll Warrants
Month of July 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 July 2016.

The reports included for this month are:

Expenditure approval lists:

July 7, 2016		366,929.00
July 14, 2016		1,334,132.67
July 21, 2016		93,739.66
July 28, 2016		188,395.83
October 5, 2016	(July Month End)	5,439,826.77

Payroll check registers:

July 7, 2016	12,007.41
July 21, 2016	10,452.02

Payroll direct deposits:*

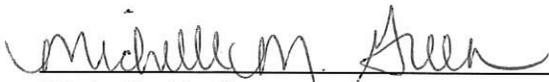
July 8, 2016	350,995.99
July 22, 2016	319,385.90

**Included in Month End total*

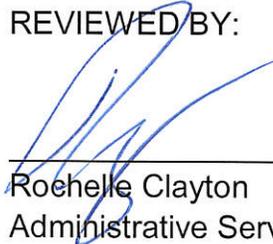
As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

PREPARED BY:

REVIEWED BY:



Michelle M. Green
Deputy Finance Director



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 AND SUCCESSOR AGENCY REPORT**

TO: CITY COUNCIL
SUCCESSOR AGENCY BOARD

FROM: Michael Rock, City Manager/Executive Director

PREPARED BY: Ted Shove, Economic Development Manager

MEETING DATE: October 25, 2016

SUBJECT: Discuss and Consider Adopting Resolution No. 2016-09 SA Approving the Subordination Agreement to the Loan Agreement for a First Time Homebuyer Program Located at 510 Dorothy Anna Drive

RECOMMENDATION:

That the Successor Agency Board Adopt Resolution No. 2016-09 SA, approving the Subordination Agreement to the Loan Agreement for the First Time Homebuyer Program to Security Interest on Property Located at 510 Dorothy Anna Drive, Banning, CA, Assessor's Parcel No. 537-262-002-5.

JUSTIFICATION:

In support of increasing home ownership in Banning, the former Community Redevelopment Agency ("Agency") provided down payment assistance for first time home buyers. From time-to-time, homeowners desire to refinance their mortgage for more favorable terms, approval of subordinating the Agency's position is at the discretion of the Successor Agency Board.

BACKGROUND:

In July 2009, the Agency entered into an agreement through the First Time Homebuyer Program (FTHB), to provide a fully forgivable 30 year loan. The FTHB program was implemented to reduce the financial burden of a down payment for residents at or below 120% of the current annual median income for the Riverside-San Bernardino County area, adjusted for family size, as defined by the U.S. Department of Housing and Urban Development.

The Agency executed several FTHB loans up until its dissolution and included a \$20,000 down payment toward the purchase of a new home that would be fully forgiven after 30 years, subject to basic provisions. FTHB loans are secured by a 'silent' second trust deed. The silent second is repaid from proceeds upon sale, foreclosure or transfer of the property. One exception in the silent second provides applicants to refinance their primary mortgage, with specific requirements. To ensure the value and security of the Agency's investment, refinancing an existing loan must not exceed the original 30 year term. For example, if the applicant executed an FTHB loan in 2010 and refinanced in 2015, the new loan term could not exceed 25 years.

In order to evaluate the applicant's request, an administrative fee of \$395 is required and has been paid. Staff evaluated the current value of the property, existing terms and new loan terms, and applicant's ability to pay the monthly financial obligation.

The applicant's request meets all the criteria outlined within the FTHB loan agreement. The subject property has appreciated while the principal mortgage amount has reduced from \$126,000 to \$114,121. The new loan will result in monthly savings to the applicant and preserves the former Agency's investment in the community.

OPTIONS:

1. Approve the Subordination Agreement for the FTHB Program for 510 Dorothy Anna Drive.
2. Reject the Subordination Agreement and direct Staff as appropriate. The Successor Agency Board may reject or approve this type of agreement at its discretion.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Resolution No. 2016-09 SA
2. Subordination Agreement – 510 Dorothy Anna Drive

Prepared by:



Ted Shove
Economic Development Manager

Approved by:



Michael Rock
City Manager/Executive Director

ATTACHMENT 1
Resolution No. 2016-09 SA

RESOLUTION NO. 2016-09 SA

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
DISSOLVED COMMUNITY REDEVELOPMENT AGENCY
FOR THE CITY OF BANNING, CALIFORNIA APPROVING
A SUBORDINATION AGREEMENT TO THE FIRST TIME
HOME BUYER LOAN AGREEMENT FOR SECURITY
INTEREST IN PROPERTY LOCATED AT 501 DOROTHY
ANNA DRIVE, ASSESSOR'S PARCEL NO. 537-262-002-5**

WHEREAS, pursuant to Health and Safety Code (the HSC) § 34172 (a) (1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, the former Community Redevelopment Agency of the City of Banning previously provided a First Time Homebuyer Program for qualified households and individuals, to increase homeownership for low and moderate income levels; and

WHEREAS, the assistance provided under this program is in the form of down payment assistance which is subordinate to the first deed of trust on a property and acts as a silent second mortgage so as to not negatively effect income and debt ratios; and

WHEREAS, the property and homeowner located at 510 Dorothy Anna Drive, Assessor's Parcel No. 537-262-002-5 is in compliance with the terms of the loan agreement; and

WHEREAS, the owner has requested that the Agency subordinate the Agency loan in the amount of \$20,000 to a new first deed of trust in the amount of \$114,121, with a term length not to exceed 276 months.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency Board of the City of Banning as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. Authorize a Subordination Agreement to the First Time Homebuyer Loan Agreement on the subject property included herein as Exhibit A, and authorize the Agency Chairperson to execute the Subordination agreement.
3. The authority granted herein shall become void and of no further effect if the agreement is not executed by all parties within 90 days of the date of this resolution.

PASSED, ADOPTED AND APPROVED this 25th day of October, 2016.

Art Welch, Agency Chairman
Successor Agency Board to the City of
Banning, California

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

John Cotti, Interim City Attorney
Jenkins & Hogin, LLP.

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. 2016-09 SA was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 25th day of October, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

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

ATTACHMENT 2
Subordination Agreement
510 Dorothy Ana Drive

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO:

Banning Successor Agency
99 E. Ramsey St.
Banning, CA 92220
Attention: City Clerk

(Space above this Line for Recorder's Use Only)

THIS DOCUMENT IS EXEMPT
FROM THE PAYMENT OF A
RECORDING FEE PURSUANT TO
GOVERNMENT CODE SECTIONS
27383 AND 6103

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR INTEREST (INCLUDING ANY SECURITY INTEREST) IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT (this "Agreement") is made as of the 25th day of October, 2015, by the BANNING SUCCESSOR AGENCY, Successor Agency to the Banning Community Redevelopment Agency a public body, corporate and politic ("Agency"), and IRENE MACIAS, a single woman ("Borrower"), in favor of GUILD MORTGAGE COMPANY, a California Corporation ("Senior Lender").

RECITALS:

A. Borrower is the record owner of that certain real property located in the City of Banning, County of Riverside, State of California, commonly known as 510 Dorothy Anna Drive, which is legally described in Exhibit "A" attached hereto and incorporated herein by reference, and the improvements thereon (collectively, the "Property").

B. In order to assist Borrower in their purchase of the Property, the Agency made a loan to Borrower in the original principal amount of Twenty Thousand Dollars (\$20,000.00) (the "Agency Loan"), pursuant to a program by which the Agency provides affordable housing to residents of the City of Banning who qualify as persons and families of low or moderate income, as defined in California Health and Safety Code Section 50093.

C. The Agency Loan was evidenced by that certain Promissory Note dated on or about July 22, 2009, executed by Borrower in favor of Agency (the "Agency Note"). The Agency Loan was secured by that certain Deed of Trust dated July 23, 2009, executed by Borrower in favor of Agency and recorded in the Riverside County Recorder's Office on July 30,

2009, as Instrument No. 2009-0397083, encumbering the Property (the "Agency Deed of Trust"). The Agency Note and Agency Deed of Trust and any related regulatory agreement are hereinafter collectively referred to as the "Agency Encumbrances."

D. Guild Mortgage Company, a California Corporation also made a loan to Borrower in the amount of One Hundred Twenty Six Thousand Dollars (\$126,000) (the "Existing Senior Loan"). The Existing Senior Loan was evidenced by that certain Promissory Note dated on or about July 30, 2009, executed by Borrower in favor of Guild Mortgage Company. The Existing Senior Loan was secured by that certain Deed of Trust dated July 30, 2009, executed by Borrower in favor of , Senior Lender and recorded in the Riverside County Recorder's Office on July 30, 2009, as Instrument No. 2009-0397082, encumbering the Property (the "Existing Deed of Trust").

E. Borrower desires to refinance the Existing Senior Loan in order to obtain a lower interest rate, and Senior Lender is willing to make such a refinancing by paying off the Existing Senior Note requiring Borrower to (i) execute a new note in favor of Senior Lender in the principal amount of up to (but not exceeding) One Hundred Fourteen Thousand One Hundred Twenty One Dollars (\$114,121.00) for a term not to exceed Two Hundred Seventy Six (276) Months (the "Senior Note"), and (ii) execute, acknowledge and record a new deed of trust in favor of Senior Lender against the Property (the "Senior Deed of Trust") to secure such note. The Senior Note and Senior Deed of Trust are hereinafter collectively referred to as the "Senior Loan Documents."

F. As a condition to refinancing the Senior Loan, Senior Lender requires that the Senior Deed of Trust be a lien or charge upon the Property, prior and superior to all rights of Agency under the Agency Encumbrances and all indebtedness secured thereby, and that Agency subordinate the Agency Encumbrances and all the indebtedness secured thereby to the Senior Deed of Trust.

G. Agency and Borrower intend that the Senior Deed of Trust shall be a lien or charge upon the Property prior and superior to Agency's rights under the Agency Encumbrances and all indebtedness secured thereby. Agency has agreed to subordinate and subject the Agency Encumbrances and all indebtedness secured thereby, together with all rights and privileges of Agency thereunder, to the lien and charge of the Senior Deed of Trust.

H. It is to the mutual benefit of the parties hereto that Senior Lender make the Senior Loan to Borrower, and Agency is willing that the Senior Deed of Trust shall, when recorded, constitute a lien or charge upon the Property which is prior and superior to the Agency Encumbrances and all indebtedness secured thereby.

I. Under restrictions imposed by the sources of the Agency Loan funds, the Agency is expressly authorized to subordinate the Agency Encumbrances to the lien of a lender other than the Agency if no economically feasible alternative financing without subordination is reasonably available, but only if the Agency obtains written commitments reasonably designed to protect the Agency's investment in the event of default by the Borrower. Senior Lender has made such commitments by affording the Agency extended cure, negotiation, and other rights as provided for in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

1. The foregoing Recitals are hereby incorporated into this Agreement by reference herein.

2. The Senior Deed of Trust, and (subject to Paragraph 3 below) any modifications, renewals or extensions' thereof, and any advances (including interest thereon) thereunder or secured thereby, shall be liens or charges on the Property prior and superior to (a) the Agency Encumbrances and all indebtedness secured thereby, (b) all loans, grants and advances of money made pursuant thereto, and (c) all rights and privileges of Agency thereunder; and the Agency Encumbrances and all indebtedness secured thereby, and all loans, grants and advances of money made pursuant thereto, together with all rights and privileges of Agency thereunder, are hereby subjected, and made subordinate, to the lien or charge of the Senior Deed of Trust.

3. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the Agency Encumbrances and all indebtedness secured thereby, and all loans, grants and advances of money made pursuant thereto, together with all rights and privileges of Agency thereunder, to the lien or charge of the Senior Deed of Trust, and shall supersede and cancel any prior agreements to subordinate the Agency Encumbrances and all indebtedness secured thereby to the Senior Deed of Trust. The proceeds of any and all financing secured by, or recorded upon, the Property shall be used solely for the Borrower's payments for ownership of the Property itself or the reduction of such payments. The subordination herein granted shall not apply to (a) any extension of the scheduled maturity date of the Senior Loan, unless a default has occurred under the Senior Loan Documents, (b) increases in the interest rate applicable to the Senior Loan resulting from any amendment to or modification of the Senior Loan Documents after the date hereof, (c) increases in the principal amount of the Senior Loan beyond the original principal amount thereof, except for increases which result from advances made by Senior Lender, following written notice to Borrower and Agency, for payment of taxes or insurance or in order to preserve and protect its security, or (d) changes in the amortization of the Senior Loan amount, if as a result of such changes the regularly scheduled monthly principal and interest payment amounts are increased, unless a default has occurred under the Senior Loan Documents and except for increases which result from advances made by Senior Lender, following written notice to Borrower and Agency, for payment of taxes or insurance or in order to preserve and protect its security. The subordination herein granted shall apply to any increases in indebtedness resulting from accrued interest, increases in interest from default interest or from other obligations of Borrower to Senior Lender under the Senior Loan Documents.

4. Agency declares, agrees, and acknowledges that:

(a) Subject to the limitations set forth in Paragraph 3 above, Agency consents to all provisions of the Senior Note, the Senior Deed of Trust, and all other documents and agreements evidencing, securing or otherwise relating to the Senior Loan which have been submitted to the Agency for review;

(b) It intentionally subjects and subordinates the Agency Encumbrances and all indebtedness secured thereby, and all loans, grants, and advances of money pursuant thereto, together with all rights and privileges of Agency thereunder, in favor of the lien or charge upon the Property of the Senior Deed of Trust and understands that in reliance upon, and in consideration of, this subjection and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this subjection and subordination.

5. In consideration of Agency's covenants and agreements contained in this Agreement, Senior Lender hereby covenants and agrees, notwithstanding any contrary provisions herein, for the benefit of Agency as follows:

(a) In the event of any default by Borrower of any or all of its obligations with respect to the repayment by Borrower of the Senior Loan or any default under the Senior Note or Senior Deed of Trust, Senior Lender covenants and agrees that Senior Lender shall provide written notice (which may be provided by statutory notice of default, and need not be given thereafter or in addition thereto) of said default to the Agency contemporaneously with Borrower's receipt of the same. Such notice shall be delivered to the Agency within thirty (30) days after the date that Borrower fails to pay any amount due under the Senior Loan. Agency shall have the right, but not the duty, to cure such default within the greater of (i) ninety (90) days following Agency's receipt of the written notice, or (ii) any period provided by California law.

(b) In the event that prior to the foreclosure of the Senior Loan, Agency acquires title to or possession of the Property from Borrower pursuant to any provision of the Agency Encumbrances or documents executed pursuant thereto, whether by voluntary or involuntary transfer, Agency may take title to the Property subject to the Senior Deed of Trust and other Senior Loan Documents, and Senior Lender shall refrain from exercising any right it may have to accelerate the Senior Loan by reason of the transfer of title to the Agency. Senior Lender shall recognize Agency as Borrower, on condition that Agency assumes and agrees to perform all of Borrower's obligations under the Senior Loan and timely cures all outstanding defaults of Borrower under the Senior Loan within the period provided for in Subparagraph (a) above.

(c) Senior Lender agrees to negotiate in good faith with Agency in the event that Borrower defaults under either Senior Loan or the Agency Encumbrances; provided, however, that nothing in this subparagraph shall obligate the parties to reach an agreement upon the conclusion or termination of negotiations, or to extend the time granted to Borrower under the Senior Loan Documents or Agency under Subparagraph 5(a) above to cure defaults under the Senior Loan Documents.

(d) Upon a default of Borrower under the Agency Encumbrances, which default remains uncured for a period of six (6) months, Senior Lender shall, at any time prior to its acquisition of title to the Property, permit the Agency to purchase the Senior Note and the Senior Deed of Trust upon payment in cash of the then entire remaining balance of principal, accrued and unpaid interest, together with any unpaid late charges, and other expenses to which

Senior Lender has been put and any advances made by Senior Lender for the protection of the lien or the protection of the Property.

(e) For a period of thirty (30) days after Senior Lender has acquired title to the Property, Senior Lender shall permit the Agency to acquire Senior Lender's title to the Property upon payment to Lender, in cash, of the sum of the following:

(i) The unpaid debt including unpaid interest at the time title became vested in Senior Lender (less all receipts of Senior Lender in connection with the Property including, but not limited to, those resulting from collection and application of rentals and other income received during foreclosure proceedings), but excluding any fees paid to Senior Lender for services rendered before the time title becomes vested in Senior Lender; foreclosure;

(ii) All expenses incurred by Senior Lender with respect to foreclosure

(iii) The net expenses, if any (exclusive of general overhead), incurred by Senior Lender as a direct result of the management of the Property after the time title became vested in Senior Lender;

(iv) The costs of any improvement to the Property made by Senior Lender which was permitted by the Agency Encumbrances; and

(v) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the indebtedness of Borrower and such indebtedness had continued in existence from the time title became vested in Senior Lender, or in the case of Subparagraphs 5(e)(ii), 5(e)(iii) and 5(e)(iv) above, from the date the expenses were incurred by Senior Lender to the date of payment by the Agency.

6. The provisions of this Agreement shall survive a foreclosure of the Senior Deed of Trust or any taking of the Property by Senior Lender, and Senior Lender or any person who acquires title to the Property shall be subject to the provisions hereof.

7. This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties hereto.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9. This Agreement may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Agreement.

10. Formal notices, demands and communications between the parties shall be delivered (a) personally, (b) by nationally recognized overnight courier service, or (c) dispatched by U.S. first class registered or certified mail, return receipt requested, postage prepaid, to the addresses set forth below. Such notices, demands and communications shall be deemed given three (3) days after mailing, the next business day after deposit with a nationally recognized overnight courier service, or immediately upon personal delivery.

If to Agency: Banning Successor Agency
99 E. Ramsey St.
Banning, CA 92220
Telephone: Ph: (951) 922-4860
Attn: Executive Director

With a copy to: Jenkins & Hogin, LLP
1230 Rosecrans Avenue, Suite 110
Manhattan Beach, CA 90266
Ph: (310) 643-8448
Attn: John Cotti

If to Senior Lender: _____

If to Borrower: _____

11. Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

12. In the event any legal action is commenced by any party hereto concerning this Agreement or the rights and duties hereunder of any party hereto, whether such action be an action for damages, or for equitable or declaratory relief, the prevailing party in such litigation shall be entitled to, in addition to all other relief as may be granted by the court, reasonable sums as and for attorneys' fees in an amount to be set by the court.

13. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

14. This Agreement is solely for the benefit of Senior Lender and Agency and their respective, successors and assigns, and except as expressly provided for herein, neither the Borrower nor any other person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement. This Agreement sets forth in full the terms of Senior Lender's and Agency's agreement with respect to the subject matter hereof, and may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by Senior Lender and Agency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AGENCY

BANNING SUCCESSOR AGENCY,
a public body, corporate and politic

By: _____
Its: _____

ATTEST:

By: _____
Successor Agency Secretary

APPROVED AS TO FORM:

By: _____
John Cotti
Jenkins & Hogin, LLP

SENIOR LENDER

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 54 of Tract No. 23446, in the City of Banning, County of Riverside, State of California, as shown by Map on file in Book 244, Page(s) 72 to 76, inclusive of Maps, records of Riverside County, California.

APN: 537-262-002-5

State of California)
) ss
County of _____)

On _____, 20__ before me, _____ a Notary Public, personally appeared _____, personally know to me or proved to me on this 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.

WITNESS my hand and official seal.

Signature: _____

(seal)

State of California)
) ss
County of _____)

On _____, 20__ before me, _____ a Notary Public, personally appeared _____, personally know to me or proved to me on this 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.

WITNESS my hand and official seal.

Signature: _____

(seal)



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Ted Shove, Economic Development Manager

MEETING DATE: October 25, 2016

SUBJECT: Discussion and Consideration to Adopt Resolution No. 2016-105, "Approving a Fiscal Year 2017-2018 Community Development Block Grant Program Project"

COMMITTEE RECOMMENDATION:

The CDBG AD-HOC Committee met on September 22, 2016 and recommended that the City Council award all funding for the 2017-18 Fiscal Cycle to the City's Lion's Park Expansion Project.

RECOMMENDATION:

That the City Council Adopt Resolution No. 2016-105, "Approving a Fiscal Year 2017-2018 Community Development Block Grant Program Project," and authorize staff to submit an application to the Riverside County Economic Development Agency.

JUSTIFICATION:

The approval of this resolution is necessary in order to obtain and utilize federal grant funds available through the Community Development Block Grant (CDBG) Fiscal Year 2017-2018 program.

BACKGROUND:

The City of Banning, through the Riverside County Economic Development Agency (EDA), has been submitting various projects annually for funding under the CDBG program. Notifications of application availability were mailed directly to non-profit organizations by the Community Development Department on August 16, 2016. In August, notification of the application period was noticed on the City's website and

press releases were transmitted to the Record Gazette, Banning Patch, and Press Enterprise.

As part of the CDBG guidelines, the proposed projects/activities must meet the following criteria:

1. The project or activity must primarily benefit the low and moderate income community.
2. The project or activity must aid in the prevention or elimination of slums and blight areas.
3. The project or activity must be designed to meet the Community's development needs and have a particular urgency.

In response to the 2017-2018 grant cycle, one application for service-related projects was submitted by a non-profit organization and an application from the City. The applications are summarized in Exhibit A (attachment 2). As set forth in the guidelines for utilization of the CDBG funding, the City Council may designate up to 14% of the City's allocation, to service oriented non-profit agencies for public services projects, but is not required.

The City's 2017-2018 application and project represents a request for funding the Lions Park expansion project. CDBG funding will be utilized for the construction phase of the project, including: grading and construction of a parking lot, multi-purpose fields, landscaping and lighting.

The project is estimated to be completed by February 2019. Since the CDBG funding requested will partially fund the project, the timeline was extended into 2019 to potentially secure other funding from outside sources.

OPTIONS:

1. Approve Ad-hoc Committee's recommendation to utilize 100% of the CDBG Funding Cycle 2017-18 allocation for the City's project.
2. Reject Ad-hoc Committee's recommendation and provide staff further direction.

FISCAL IMPACT:

The estimated funding under the CDBG Fiscal Year 2017-2018 program is approximately \$169,843. Upon approval by City Council, the City project will be submitted to the EDA for review and consideration. It is anticipated that final funding approval will be provided to the City by September of 2017.

ATTACHMENTS:

1. Resolution No. 2016-105
2. Exhibit A – CDBG Application Summary Request

Prepared and Reviewed by:



Ted Shove
Economic Development Manager

Reviewed by:



Brian Guillot
Community Development Director

Approved by:



Michael Rock
City Manager

ATTACHMENT 1

RESOLUTION NO. 2016-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING A FISCAL YEAR 2017-2018 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PROJECT

WHEREAS, the City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Economic Development Agency (EDA) annually; and

WHEREAS, during the month of August, notifications of application availability were provided to non-profit organizations and City Departments by the Community Development Department which included direct mailings and press releases; and

WHEREAS, on September 13, 2016 at its regular meeting, the City Council appointed an AD-HOC committee to review the applications and on September 22, 2016 the applications were provided to the committee for review and recommendations as shown as Exhibit "A"; and

WHEREAS, the CDBG AD-HOC committee reviewed applications and recommend that all CDBG allocations for the City be allocated toward the City Project, benefitting the community as a whole; and

WHEREAS, the project submitted herein meets the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the project be approved by the City Council through resolution in order for the City and its residents to obtain and utilize the federally funded CDBG grant funds.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. The Banning City Council adopts Resolution No. 2016-105, approving the project submitted for funding under the Community Development Block Grant programs for Fiscal Year 2017-2018.

SECTION 2. The City Manager is authorized to submit one City Project Fiscal Year 2017-2018 Community Development Block Grant program application to Riverside Economic Development Agency for approval by their Board.

PASSED, ADOPTED AND APPROVED this 25th day of October, 2016.

Art Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

John Cotti, Interim City Attorney
Jenkins & Hogin, LLP.

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-105, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 25th day of October, 2016.

AYES:
NOES:
ABSTAIN:
ABSENT:

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

ATTACHMENT 2

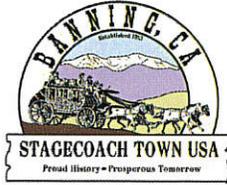
EXHIBIT “A” - CDBG APPLICATION SUMMARY REQUEST

PUBLIC SERVICE RELATED PROJECTS FISCAL YEAR 2017-2018

	Non-Profit Organization	Program Description	Requested Amount	AD-HOC Recommendation
1.	Boys and Girls Club of the San Geronio Pass	Offset staff salaries, supplies and program trips – Teen Leaders Program	\$30,000	\$0
	Total		\$30,000	\$0

CITY PROJECT

	Non-Profit Organization	Program Description	Requested Amount	AD-HOC Recommendation
1.	City of Banning	Expansion of existing park (Lions Park) to include construction of parking lot, two multi-purpose fields and landscaping.	\$220,000	\$169,843
	Total		\$200,000	\$169,843



**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: October 25, 2016

SUBJECT: Discussion and Consideration of adopting Resolution No. 2016-104 “Approving the First Amendment to the Rancho San Gorgonio Specific Plan Project Manager Services Agreement between the City of Banning and Romo Planning Group, Inc.”

RECOMMENDATION:

That the City Council: Adopt Resolution No. 2016-104 (Attachment 1) approving the First Amendment to the Rancho San Gorgonio Project Manager Services Agreement with Romo Planning Group, Inc.

JUSTIFICATION:

It is necessary to amend the Professional Services Agreement with Romo Planning Group, Inc. to adjust the contract redistribution of fees and the schedule of compensation related to the Rancho San Gorgonio Specific Plan Project Manager Services in the amount of \$12,000 due to additional services required to complete the project management.

BACKGROUND:

Original Contract Services Agreement – On January 14, 2014, the City Council adopted Resolution No. 2013-88 (Attachment 2), approving the award of a Professional Services Agreement with Romo Planning Group, Inc. (Attachment 3) for Rancho San Gorgonio Project Manager Services. The entire contract sum is in the amount of \$60,480 for the Rancho San Gorgonio Specific Plan. The

project's Professional Services is paid through a developer deposit from the applicant, Diversified Pacific.

FISCAL IMPACT:

The professional services provided by Romo Planning Group, Inc. will continue to be funded by Rancho San Gorgonio, LLC not to exceed the amount of \$72,480, Account No. 002-0000-222.30-35 (Rancho San Gorgonio SP-Planning).

While the Rancho San Gorgonio project has been approved, the remaining item of work to be overseen by the consultant is the processing of the Riverside Local Agency Formation Commission (LAFCO) application.

ATTACHMENTS:

1. Resolution No. 2016-104
2. Copy of Resolution No. 2013-88
3. Existing Professional Services Agreement with Romo Planning Group, Inc.

Prepared and Reviewed by:



Brian Guillot
Community Development Director

Approved by:



Michael Rock
City Manager

ATTACHMENT 1
Resolution No. 2016-104

RESOLUTION NO. 2016-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE RANCHO SAN GORGONIO PROJECT MANAGER SERVICES AGREEMENT BETWEEN THE CITY OF BANNING AND ROMO PLANNING GROUP, INC.

WHEREAS, on January 14, 2014, the City Council adopted Resolution No. 2013-88, approving the award of a Professional Services Agreement to Romo Planning Group, Inc. for Rancho San Gorgonio Project Manager Services for the total amount not to exceed \$60,480; and

WHEREAS, It is necessary to amend the Professional Services Agreement with Romo Planning Group, Inc. to adjust the contract redistribution of fees and the schedule of compensation related to the Rancho San Gorgonio Specific Plan Project Manager Services in the amount of \$12,000; and

WHEREAS, the professional services provided by Romo Planning Group, Inc. will continue to be funded by Rancho San Gorgonio, LLC not to exceed the amount of \$72,480.

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

SECTION 1. The Council approves Amendment #1 of the Professional Services Agreement to Romo Planning Group, Inc. to continue Project Manager Services for the Rancho San Gorgonio Specific Plan.

SECTION 2. The City Manager is authorized to make the necessary appropriations and account transfers to fund this agreement, and appropriate funds deposited by Rancho San Gorgonio LLC for the purpose of funding the said Professional Services Agreement.

PASSED, APPROVED AND ADOPTED this 25th day of October, 2016.

Arthur L. Welch, Mayor
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

John Cotti
Interim City Attorney

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. 2016-104 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 25th day of October, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

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

ATTACHMENT 2
Copy of Resolution No. 2013-88

RESOLUTION NO. 2013-88

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING THE AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO THE ROMO PLANNING GROUP, INC. FOR RANCHO SAN GORGONIO PROJECT MANAGER SERVICES

WHEREAS, the City of Banning received a development application from Rancho San Gorgonio, LLC. for the development of a master plan community called, "Rancho San Gorgonio (RSG)"; and

WHEREAS, the RSG development is proposed on an 849 acre property which is located on the south side of Westward Avenue between Sunset Avenue and San Gorgonio Avenue/Highway 243; and

WHEREAS, due to lack of staffing to manage and oversee a large development project including the preparation of the environmental impact report and to process the entitlement of the above-mentioned project, the City Management staff determined that it is best to hire a contract planner to be a Project Manager to manage the project; and

WHEREAS, on June 6, 2013, staff released the Request for Proposal (RFP) for a Project Manager with responses due on July 18, 2013; and

WHEREAS, the City received four responses from the following consultants: Duane Morita Planning and Environmental; P3 Services; PZL, Inc. and The Romo Planning Group, Inc.; and

WHEREAS, interviews with the consultants were held on August 27, 2013 and based on selection criteria including experience, qualifications, references, approach and understanding, schedule and costs, The Romo Planning Group, Inc. was determined to be the most qualified responsive proposer; and

WHEREAS, the scope of work outlines the Project Manager's responsibility for managing the entitlements of the project and carrying it through the public hearing process and overseeing the preparation of the Specific Plan and consultants who will prepare the environmental impact report (EIR) and making sure that the EIR complies with the various timelines and review process in accordance with CEQA Guidelines including filing of the various notices with the State and the County; and

WHEREAS, professional services provided by The Romo Planning Group, Inc. in regard to the abovementioned services will be funded by Rancho San Gorgonio, LLC in the amount of \$60,480.00.

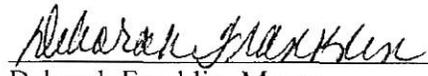
NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1. The Council approves the award of the Professional Services Agreement to The Romo Planning Group, Inc. of Covina, California for Rancho San Gorgonio Project Manager Services.

SECTION 2. The Administrative Services Director is authorized to make necessary appropriations and account transfers to fund this agreement and appropriate funds deposited by Rancho San Gorgonio, LLC. for the purpose of funding the said Professional Services Agreement.

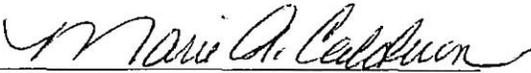
SECTION 3. The City Manager is authorized to execute the contract agreement with The Romo Planning Group, Inc. of Covina, California, in a form approved by the City Attorney. This authorization will be rescinded if the contract agreement is not executed by the parties within ninety (90) days of the date of this resolution.

PASSED, APPROVED AND ADOPTED this 14th day of January, 2014.



Deborah Franklin, Mayor
City of Banning

ATTEST:



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

**APPROVED AS TO FORM
AND LEGAL CONTENT:**



David J. Aleshire, 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. 2013-88 was duly introduced and adopted at a regular meeting of the City Council of the City of Banning, held on the 14th day of January, 2014, by the following vote, to wit:

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

NOES: None

ABSENT: None

ABSTAIN: None



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

ATTACHMENT 3

Copy of Existing Professional Services Agreement with Romo
Planning Group, Inc.

**CONTRACT SERVICES AGREEMENT FOR RANCHO SAN
GORGONIO PROJECT MANAGER**

By and Between

**THE CITY OF BANNING,
A MUNICIPAL CORPORATION**

and

THE ROMO PLANNING GROUP, INC.

**AGREEMENT FOR CONTRACT SERVICES
BETWEEN
THE CITY OF BANNING, CALIFORNIA
AND
THE ROMO PLANNING GROUP, INC.
FOR RANCHO SAN GORGONIO PROJECT MANAGER**

THIS AGREEMENT FOR CONTRACT SERVICES (herein“ Agreement”) is made and entered into this 18th day of September, 2013 by and between the City of Banning, a municipal corporation (“City”) and The Romo Planning Group, Inc., a California corporation (“Consultant” or “Contractor”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”. (The term Consultant includes professionals performing in a consulting capacity.)

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 this Agreement Services Agreement and the City Manager has authority to 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.

The Scope of Service shall include the Consultant's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and 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 Warranty.

Consultant warrants all Work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Consultant agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Consultant shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Agreement, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at his sole cost and expense. Consultant shall act sooner as requested by the City in response to an emergency. In addition, Consultant shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other Consultants) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Consultant's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Consultant shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Consultant. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Consultant for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Consultant agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Consultant fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Consultant's sole expense. Consultant shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand. This provision may be waived in Exhibit "B" if the services hereunder do not include construction of any improvements or the supplying of equipment or materials.

1.8 Prevailing Wages.

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the

performance of other requirements on “Public Works” and “Maintenance” projects. If the Services are being performed as part of an applicable “Public Works” or “Maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

1.9 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.

1.10 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 Agreement Sum, 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 five percent (5%) of the Agreement 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. 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 or reasonably contemplated therein. 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.

1.11 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 Sixty Thousand Four Hundred Eighty Dollars (\$60,480.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.10.

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, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum 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 if 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. 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.

City shall 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 forty-five (45) days of receipt of Consultant's correct and undisputed invoice. 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.

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'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 Inspection and Final Acceptance.

City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's work within forth five (45) days after submitted to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Articles 1 and 5, pertaining to indemnification and insurance, respectively.

3.5 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) years 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:

<u>Ernest Perea</u> (Name)	<u>Project Manager</u> (Title)
<u>Tracyi Nelson</u> (Name)	<u>Principal Planner</u> (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 foregoing 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 foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, 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.

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 of City. 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 Consultant of City and shall remain at all times as to City a wholly independent Consultant 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 venturer 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, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's 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.

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. 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 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 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.

5.4 Performance Bond.

Concurrently with execution of this Agreement, and if required in Exhibit "B", Consultant shall deliver to City performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Consultant promptly and faithfully performs all terms and conditions of this Agreement.

5.5 Sufficiency of Insurer or Surety.

Insurance or bonds 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 due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Risk Manager of City ("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 and the performance bond required by Section 5.4 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Consultant shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within 10 days of receipt of 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, subcontractor 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 an unrestricted 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, when the default is cured, proceed with payment on the invoices. 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.

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 _____ (\$ _____) 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, marital status, national origin, or ancestry 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, or ancestry.

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 East Ramsey Street, 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

Andrew J. Takata, City Manager

ATTEST:

Marie A. Calderon, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

David Aleshire, City Attorney

CONSULTANT:

THE ROMO PLANNING GROUP, INC.

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 CONTRACTOR'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

On _____, ____ 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		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	_____
<input type="checkbox"/>	CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

	TITLE(S)	
<input type="checkbox"/>	PARTNER(S)	_____
<input type="checkbox"/>	LIMITED	NUMBER OF PAGES
<input type="checkbox"/>	GENERAL	
<input type="checkbox"/>	ATTORNEY-IN-FACT	_____
<input type="checkbox"/>	TRUSTEE(S)	DATE OF DOCUMENT
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	
<input type="checkbox"/>	OTHER _____	

SIGNER IS REPRESENTING:		_____
(NAME OF PERSON(S) OR ENTITY(IES))		SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"
SCOPE OF SERVICES

I. Consultant will perform the following Services:

- A. **Overall Planning Project Management:** provide planning project management for the Rancho San Gorgonio Project which proposes the development of a master planned community providing a mix of residential, commercial, open space and recreational areas (the "Project"). The Project Manager, listed below in Section V., will be the primary contact for the City and an extension of City staff and will report to the City of Banning Community Development Director.
- B. **Project Initiation / Background Research:**
1. Project Kick-Off Meeting (1 meeting)
 2. Background Research
 3. Issue Identification
- C. **Specific Plan:**
1. Review Draft Specific Plan
 2. Provide Specific Plan comments to applicant
 3. Review Final Specific Plan
- D. **Environmental Impact Report:**
1. Review and comment on technical studies prepared by applicant and/or EIR Consultant.
 2. Oversee and manage the consultants who will prepare the Draft and Final Environmental Impact Report for the project and making sure that the EIR complies with the various timelines and review process in accordance with CEQA Guidelines including filing of the various notices with the State and County.
- E. **General Plan Amendment / Zone Change / Tentative Tract Map:** Process and report preparation of any general plan amendment or zone change. Review and process subdivision maps.
- F. **Design Review/ Site Plan/ Conditional Use Permit Review:** design plan, site plan, and conditional use permit review.
- G. **Development Agreement:** Coordinate the preparation of the Development Agreement with City Attorney's Office.

H. **Water Supply Assessment:** water supply assessment pursuant to SB 610 and an SB 221 verification of sufficient water supply will be prepared. The EIR will include the assessment and any additional supply information in determining the adequacy of the water supply to support the Project.

I. **Meetings:**

1. One (1) meeting with Riverside County Airport Land Use Commission (ALUC).
2. Two (2) Planning Commission meetings.
3. Two (2) City Council meetings.
4. The Contractor will provide information and/or attend meetings(s) requested by the Community Development Director as the process moves forward. The Contractor is also responsible for answering questions from the public with regard to the project.

J. **Annexation:** Coordinate application for annexation with Riverside County Local Agency Formation Commission (LAFCO) on behalf of the City.

K. **Regulatory Approvals:** coordinate regulatory approval from US Army Corps of Engineers (404 Permit), California Department of Fish and Wildlife (1602 Permit), Regional Water Quality Control Board (401 Certification).

II. **As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:**

As part of the entitlement approval process described above, the Contractor is responsible for preparing staff reports and all attachments to the staff report, comments, memos, letters, and public hearing notices. The Project Manager is also responsible for filing of the Notice of Determination with the State and County Clerk.

III. **In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:**

Bi-weekly status reports.

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:**

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A. Earnest Perea, Project Manager

B. Trayci Nelson, Principal Planner

EXHIBIT "B"

**SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)**

- Section 1.7 entitled “Warranty” is hereby deleted in its entirety.
- Section 5.4 entitled “Performance Bond” is hereby deleted in its entirety.
- Section 7.7 entitled “Liquidated Damages” is hereby deleted in its entirety.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks and the following rates:

TASK DESCRIPTION	PROJECT MANAGER ERNEST PEREA	PRINCIPAL PLANNER TRAYCI NELSON	SUB- CONSULTANTS	TOTAL
	\$140/HOUR	\$110/HOUR	FLAT RATE	
Overall Project Management	\$8,400.00	\$3,520.00	N/A	\$11,920.00
Project Initiation	\$2,800.00	\$1,760.00	N/A	\$4,560.00
Specific Plan Processing	\$2,240.00	\$660.00	N/A	\$2,900.00
Environmental Impact Report Processing	\$16,800.00	\$2,200.00	**\$3,000.00	\$22,000.00
GPA / ZC / TTM / DA Processing	\$5,600.00	\$6,600.00	N/A	\$12,200.00
Public Hearings	\$1,680.00	\$1,320.00	N/A	\$3,000.00
Annexation Processing	\$2,800.00	\$1,100.00	N/A	\$3,900.00
Total Cost (Not To Exceed)	\$40,880.00	\$18,700.00	\$3,000.00	\$60,480.00

**If necessary

- II. Payments will be made based upon the satisfactory completion of the task.**
- 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 1.10.**
- VI. 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 \$60,480.00, 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 "C-1"

CONTRACTOR BILLING RATES

Classification / Personnel	Hourly Rate
Project Manager – Ernest Perea	\$140.00
Principal Planner – Trayci Nelson	\$110.00
Sub-Consultants	
Kevin Carr, KPC Environmental	\$100.00
George Writes, Biologist	\$100.00
Jean A. Keller, Ph.D., Archaeologist	\$125.00

Notes:

- 1.) Reimbursable direct costs, such as reproduction, supplies, messenger service, long-distance telephone calls, travel, and traffic counts will be billed at cost plus ten percent (10%).
- 2.) Hourly rates apply to work time, travel time, and time spent at public hearings and meetings. For overtime work, the above rates may be increased 50 percent.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the following schedule:

TASK DESCRIPTION	PERFORMANCE SCHEDULE
<p>A. Planning Project Manager: The Project Manager will be an extension of City staff and will report to the City of Banning Community Development Director. The Project Manager will be an extension of City staff and will report to the City of Banning Community Development Director.</p>	On-going
<p>B. Project Initiation / Background Research: 1.) Project Kick-Off Meeting (1 meeting) 2.) Background research 3.) Issue identification</p>	<p>B.1) To be determined by City. B.2 and B.3) Within 2 weeks after authorization to start work by City.</p>
<p>C. Specific Plan: 1.) Review Draft Specific Plan 2.) Provide Specific Plan comments to applicant 3.) Review Final Specific Plan</p>	<p>C.1 and C.2) Within 2 weeks after submittal of Specific Plan. C.3) Within 2 weeks after re-submittal of Specific Plan by applicant.</p>
<p>D. Environmental Impact Report: 1.) Review & comment on technical studies prepared by applicant and/or EIR Consultant. 2.) Oversee and manage the consultants who will prepare the Draft and Final Environmental Impact Report for the project and making sure that the EIR complies with the various timelines and review process in accordance with CEQA Guidelines including filing of the various notices with the State and the County.</p>	<p>D.1) Within 2 weeks after submittal of technical reports. D.2). On-going per agreement between City and EIR Consultant.</p>

<p>E. General Plan Amendment / Zone Change / Tentative Tract Map: Process & report preparation.</p>	<p>Per City directed timelines to be determined.</p>
<p>F. Development Agreement: Coordinate the preparation of the Development Agreement with the City Attorney's Office.</p>	<p>Per City directed timelines to be determined.</p>
<p>G. Meetings: 1.) Riverside County ALUC (one meeting). 2.) Planning Commission (2 meetings). 3.) City Council (2 meetings). 4.) The Contractor will provide information and/or attend meeting(s) requested by the Community Development Director as the process moves forward. The Contractor is also responsible for answering questions from the public with regard to the project.</p>	<p>G.1) Prior to completion of Draft EIR. G.2) Per City directed timelines. G.3.) Per City directed timelines. G.4) On-going.</p>
<p>H. Annexation: Coordinate application with Riverside County LAFCO on behalf of the City.</p>	<p>H.1) 4 to 6 months after a complete set of application materials have been submitted to the LAFCO office.</p>

II. Consultant shall deliver the following tangible work products to the City by the following dates.

- A. Staff reports and all attachments, delivery date to be determined.
- B. Written comments, memos and letters, delivery date to be determined.
- C. Public hearing notices, delivery date to be determined.
- D. Notice of Determination including filing with the State and County Clerk, delivery date to be determined based on the City's direction and California Environmental Quality Act (CEQA) requirements.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.



**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: October 25, 2016

SUBJECT: Discuss and Consider Resolution 2016-87, “Approving the Amendment to the ‘City of Banning Professional Services Agreement: ‘Cost of Service Analysis and Rate Design’ Between the City of Banning and Leidos Engineering, LLC to Extend the Term of the Contract to April 30, 2018 and Include the Development of a Stranded Cost Recovery Rate for \$5,000.00”.

RECOMMENDATION:

Adopt City Council Resolution 2016-87:

- I. Approving the Amendment to the City of Banning PSA: Cost of Service Analysis and Rate Design (“Agreement”) between the City of Banning and Leidos Engineering, LLC (“Leidos”), attached herewith as Exhibit “A”.
- II. Authorizing the City Manager to execute the applicable documents to effect said Amendment.
- III. Authorizing the Administrative Services Director to make the necessary purchase order adjustments, appropriations, and transfers.

JUSTIFICATION:

Approval of this resolution would allow the City of Banning Electric Utility (“Utility”) to extend the Cost of Service Analysis and Rate Design Agreement end date until April 30,

In addition, developing a Stranded Cost Recovery rate is essential, given the recent announcements by Riverside County that it will look at developing Community Choice Aggregation (“CCA”).

BACKGROUND:

On November 10, 2015, Council approved the Agreement with Resolution No. 2015-100, awarding the contract for the Electric Utility Cost of Service Analysis and Rate Design to Leidos Engineering, LLC. Staff initially anticipated that the project would be complete by April 2016. However, while conducting the Cost of Service Analysis it was determined that more detailed data would be required in order to develop a more accurate and equitable Rate Design. This data can only be acquired from the smart meters that are scheduled to be installed throughout the City between November 2016 and May 2017. This concurrent project is expected to be completed in time to acquire the needed data and complete the Cost of Service Analysis and Rate Design by December 2017. However, we are requesting an extension to the Agreement through April 30, 2018 to ensure against unanticipated delays.

The Riverside County Board of Supervisors recently announced that it was exploring the possibility of establishing Community Choice Aggregation throughout eligible areas of Riverside County. Publicly Owned Utilities (POU) are allowed to recover stranded costs, if a customer chooses to receive electricity from a CCA. However, that rate can only include specific cost components, must be defensible, and must be approved by the governing body of the POU. Given this recent announcement by Riverside County, staff has requested Leidos to expand its Cost of Service Analysis and Rate Design services to include developing a Stranded Cost Recovery rate. The cost for this additional service is \$5,000, and will be completed within 60 days of Council approval of the proposed Amendment.

Per the Agreement, any change in the contract term 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 Leidos, extending the contract term through April 30, 2018, and adding the development of a Stranded Cost Recovery rate.

FISCAL IMPACT:

Approval of this Amendment will increase the Leidos Purchase Order No. 27713 by \$5,000, from the originally approved \$57,000, to a new total of \$62,000. Funds are available in account 670-7000-473.33-11 Professional Services.

OPTIONS:

1. Adopt Resolution 2016-87 approving the Amendment to the Cost of Service Analysis and Rate Design Agreement with Leidos.

2. Do not approve the Amendment to the Agreement, which would prevent the City of Banning from acquiring the needed data to develop the most accurate and equitable Cost of Service Analysis and Rate Design.

ATTACHMENTS

Exhibit A: City of Banning Professional Services Agreement: Cost of Service Analysis and Rate Design between the City of Banning and Leidos Engineering, LLC.

Exhibit B: Amendment to the Professional Services Agreement: Cost of Service Analysis and Rate Design.

Reviewed by:



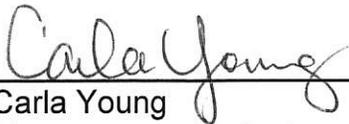
Fred Mason
Electric Utility Director

Approved by:



Michael Rock
City Manager

Prepared by:



Carla Young
Management Analyst

RESOLUTION NO. 2016-87

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING THE AMENDMENT TO THE “CITY OF BANNING PROFESSIONAL SERVICES AGREEMENT: ‘COST OF SERVICE ANALYSIS AND RATE DESIGN’ BETWEEN THE CITY OF BANNING AND LEIDOS ENGINEERING, LLC TO INCLUDE THE DEVELOPMENT OF A STRANDED COST RECOVERY RATE FOR \$5,000.00”

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

WHEREAS, it is essential that the Utility ensures that revenue requirements are being met, rates are just and reasonable, and that no subsidies exist between customer classes; and

WHEREAS, the City of Banning Professional Services Agreement: Cost of Service Analysis and Rate Design between the City of Banning and Leidos Engineering, LLC (“Agreement”), attached herewith as Exhibit “A”, only has provisions for one 180 day extension; and

WHEREAS, while conducting the Cost of Service Analysis it was determined that a more accurate and equitable Rate Design would be reached if additional data can be acquired from the smart meters that are scheduled to be installed throughout the City between November 2016 and May 2017; and

WHEREAS, there is a need for an extension of the contract term through April 30, 2018, to allow for data collection that can’t be completed until all smart meters are installed throughout the City; and

WHEREAS, the City desires to develop a Stranded Cost Recovery rate to protect itself from Community Choice Aggregation being proposed by the Riverside County Board of Supervisors; and

WHEREAS, Leidos has proposed to modify the scope of services provided under the Agreement to include developing a Stranded Cost Recovery rate, for the additional amount of \$5,000, whereby increasing the overall Agreement amount from \$57,000 to \$62,000, reflected in the Amendment, attached herewith as Exhibit “B”; and

WHEREAS, funds are available in account 670-7000-473.33-11 Professional Services;

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

SECTION 1: Approving the Amendment to the Professional Service Agreement: Cost of Service Analysis and Rate Design between the City of Banning and Leidos Engineering, LLC.

SECTION 2: Authorizing the City Manager to execute the applicable documents to effect said Amendment.

SECTION 3: Authorizing the Administrative Services Director to make the necessary purchase order adjustments, appropriations, and transfers.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 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”

PROFESSIONAL SERVICES AGREEMENT

By and Between

CITY OF BANNING

and

LEIDOS ENGINEERING, LLC

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF BANNING AND
LEIDOS ENGINEERING, LLC**

THIS AGREEMENT FOR CONTRACT SERVICES (herein“ Agreement”) is made and entered into this 25TH day of November, 2015 by and between the City of Banning, a general law city (“City”) and Leidos Engineering, LLC (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties”.

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 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.

The Scope of Service shall include the Consultant's scope of work in Consultant's bid proposal shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and 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 work, 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 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 Fifty Seven Thousand Dollars (\$57,000.00) (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 in writing 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 shall 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'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:

<u>Scott Burnham</u> (Name)	<u>Project Manager</u> (Title)
<u>Steve Rupp</u> (Name)	<u>Client Liaison</u> (Title)
<u>Craig Shepard</u> (Name)	<u>Phase II Lead</u> (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.

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) Commercial General Liability Insurance (ISO 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 the Consultant 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 in Exhibit "B".

(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 ("indemnitors"), or arising from Consultant's reckless or willful misconduct, or arising from Consultant's or indemnitors' 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.

5.4 Sufficiency of Insurer.

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. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing the public access to the books and records if a public request for such records is made and disclosure is required by law including but not limited to the California Public Records Act.

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. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

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 attorney's 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 County.

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 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.

7.8 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.

7.9 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, gender, sexual orientation, 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 East Ramsey Street Banning, California 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



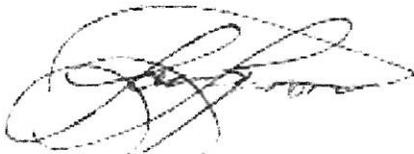
Michael Rock, City Manager

ATTEST:



Marie Calderon, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

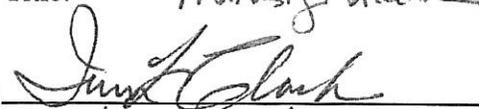


Lona Laymon, City Attorney

CONSULTANT:
LEIDOS ENGINEERING, LLC

By: 

Name: Scott Swigman
Title: Managing Director

By: 

Name: Ivan L. Clark
Title: Managing Director

Address: 1801 California Street
Suite 2800
Denver, CO 80202

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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:
CITY OF BANNING

Michael Rock, City Manager

ATTEST:

Marie Calderon, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP



Lona Laymon, City Attorney

CONSULTANT:
LEIDOS ENGINEERING, LLC

By: 
Name: Ivan L. Clark
Title: Managing Director

By: 
Name: Scott Burnham
Title: Managing Director

Address: 1801 California St
Suite 2800
Denver, CO 80202

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~~ Colorado

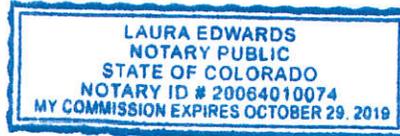
COUNTY OF ~~RIVERSIDE~~ Denver

On Jan 22, 2018 before me, Laura Edwards, personally appeared Scott Burnham and, 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: Laura Edwards



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	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATE OFFICER _____ TITLE(S)	_____ TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL <input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____ _____	_____ NUMBER OF PAGES
	_____ DATE OF DOCUMENT
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	_____ 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~~ Colorado

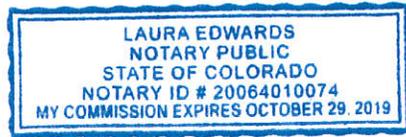
COUNTY OF ~~RIVERSIDE~~ Denver

On Jan. 22, 2018⁶ before me, Laura Edwards Ilan Clark, personally appeared Ilan Clark and Laura Edwards, 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: Laura Edwards



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

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<input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____	_____ DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

- I. Consultant will perform the following Services:**
- A. Phase I - Electric Cost of Service Analysis
 - a. Initial project meeting and preliminary analysis
 - b. Cost of Service Analysis
 - c. Develop report and present findings
 - d. Training for COB staff
 - B. Phase II – Electric Utility Rate Trends
 - a. Research
 - b. Compilation of information
 - C. Phase III – Rate Design Recommendation
 - a. Stakeholder engagement meeting
 - b. Revenue adequacy test
 - c. 10-year financial pro forma model
 - d. Bill impact analysis
 - e. Fiscal impact analysis
 - f. Written report
- II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:**
- A. Final written COSA report
 - B. Written draft/final report evaluating emerging rate structures
 - C. Written report detailing findings and recommendations as well as rate design recommendations and analysis
- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City updated of the status of performance by delivering the following status reports:**
- A. As needed throughout project
- 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. Scott Burnham
 - B. Steve Rupp
 - C. Craig Shepard

EXHIBIT "B"
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

		RATE	TIME	SUB-BUDGET
A.	Phase I	\$90-\$250	147 hrs	\$25,000
B.	Phase II	\$90-\$250	57 hrs	\$10,000
C.	Phase III	\$90-\$250	119 hrs	\$18,000
D.	Travel	_____	_____	\$4,000
			TOTAL:	\$57,000.00

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 sub budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.

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 the Contract Sum 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 written approval of the Contract Officer and the City Attorney's office.**

- II. Consultant shall deliver the following tangible work products to the City by the following dates.**
 - A. Cost of Service Analysis – April 2016**
 - B. Rate Design – April 2016**
 - C.**

- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**

Exhibit “B”

AMENDMENT NO. 1

TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF BANNING AND LEIDOS ENGINEERING, LLC. FOR COST OF SERVICE ANALYSIS AND RATE DESIGN SERVICES

THIS AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES (“Amendment”) by and between the **CITY OF BANNING** (“CITY”) and **LEIDOS ENGINEERING, LLC.**, a Colorado Corporation (“Contractor”) is effective as of the 25th day of October, 2016.

RECITALS

A. CITY and Contractor entered into that certain Agreement for Contractual Services dated November 25, 2015 (“Agreement”) whereby Contractor agreed to provide Cost of Service and Rate Design Services and whereby CITY had the option to extend the initial Agreement for 180 days.

B. CITY and Contractor now desire to amend the Agreement to include an additional Stranded Cost Recovery Analysis in an increased amount of Five Thousand Dollars (\$5,000).

C. CITY and Contractor now desire to amend the Agreement to extend the term of contract period to April 30, 2018.

TERMS

1. **Contract Changes.** The Agreement is amended as follows:
 - (a) Section 2.1 of the Agreement is amended to provide that Consultant’s total compensation for the period from November 25, 2015 through April 30, 2018 shall not exceed Sixty Two Thousand Dollars (\$62,000).
 - (b) Section 3.2 of the Agreement is amended to remove, “not exceeding one hundred eighty (180) days cumulatively”, and to include “one two-year renewal period”.
 - (c) Scope of Services: Exhibit “A”, Section I. to the Agreement is hereby amended to include Stranded Cost Recovery Analysis as Phase IV as provided in the attached Exhibit “A”.
 - (d) Schedule of Compensation: Exhibit “C” to the Agreement is hereby amended to include the additional cost of services listed as Phase IV at a cost of Five Thousand Dollars (\$5000) as provided in the attached Exhibit “C”.
 - (e) Schedule of Performance: Exhibit “D” to the Agreement is hereby amended to modify Section II. A and B to extend scheduled performance deadline and to

include Section II. C. additional schedule of performance service as provided in the attached Exhibit "D".

2. **Continuing Effect of Agreement.** Except as amended by this Agreement, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this Amendment to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** CITY and Contractor each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Contractor represents and warrants to CITY that, as of the date of this Amendment, CITY is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

CITY represents and warrants to Contractor that, as of the date of this Amendment, Contractor is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

5. **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.

[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

Michael Rock, City Manager

ATTEST:

Marie A. Calderon, City Clerk

APPROVED AS TO FORM:
JENKINS & HOGIN, LLC.

John C. Cotti, Interim City Attorney

CONTRACTOR:

By: _____
Name:
Title:

By: _____
Name:
Title:
Address:

NOTE: CONTRACTOR’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 DEVELOPER’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 RIVERSIDE

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	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATE OFFICER	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____ </div> <div style="width: 45%; text-align: right;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">TITLE(S)</div> <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL </div> </div>	<div style="border-bottom: 1px solid black; margin-bottom: 10px;">TITLE OR TYPE OF DOCUMENT</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px;">NUMBER OF PAGES</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px;">DATE OF DOCUMENT</div>
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	<div style="border-bottom: 1px solid black; margin-bottom: 10px;">SIGNER(S) OTHER THAN NAMED ABOVE</div>

EXHIBIT "A"

SCOPE OF SERVICES

I. Consultant will perform the following Services:

- A. Phase I - Electric Cost of Service Analysis
 - a. Initial project meeting and preliminary analysis
 - b. Cost of Service Analysis
 - c. Develop report and present findings
 - d. Training for COB staff
- B. Phase II – Electric Utility Rate Trends
 - a. Research
 - b. Compilation of information
- C. Phase III – Rate Design Recommendation
 - a. Stakeholder engagement meeting
 - b. Revenue adequacy test
 - c. 10-year financial pro forma model
 - d. Bill impact analysis
 - e. Fiscal impact analysis
 - f. Written report
- D. Phase IV – Stranded Cost Recovery Analysis
 - a. Research
 - b. Compilation of information
 - c. Provide available options and give recommendations to COB

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- A. Final written COSA report
- B. Written draft/final report evaluating emerging rate structures
- C. Written report detailing findings and recommendations as well as rate design recommendations and analysis

- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City updated of the status of performance by delivering the following status reports:**
 - A. As needed throughout project
- 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. Scott Burnham
 - B. Steve Rupp
 - C. Craig Shepard

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

		RATE	TIME	SUB-BUDGET
A.	Phase I	\$90-\$250	147 hrs	\$25,000
B.	Phase II	\$90-\$250	57 hrs	\$10,000
C.	Phase III	\$90-\$250	119 hrs	\$18,000
D.	Phase IV	\$90-\$250	48 hrs	\$5,000
E.	Travel	_____	_____	\$4,000

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 sub budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.

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 the Contract Sum 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 written approval of the Contract Officer and the City Attorney's office.**

- II. Consultant shall deliver the following tangible work products to the City by the following dates.**
 - A. Cost of Service Analysis – April 2018**

 - B. Rate Design – April 2018**

 - C. Stranded Cost Recovery Analysis – April 2018**

- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**



**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: October 25, 2016

SUBJECT: Discuss and Consider Resolution 2016-106, "Awarding the Contract for the Smart Meter Installation Service to Vanguard Utility Service, Inc., in an amount not-to-exceed \$365,480 and rejecting all other proposals"

RECOMMENDATION:

Adopt City Council Resolution 2016-106:

- I. Awarding the Contract for the Smart Meter Installation Service to Vanguard Utility Service, Inc., in an amount not-to-exceed \$365,480, and rejecting all other proposals.
- II. Authorizing the City Manager to execute the applicable documents to effect said Agreement.
- III. Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers.

JUSTIFICATION:

It is essential that the Utility install the advanced metering technology, which will allow the Utility to provide significantly enhanced customer service to all residents and businesses of the City.

BACKGROUND:

On June 28, 2016, the City Council approved Resolution 2016-29, appropriating funds and authorizing the purchase of meters and lock rings necessary to retrofit the City's electric system with new Smart Meter technology.

On August 19 and 26, 2016, the City advertised a Request for Proposals in a variety of publications and websites. There were over ten (10) requests for the Request for Proposal package, of which six (6) vendors attended the Pre-Bid meeting where the project was discussed in detail. Subsequent to that, on September 8, 2016, the Utility received two (2) proposals and one (1) No Bid Response. The proposal evaluation documentation, the two (2) complete proposal packages and the official Request for Proposal package are attached herewith as Exhibit "A". The Electric Utility Director, along with a review panel, evaluated the proposals utilizing the following criteria:

1. Qualifications of entity and key personnel.
2. Approach to providing the requested services.
3. Price proposal.
4. Innovative and/or creative approaches.

The following list includes the firms that submitted proposals in alphabetical order, with the proposed price included. The specific proposals will be discussed in more detail later in this report:

Anixter, Inc., \$328,243.75
Henkels & McCoy, Inc., submitted a No Bid response
Vanguard Utility Service, Inc., \$365,480.30

After carefully reviewing each proposal, based on all of the criteria listed above, the review panel selected Vanguard Utility Service, Inc., as the firm that best meets the needs of the City. The following will describe the concerns or issues that the review panel had with the other two proposals. **Anixter, Inc.**, while having the financial capacity, they seemed to lack a clear understanding of the project and their proposal was limited. Several key elements such as required data/system compatibility, customer support, schedule of work, etc., were omitted from their proposal. In addition, the resumes of key personnel to be used on the project were also omitted. **Henkels & McCoy, Inc.** submitted a No Bid Response.

Vanguard Utility Service, Inc. ("Vanguard") was a clear choice for a variety of reasons. Although their price of \$365,480.30 was somewhat higher, it was clear that they possess the knowledge and personnel capable of seeing this project to its completion. They gave specific information on the methodology that would be used to complete the project. It was clear, based on the detail of the outlined work, that they have extensive experience performing work with utility meters, including smart meters. In addition to their employees being OSHA and confined space certified, they affirmed that the work would be completed by their own employees. Detailed resumes of their employees were included showing a significant level of experience. Vanguard was also able to clearly address how their work

management system would interface with the City's Customer Service/Utility Billing system. In addition, detailed references showing recent projects similar to this project were also provided.

FISCAL IMPACT:

The Utility would require an approval of expenditures in the amount of \$365,480. Funds are available in account 673-7000-473.95-31 Smart Meter Project.

OPTIONS:

1. Adopt Resolution 2016-106 and authorize expenditures for the Smart Meter Installation Agreement with Vanguard Utility Service, Inc.
2. Do not approve the Agreement, which would prevent the Utility from installing the Smart Meters it has procured, and continuing forward with the advanced metering technology needed to enhance customer service to the City's electric customers.

ATTACHMENTS

Exhibit A: The proposal evaluation documentation, the two (2) complete proposal packages and the official Request for Proposal package

Reviewed by:



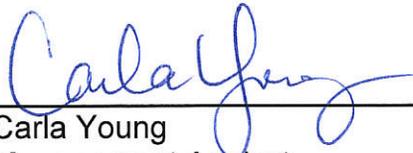
Fred Mason
Electric Utility Director

Approved by:



Michael Rock
City Manager

Prepared by:



Carla Young
Management Analyst

RESOLUTION NO. 2016-106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AWARDING THE CONTRACT FOR THE SMART METER INSTALLATION SERVICE TO VANGUARD UTILITY SERVICE, INC., IN AN AMOUNT NOT-TO-EXCEED \$365,480 AND REJECTING ALL OTHER PROPOSALS

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

WHEREAS, it is essential that the Utility continues to provide enhanced customer service, which can be provided by installing Smart Meter technology; and

WHEREAS, the City of Banning adopted Resolution 2016-29 authorizing the appropriation of funds for the purchase of the smart meters and lock rings necessary to retrofit the City's electric system with new Smart Meter technology; and

WHEREAS, staff solicited proposals for Smart Meter Installation Services and received a total of 3 responses, included in Exhibit A; and

WHEREAS, staff has evaluated the proposals and determined that Vanguard Utility Service, Inc. had the most qualified and responsive proposal; and

WHEREAS, funds are available in account 673-7000-473.95-31 Smart Meter Project;

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

SECTION 1: Adopt Resolution 2016-106 awarding the contract for Smart Meter Installation Services to Vanguard Utility Service, Inc. in an amount not-to-exceed \$365,480.

SECTION 2: Authorizing the City Manager to execute the agreement between the City and Vanguard Utility Service, Inc.

SECTION 3: Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 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”

RFP NO. 16-002 INSTALLATION SERVICES FOR A SMART METER PROJECT

Proposal Scores

		1	2	3	4	Totals	
		RATER	RATER	RATER	RATER		
35		Qualifications of Entity and Key Personnel					
Vanguard Utility Service, Inc.	4	4	4	4	4	16	
Anixter, Inc.	3	3	2.5	2	2	11	
25		Approach to Providing the Requested Services					
Vanguard Utility Service, Inc.	4	4	4.5	4	4	17	
Anixter, Inc.	2	2.5	2	2.5	2.5	9	
15		Price Proposal					
Vanguard Utility Service, Inc.	3	3	3	4	4	13	
Anixter, Inc.	3	4	3	2.5	2.5	13	
25		Innovative and/or Creative Approaches					
Vanguard Utility Service, Inc.	3	3	4	5	2.5	15	
Anixter, Inc.	2	3	3	2.5	2.5	11	
Proposers		Totals					
Vanguard Utility Service, Inc.	1	1	1	1	1	5	
Anixter, Inc.	2	2	2	2	2	10	
		1542.5	1042.5	1542.5	1042.5	262.5	

**RFP NO. 16-002 INSTALLATION SERVICES FOR A SMART METER PROJECT
PROPOSAL EVALUATION COMMENTS**

RATER	Vanguard Utility Services, Inc.	Aniker, Inc.
1	<p>QUALIFICATIONS: Vanguard gave specific detail on their methodology for this project and their ability to complete the project. They provided specific qualifications for the personnel that would be managing the project.</p> <p>APPROACH: Vanguard gave specific examples in their response of how data will be collected in the field and transmitted to Sungard.</p> <p>PRICE: Vanguard clearly took the time to give a detailed response to the City's RFQ. For example, they have a proposed project schedule.</p> <p>PRICE: Vanguard provided pricing on the types of installations requested by the City. It was noted that certain installations are reserved for the City.</p> <p>INNOVATION: Detail was given on how exceptions would be handled when there are errors in data transferred to Sungard. I have not seen a project yet where there weren't mismatches between the actual in field and what is stored in CIS.</p> <p>Overall Vanguard gave more detail on how they would approach this specific project to meet the City's requirements.</p> <p>ADDL COMMENTS: Although Vanguard had a higher overall cost, they prepared a response with level of detail should lead to a successful project.</p>	<p>QUALIFICATIONS: Aniker gave general information on their capabilities.</p> <p>APPROACH: Aniker provided more of a general sales brochure of all the types of services they offer rather than crafting a specific response to COB's RFQ.</p> <p>PRICE: Aniker quoted all types of installs being requested by the City. They noted the City will install certain categories.</p> <p>INNOVATION: Aniker's response is short on specific detail related to the City's project that would demonstrate increased value.</p> <p>ADDL COMMENTS: Overall this seemed like a very "boilerplate" response with a pricing summary thrown in.</p>
2	<p>QUALIFICATIONS: Company appears to be very specialized in working with utility meters, including smart meter installations. They have very comparable experience, although the latest reference was from 2014. However, their Contract Revenues only dropped 2% in 2015, so not too much of a red flag. The key personnel have extensive experience in the utility meter industry.</p> <p>APPROACH: The bid did not go into extensive detail, but the information that was presented was concise, on point, and exhibited an understanding of the RFP and the scope of service. It was clear that they have done similar projects in the past. There were some grammatical and spelling errors, plus a legacy reference to a different city, but these errors should not reflect on their ability to perform the work.</p> <p>PRICE: The price is reasonable for the project. However, the price is 11% higher than the other bidder.</p> <p>INNOVATION: Nothing revolutionary, but it sounds like they have put a lot of time into upgrading and modernizing their relevant data systems, such as their electronic data collection system and their custom work order management system.</p> <p>ADDL COMMENTS: None.</p>	<p>QUALIFICATIONS: Aniker is an international conglomerate, so financial capacity is not an issue. And although there response was somewhat scattered, I believe that they have the expertise to provide the scope of services. But who exactly would be doing the work was unclear. Two contact names were provided along with a generic staff chart, but no resumes were provided. They also mentioned different divisions within the company several times. part of this confusion is likely due to the fact that they are a conglomerate, and HD Supply was acquired less than a year ago. References were sound.</p> <p>APPROACH: RFP was unorganized and difficult to follow. Didn't seem customized to our RFP. Several items not included - Resumes, which key employees would be doing what part of services. Disclosure of Government Positions, staff qualifications, etc. Additionally, they provided much superfluous info that was not related to our project. Finally, they provided an exception sheet to the contract that changed key items, such as billing, warranty, and indemnity. Some of these changes may not be acceptable, and some may need to be addressed by our attorney.</p> <p>PRICE: Very reasonable price. 10% lower than other bidder.</p> <p>INNOVATION: Nothing revolutionary, although their APS Tracking System appears to be quite advanced.</p> <p>ADDL COMMENTS: Well-known name in the industry.</p>
3	<p>QUALIFICATIONS: The proposer provided resumes on key project members that indicated that they had the necessary experience to complete the Project successfully. In addition, they provided several examples of similar projects that they have completed over the past few years.</p> <p>APPROACH: The proposer had a very good understanding of the scope of the Project, and clearly outlined how they would complete each stage of the Project to ensure a successful completion. The Proposer addressed each of the areas outlined in the RFP. One issue to clarify, COB needs to verify that the Project schedule they included in the Proposal, which shows a March 2017 through October 2017 timeline, was just an example and no the actual schedule they are suggesting. As stated in the RFP, COB desires to complete the project within six (6) months of contract award.</p> <p>PRICE: None.</p> <p>INNOVATION: The Proposer's Utility Services Work Order System, as described, provides additional functionality that will make the transfer of information between the Field Handheld systems and COB's CIS seamless, and ensure accuracy.</p> <p>ADDL COMMENTS: Very impressed with how the Proposal was laid out. It was very logical, straightforward and easy to follow.</p>	<p>QUALIFICATIONS: Did not provide resumes or background of key personnel. Staffing description was somewhat vague - it was unclear what the Proposer's capabilities actually are.</p> <p>APPROACH: The Proposer clearly did not fully understand the RFP and scope of services. They did not address several key issues. Kick-off meeting, schedule, customer support for scheduling appointments and answering questions or addressing related complaints/concerns, testing and validating system compatibility, among other omissions. The Proposal included a lot of irrelevant information that did not apply to the Project and had nothing to do with the scope of services requested.</p> <p>PRICE: The proposed price may be lower because they did not follow the RFP and didn't fully understand the scope of work.</p> <p>INNOVATION: It's difficult to rate this, because the Proposal had so many omissions, and it was very difficult to follow. The Proposer used a lot of "buzz words" but it seemed more fluff than substance.</p> <p>ADDL COMMENTS: Was not impressed with the content and layout of the Proposal.</p>
4	<p>QUALIFICATIONS: Project team has significant years of experience. Most recent project 2014. work will be performed by Vanguard employees, no subs. Employees are OSHA and confined space certified.</p> <p>APPROACH: Clear understanding of laws and regulations. Contractor's project team resumes demonstrate significant experience and training. Contractor's approach is clear and well thought out. The electronic data capturing will assist the department if customer questions arise and will remove the ability for customers to doubt their prior meter and new meter reads.</p> <p>PRICE: No noted exceptions to the COB standard contract. Although the pricing submitted is the proposal is higher than the competitors pricing, Vanguard's proposal demonstrates a very clear project approach and is detailed. This shows the vendors pricing reflects the dollars needed to perform the entire scope of the project.</p> <p>INNOVATION: Will use VUSS (Vanguard Work Management System) will interface with HTE. Will log pictures of old and new - bar code scanning. Clear in describing working with COB to ensure data transfer is a smooth process and work to quickly resolve issues.</p> <p>ADDL COMMENTS: 1 year warranty. Field scheduling doesn't begin until 03/2017. References listed were detailed to show projects are similar to COB project scope.</p>	<p>QUALIFICATIONS: Proposal states a clear understanding of the project scope, however the details of the response were limited and appear to be a standard boiler plate. Did not provide project team resumes which limits the ability to verify experience and knowledge of the team. Prior project scope was not clear.</p> <p>APPROACH: Approach is clear, however seems to be boiler plate. Did not expand or provide details on laws or regulations/certifications of project team.</p> <p>PRICE: Would have significant concerns regarding the numerous exceptions to the COB standard contract. Pricing is lower than the competition, however the proposal has very limited information and leaves room to question the proposer's ability to perform the complete scope within their pricing structure.</p> <p>INNOVATION: Will use APS-TS for data logging and collection as well as image capturing. Did not address interface and data collection or distribution to and from HTE.</p> <p>ADDL COMMENTS: Two of the three references projects completion time lines were 2 years. This seems to be quite lengthy given the projects were under 50k meters. Did not provide any warranty information.</p>

RFP 16-002 INSTALLATION SERVICES FOR A SMART METER PROJECT
Reference Check Summary

CONTRACTOR		VANGUARD UTILITY SERVICE, INC.			
Agency	Florida Light & Power	Agency	Norwich Public Utilities	Agency	Westar Energy
Respondent	Tony Rea	Respondent	Jeff Birning	Respondent	John Kelly
What type of work did they do for you?	No Reference Responses Received			No Response Received	
Annual Cost					
How would you rate this consultant on total cost?					
On Timeliness?					
On Problem Responsiveness?					
On Quality of Service?					
On Attitude of Personnel?					
If you had to go out and bid today for a similar project, would you choose this firm again?					
What are the strengths about this firm?					
What are the weaknesses of this firm?					
Did they exceed their proposal cost?					
If so, by how much?					
If applicable, do you feel the exceeded costs were justified?					
Additional Comments	3 Requested by Email and Telephone - 0 Received				

RFP 16-002 INSTALLATION SERVICES FOR A SMART METER PROJECT
Reference Check Summary

CONTRACTOR		ANIXTER, INC.			No Response Received
Agency	Kansas City Power & Light	Matanuska Electric Association	Jackson Energy Authority		
Respondent	Corey Pacozza	Steve Kozlowski	Mike Helton		
What type of work did they do for you?	Anixter installed approximately 650,000 self-contained single and three phase meters, inventory management and warehousing over a 32 month period.	Anixter provided substation equipment installation and meter exchanges.	AMI meter change out of our Electric System.		3 Requested - 3 Received
Annual Cost	Not Provided	\$450,000	\$250,000		
How would you rate this consultant on total cost?	4	3	4 (Evaluated through bid process)		
On Timeliness?	5	5	5 (All work was completed in required time)		
On Problem Responsiveness?	5	5	5 (Was able to resolve any issues quickly)		
On Quality of Services?	4	5	5 (Work was very good. Only a few minor mistakes were made and they worked quick to correct them.)		
On Attitude of Personnel?	4	5	5 (Everyone we worked with had a positive attitude.)		
If you had to go out and bid today for a similar project, would you choose this firm again?	Yes	Yes. Knowledge and timeliness was very good.	Yes, they would be on my preferred list.		
What are the strengths about this firm?	The leadership is excellent with Anixter and their local team was very responsive and was great to work with. We had very few complaints with their employees and always had quick resolution. The IT systems and employees were incredible to work with.	Anixter had a very defined process by which meter exchanges were performed. The information on each meter exchange was brought back to our system in a seamless manner.	They have great experience in doing AMI change outs and also have a lot of knowledge about metering.		
What are the weaknesses of this firm?	Not sure if it's a weakness of the firm but we did not originally set expectations on how to handle damage claims for Anixter installed locations, this was probable the only bump along the road.	There aren't any weaknesses that stand out. Usually the longest period of time I needed to wait for answers was a day or two. There are some questions that have not been answered, but that is due to the equipment manufacturer and not Anixter.	We did not really find any weakness. They are professional and even if we had any issues they were quick to find a solution and take corrective actions.		
Did they exceed their proposal cost?	No, we did per unit pricing.	No. Only if we added to the scope of work.	No, everything was completed on time and on budget.		
If so, by how much?	N/A	N/A	None.		
If applicable, do you feel the exceeded costs were justified?	N/A	N/A	N/A		
Additional Comments	None.	None.	None.		

**CITY OF BANNING
PUBLIC WORKS DEPARTMENT - ELECTRIC UTILITY**

RFP NO. 16-002 - INSTALLATION SERVICES FOR A SMART METER PROJECT			
VENDOR NAME	Vanguard Utility Service, Inc.	Anixter, Inc.	Henkels & McCoy, Inc.
Contact Person for Agreement	Megan Hayden	Scott Ockerhausen	Dev Bira, PE & PMP
Title	Regional Sales Director	Vice President - Smart Grid Metering & Services	Supervisor of Engineering
Address	1421 W. 9th St.	1100 Old State Road E	21 Rancho Camino Dr., 2nd Floor
City, State & Zip	Owensboro, KY 42301	Mattoon, IL 61938	Pomona, CA 91766
E-mail address	sales@vuisinc.com	scott.ockershausen@anixter.com	dbira@henkels.com
Phone	(270) 926-4646	(217) 258-0955	(909) 469-7101
Contact for Proposal	Megan Hayden	G. Ellen McGee	
Title	Regional Sales Director	Product Specialist	
Phone	(270) 926-4646	(866) 631-2555	N/A
Fax	(270) 926-6393	None	
E-mail address	meganh@vuisinc.com	grace.mcgee@anixter.com	
Pre-Proposal Meeting Attendance (Non-Mandatory)	No	Yes	Yes
Addendum No. 1 Acknowledged	Yes	Yes	
Vendor Application Form	Included	Included	
Ex Parte Communications Certificate	Included - Nothing to Report	Included - Nothing to Report	
Price Proposal Form	Included	Included	Submitted a No Bid Response (Reasons included in email)
Disclosure of Government Positions	Included - Nothing to Report	Not Submitted	
Disqualification Questionnaire	Included - No	Included - No	
Agreement Exceptions	None Cited	Exception Sheet Included	
References	Included	Included	
Proposal received on	9/21/2016	9/22/2016	9/16/2016
Time	11:00 a.m.	7:52 a.m.	10:47 a.m.
5 Hard Copies & 1 Electronic Copy	Included	Included	N/A
Total Estimated Annual Price	\$365,480.30	\$328,243.75	\$0.00

**CITY OF BANNING
PUBLIC WORKS DEPARTMENT - ELECTRIC UTILITY**

RFP NO. 16-002 INSTALLATION SERVICES FOR A SMART METER PROJECT

								VANGUARD UTILITY SERVICE, INC.		ANIXTER, INC.		HENKELS & MCCOY, INC.	
ANSI Meter Form	Class	Voltage	Number of Meters	Meter Installation Cost	Total Installation Cost	Meter Installation Cost	Total Installation Cost	Meter Installation Cost	Total Installation Cost				
Residential													
1 1S	100	120	40	\$ 51.79	\$ 2,071.60	\$ 22.75	\$ 910.00						
2 2S	200	240	11400	\$ 25.90	\$ 295,260.00	\$ 22.75	\$ 259,350.00						
3 2S	320	240	15	\$ 25.90	\$ 388.50	\$ 22.75	\$ 341.25						
4 12S Network	200	120	30	\$ 25.90	\$ 777.00	\$ 22.75	\$ 682.50						
Commercial													
5 2S	200	Auto	400	\$ 34.53	\$ 13,812.00	\$ 46.50	\$ 18,600.00						
6 12S	200	Auto	20	\$ 34.53	\$ 690.60	\$ 46.50	\$ 930.00						
7 16S	200	Auto	1000	\$ 51.79	\$ 51,790.00	\$ 46.50	\$ 46,500.00						
8 12S	200	Auto	20	\$ 34.53	\$ 690.60	\$ 46.50	\$ 930.00						
PROJECT TOTAL:				\$365,480.30		\$	328,243.75	No Bid					



Proposal From:

Vanguard Utility Service, Inc.

1421 W. 9th Street Owensboro, KY 42301
Phone: (270) 926-4646 Fax: (270) 926-6393
Email: sales@vusinc.com
www.vusinc.com

To:

**City of Banning
City Hall
Office of the City Clerk
99 E. Ramsey St.
Banning, CA 92220-099**

16-002 – Installation Services for a Smart Meter Project

Due: September 22, 2016 @ 10am local time



Vanguard Utility Service, Inc.

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10. Sample Agreement, no submission	

Appendices

- a. Addendum Acknowledgement
- b. Appendix C
- c. Appendix E

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sales@vusinc.com

APPENDIX A



REQUEST FOR PROPOSAL

16-002 – Installation Services for a Smart Meter Project

VENDOR APPLICATION FORM

TYPE OF APPLICANT: NEW CURRENT VENDOR

Legal Contractual Name of Corporation: Vanguard Utility Service, Inc.

Contact Person for Agreement: Megan Hayden, Regional Sales Director

Corporate Mailing Address: 1421 W. 9th Street

City, State and Zip Code: Owensboro, KY 42301

E-Mail Address: sales@vusinc.com

Phone: 270-926-4646 Fax: 270-926-6393

Contact Person for Proposals: Megan Hayden

Title: Regional Sales Director E-Mail Address: meganh@vusinc.com

Business Telephone: 270-926-4646 Business Fax: 270-926-6393

Is your business: (check one)

NON PROFIT CORPORATION FOR PROFIT CORPORATION

Is your business: (check one)

CORPORATION LIMITED LIABILITY PARTNERSHIP

INDIVIDUAL SOLE PROPRIETORSHIP

PARTNERSHIP UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
<u>Robert A. Bates</u>	<u>President</u>	<u>270-926-4646</u>
<u>Robert Shelton</u>	<u>Treasurer/ CFO</u>	<u>270-926-4646</u>
<u>William O. Sommerville</u>	<u>Secretary</u>	<u>270-926-4646</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Federal Tax Identification Number: 30-0040633

City of Banning Business License Number: will obtain upon award of contract

(If none, you must obtain a Banning Business License upon award of contract.)

City of Banning Business License Expiration Date: will obtain upon award of contract



Vanguard Utility Service, Inc.

To: *The City of Banning (COB) Electric Utility Department*

Vanguard Utility Service, Inc. is pleased to submit the following proposal to *the City of Banning, CA Electric Utility Department*. We are a national leader in the metering service industry. Vanguard was founded 14 years ago in 2002 by a team with over 150 combined years in experience in providing the highest level of quality in water meter service industry.

In our experience we have performed many contracts similar as requested in this RFP with great success. We are certain that Vanguard will provide the highest quality of service to meet the needs of the COB Electric Utility Department, above any other installation company in the country. Vanguard is able to customize each project to the needs of each individual customer and utility that we assist.

Vanguard developed and utilizes an electronic data collection system to manage each installations data and customer contact that is second to none in the industry. We track all aspects of each customer contact, appointments, and each site visit, as well as problems that may arise. During the installation process, all information is captured electronically in real-time data with data transference. Digital pictures are captured at each account setting, and removed register to ease any billing verification that may become necessary.

Unlike other companies Vanguard utilizes full time experienced employees and experienced project management. Professionalism, courtesy and quality is expected and demanded by Vanguard from each of our 100 team members. We also employ employee specialized experts with vast experience in accommodating and working with large commercial, and industrial customers. Vanguard has installed over 4 million meters in the last 14 years, and has never failed to complete a project to the highest standards in the industry.

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Vanguard has a corporate office in Owensboro, KY. With the use of electronic communication and teamwork, we generally do not require any local offices to be obtained for a project.

Thank you for your time in considering Vanguard as your partner in this project, and for the years to come. Please feel free to contact us for any clarifications or omissions that we may have overlooked.

Sincerely,



Robert Shelton,
CFO, Vanguard Utility Service, Inc.
1421 W. 9th Street
Owensboro, KY 42301
270-926-4646

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

Bond Number N/A

KNOW ALL MEN BY THESE PRESENTS, that we
1421 W. 9th Street
Owensboro, KY 42301

Vanguard Utility Service, Inc.
(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called the Principal, and
175 Berkeley Street
Boston, MA 02116

Liberty Mutual Insurance Company
(Here insert full name and address or legal title of Surety)

a corporation duly organized under the laws of the State of **Massachusetts**

as Surety, hereinafter called the Surety, are held and firmly bound unto **City of Banning, CA**
(Here insert full name and address or legal title of Owner)

99 E. Ramsey Street
Banning, CA 92220

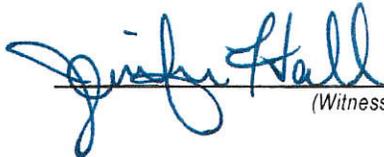
as Obligee, hereinafter called the Obligee, in the sum of **10 % of the amount bid** not to exceed
Ten Percent of Amount Bid***** Dollars (\$ **10% of Amount Bid**),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

WHEREAS, the Principal has submitted a bid for **Installation Services for a Smart Meter Project**
Banning, CA
(Here insert full name and address and description of project)

Project/Invitation No. 16-002

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with
the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or
Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt
payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such
Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty
hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract
with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in
full force and effect.

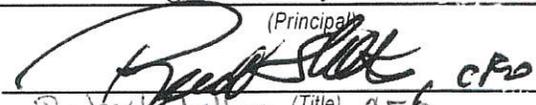
Signed and sealed this **8th** day of **September**, **2016**



(Witness)

Vanguard Utility Service, Inc.

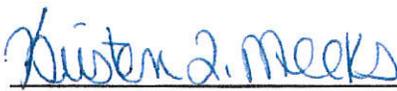
(Principal) (Seal)



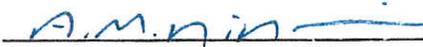
Robert Shelton (Title) CFB

Liberty Mutual Insurance Company

(Surety) (Seal)



(Witness)



A.M. DiGeronimo (Title) Attorney-In-Fact

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 7250143

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, A.M. DiGeronimo; Colin Y. Turny

all of the city of Atlanta, state of GA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 27th day of January, 2016.



American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 27th day of January, 2016, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 8th day of September, 2016.



By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.



Vanguard Utility Service, Inc.

Background and Project Summary

Scope of Work:

The City of Banning, CA (COB) Electric Utility Department is seeking professional services of an experienced firm with a strong background in the area of electric Smart Meter installation, to provide the technical expertise and assistance with all services associated with the documentation of said activities for what the City will be referring to as the "Installation Services for a Smart Meter Project". The proposed agreement is for a duration of 180 days with a 1 year warranty for installation services.

Contractor Responsibilities:

Vanguard Utility Service, Inc. (here referred to as VUS) would be responsible for all labor, equipment, and tools required to replace approximately 12,500 electric meters and endpoints, both residential and commercial. Upon each installation, VUS will be required to interrogate each meter to verify communication between the meter and the handheld. VUS would also be responsible for electronic data collection, including pictures, and installing seals, lock rings and "Do Not Tamper" tags for each meter account.

Scheduling appointments will be made by VUS personnel with a dedicated phone number for the convenience of the Utility customers. For door to door contact, VUS will make 3 field visits in attempt to service the meter. If the 3rd attempt is not successful, a Utility provided door hanger will be left at the residence.

All personnel shall have uniforms and identification badges. Company logos will be visible on uniforms. All VUS personnel will be subject to Vanguard's strict background check and drug testing.

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Vanguard Utility Service, Inc.

Meter Installation Warranty

Vanguard Utility Service, Inc. warrants all electric meter work for a period of one (1) year from the date of install against any defects in company supplied materials and faulty workmanship resulting from electric meter installations. This warranty covers replacement of any property or material damaged by Vanguard Utility Service, Inc.'s employees during the course of installation.

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Vanguard Utility Service, Inc. Methodology

Once identified as the successful contractor, Vanguard Utility Service, Inc. will institute the following management plan:

FIELD PROJECT MANAGER *(To be selected from our list of Field Management Personnel)*

A Project Manager will be assigned and will be responsible for all aspects of the project. He will be the primary contact with decision-making ability in dealings with the Owner during the duration of the project. He will have available to him any resources needed from his regional office as well as all corporate resources in order to ensure a smooth efficient implementation and operation of this project plan.

Responsibilities will include:

- *Coordinate with the Product Manufacturer to schedule training*
- *Safety on project and OSHA requirements*
- *Production, scheduling, monitoring and reporting*
- *Work Scheduling and identification of required training as needed*
- *Quality control of installations and tracking*
- *Electronic Inventory Control*
- *Customer Relations including contact with Owner CIS department*
- *Customer Appointment scheduling capabilities via www.vusinc.com*
- *Material Supply/Inventory Control including warehouse and waste management*
- *Manpower Levels to maintain production schedule*
- *Prepare Coordination and follow-up and notification to Owner's Project Manager*
- *Field personnel will report directly to the Field Project Manager. All field personnel will be responsible for maintaining production schedules in a professional and timely manner as issued by the Project Manager.*

Execution Plan

Once identified as the successful Contractor the overall project is reviewed at the Corporate Center to assure that all facets of the project have been isolated and a management team member is assigned.

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The normal order of schedule is *purchasing reviews the material requirement and issues the required Purchase orders* to assure an orderly flow of product is in place at time of project ramp up. *The Data Processing Division contacts the Utility to establish the requirements of the CIS and Billing Departments.* This usually results in various customer and account data to be downloaded and tested for compatibility and electronic transfer compatibility. Once the data and electronic connections are assured the customer and account information is downloaded to the project files. *Project planning meeting with the Owner and Manufacturer will then be scheduled* to create an overview of the project. The purpose of this meeting is to identify all company, manufacturers' representative and Owners personnel and make all introductions to assure every party understands their roles to running a successful project. The pre construction meeting will also identify specific system integration plans for software installation, hardware installation, training schedules and material management and warehousing plans. *A time line and project ramp up schedule will then be established and approved by all parties involved.*

The assigned project manager will move to the area and begin working up the operational schedules and meet with the Owners personnel to begin the ramp up phase. Usually the project manager will meet with Owner and Manufacturer personnel on some predetermined schedule of meetings to assure that all facets of the ramp up process moves smoothly and all problems are resolved as they are identified. *The project manager will arrange for housing of the installation technicians and set up the warehouse if needed to receive the product to be installed.* Upon arrival of technicians to the ramp up area the project manager will issue specific product training if required and orient the technicians to the area to be installed. If pre-notifications to the Owners customers were required, the project manager, working with the Corporate Data Processing Department, authorizes the sending of those notifications only after assuring all parts of the project are in a go position.

The project work order system is put into place and work routes are assigned to the technicians. Start up of the actual installation process begins. The project manager then establishes the Quality control portion of the project typically this requires 10% of all installations to be re checked for adherence to manufacturers requirements and the standards established by Vanguard Utility Service, Inc. All QCs are logged and records are maintained to assure that any problems are corrected and resolved. This process continues until the contract has been fulfilled. The project manager continues working with the training team to assure that all Owners affected personnel receive the training they need to respond to the new environment and systems.

The in-field data collected (see our hand held system for specifics) is reformatted and on a day by day basis is electronically uploaded into the Owners CIS system. Problems associated with a successful merger of the CIS system and the data collection system from the field are identified and assigned to the appropriate personnel either

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Vanguard Utility Service, Inc. the software developer or the Manufacturer of the product for resolution.

At the completion of the project a Post-Construction meeting is scheduled with all parties to review the overall success of the project as designed and all parties resolve any remaining problems and sign off of the completed project.

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Vanguard Utility Service, Inc.

VUSS-Vanguard Utility Services Work Order System:

To meet the broad needs of our customers, Vanguard has upgraded our second generation custom work order management system. We developed, designed and have implemented our own work order software known as Vanguard Utility Service Software, or more commonly, VUSS. We can provide access to our customers' designated representatives thru our secure customer portal.

Data we receive from customers is uploaded into our software. We accept and can convert many different formats. The accounts are then placed into our custom organization system that most efficiently identifies accounts through the various stages of a project.

The VUSS system is based on Windows and Mobile platform and can be installed on a variety of devices, from Trimble Juno handhelds to tablets and smart phones. VUSS allows for project customization to include additional information collected at each site such as setting information, faulty meter connections, hot sockets, and power diversion. All information is sent real time from our handhelds to the VUSS main frame via Wi-Fi / or the cellular network.

VUSS has the capability to take multiple imbedded digital color pictures for each account. Standard pictures included:

- Old meter /register number and reading -eliminating reading errors and billing questions
- New meter/ERT /register numbers -eliminating account data errors
- Setting /meter can- prior to the start of work "As Found"
- Final setting/ after installation- environment for quality control "After Install "
- Additional pictures can be obtained

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VUSS utilizes a built in UPC scanner that records the exact serial numbers of the new meter and radio as installed thus further assuring accuracy of the data collected.

VUSS has the capability to record American Standard GPS points collected during install.

As the data is collected it is sent to a VUSS interface manned by our Quality Control Department. This process allows for a quick final audit and turnaround time of data for Utility's use. The re-formatted customer data is available to the Utility the next business day after installation in a daily summary report.

VUSS Customer Portal allows designated Utility management personnel secure, direct access to our work order system. Highlights include:

- Individual account information and pictures of register settings, etc.
- Ability to easily run and download reports to excel with a variety of filters
- Reporting examples include: Production by date or range, Exception, Route Saturation and Status.

The VUSS system also allows for quick and easy tracking of appointments, inventory, turn backs and special work required records as well as all type of contact attempts by account.

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Staffing

Robert Tony Bates, President/CEO- Vanguard

Project Implementation Coordination Planning

Responsible for over site and assisting in planning of coordination efforts for all phases and all parties involved for the COB project. Tony holds contractor licenses in 10 states and over the past 21 years has managed successful project coordination and implementation of over 350 projects nationwide, from all manufactures of meters and AMR/AMI technologies. Tony will be working closely with lead representative Team members to insure that all phases of the program run smoothly. He will be working approximately 2-4 hours a week on this project. His Resume is attached.

Tommy Chauncey, Operations Manager – Electric Projects

Project Plan Implementation Admin Over site

21 Years of hands-on technical skills in all areas managed. Functional experience includes Field Operations Management, Quality Assurance, Budgetary Tracking, Logistical Management and Technical Installations. Set company standards for hiring project management, quality and field employees. Tommy will be overseeing the installation processes and management personnel for this project. He will be working approximately 8-10 hours a week on this project. His Resume is attached.

Kevin Thomas IT Coordinator- Vanguard

Project Field Data Setup and Data Processing

10 Years of data operations and network administration. Kevin will be responsible for overseeing the installation data and coronation from the field to systems project management over site, interface with Base 2 billing system, and Sensus Operations Group for into the City of Yonkers. He will be working approximately 1-3 hours a week on this project. His resume is attached.

Robert Bob Shelton, CFO –Vanguard
Project Financial Coordination and Reporting

29 Years of Accounting Administration Background- 15 Years of which has been managing finances for water meter installation companies. Bob will oversee the financial coordinator for this project. His duties include over site of cost controls, budget monitoring, payment distribution, purchase order issuance, wage compliance reports and all financial issues related to field activities. He will be working approximately 1-3 hours a week on this project. His resume is attached.

Fredrick Futch, Project Manager – Electric Projects
Project Over site

15 Years of hands-on technical skills in all areas managed. Day to day operations and installation process management. Fredrick will also be responsible for data transfer to corporate office, inventory processes and the main contact between Vanguard and COB. He will be working approximately 40-50 hours a week on this project or more if necessary.

Vanguard Utility Service, Inc.

COB Electric Utility Project Schedule

Week Starting Date	Week Ending Date	Work Days	Project Manager	Installers	Weekly Installs	Cum Installs
3/6/2017	3/10/2017	5	COB Approved mailers sent			
3/13/2017	3/17/2017	5	Mobilization			
3/20/2017	3/24/2017	5	1	3	600	600
3/27/2017	3/31/2017	5	1	3	600	1,200
4/3/2017	4/7/2017	5	1	3	600	1,800
4/10/2017	4/14/2017	5	1	3	600	2,400
4/17/2017	4/21/2017	5	1	3	600	3,000
4/24/2017	4/28/2017	5	1	3	600	3,600
5/1/2017	5/5/2017	5	1	3	600	4,200
5/8/2017	5/12/2017	5	1	3	600	4,800
5/15/2017	5/19/2017	5	1	3	600	5,400
5/22/2017	5/26/2017	5	1	3	600	6,000
5/30/2017	6/2/2017	4	1	3	480	6,480
6/5/2017	6/9/2017	5	1	3	600	7,080
6/12/2017	6/16/2017	5	1	3	600	7,680
6/19/2017	6/23/2017	5	1	3	600	8,280
6/26/2017	6/30/2017	5	1	3	600	8,880
7/5/2017	7/7/2017	2	1	3	240	9,120
7/10/2017	7/14/2017	5	1	3	600	9,720
7/17/2017	7/21/2017	5	1	3	600	10,320
7/24/2017	7/28/2017	5	1	3	600	10,920
7/31/2017	8/4/2017	5	1	3	600	11,520
8/7/2017	8/11/2017	5	1	3	600	12,120
8/14/2017	8/18/2017	5	1	3	600	12,720
10/16/2017	10/20/2017	5	1	3	205	12,925
			Clean Up			



Vanguard Utility Service, Inc

Robert Anthony "Tony" Bates

President

SUMMARY:

25 years working in Administrative, Sales, Marketing, Management, and Service in the Water Meter Industry

PROFESSIONAL EXPERIENCE:

2002 – Present Vanguard Utility Service, Inc. President and Co- Founder

- Responsible for building accounts, organizing operations, developing and implementing programs to service utilities needs across the United States.

1992 – 2002 Metro Meter Service, Inc.

- Sales & Marketing - Responsible for developing and maintaining service contracts for residential and large commercial metering projects. Assisted with design of brochure and web site.
- Operations - Responsible for the coordination, scheduling, hiring, and training, organization of materials and supplies, purchasing of equipment for the test and repair crews with customers across the country.
- Information Verification Specialist - Set up individual meter tracking program for accounts across the country. Including verifying information with customer billing databases.
- Special Projects Coordinator - Responsible for development of specialized techniques and organization to accommodate designated unusual needs of customers.
- Quality Control - Responsible for inspection procedure on projects such as installation inspection procedure on multiple past residential replacement projects.
- Project Supervisor - Operational control, for the following small meter replacement projects: Washington Suburban Sanitary Commission, Wilmington, DE., (Past residential replacement project) Virginia Beach, VA., Arlington, TX., Stanton, VA., Sarasota County, FL., Coral Springs, FL., Tarry town, NY.
- On-Site Project Management - Complete project management from Start-up to Finish on the following projects: Arlington, TX., Stanton, VA., Sarasota County, FL., Coral Springs, FL Replacement Manager returning after start-up on the following: Washington Suburban Sanitary Commission, Wilmington, DE., (Past residential replacement project) Virginia Beach, VA., Tarry town, NY.

- Master Residential Installer - Trained personnel and installed residential meters with remotes on the following projects: Washington Suburban Sanitary Commission, Wilmington, DE., (Past residential replacement project), Tarry town, NY.
- In-Field Test & Repair of Commercial Meters - Managed large water meter test and repair crew servicing numerous accounts across the country.
- Data Industrial Specialist - Installation and monitoring of large water line (up to 99") for accounts from across the country.

EDUCATION:

University of Kentucky- 1991-1993, Owensboro, KY. – Majoring in Business Administration and Marketing

Mira Costa College - 1990-1991 Oceanside California

Army Navy Academy - Class of 1991 Carlsbad, CA.



Vanguard Utility Service, Inc.

Thomas Chauncey
Operations Manager

Summary: Ten years management experience in the electric, water, and gas meter industry.

Core Qualifications:

- Quality Management
- Project Management
- Staff Training
- Training and Development
- Consistently Meet Goals
- Total Quality Management
- Staff Development
- Employee Scheduling
- Cross-functional Team Management
- Policy/Program Development

Professional Experience:

June 2013 – Current Vanguard Utility Service, Inc.; Owensboro, KY
Operations Manager

Hands-on technical skills in all projects managed. Functional experience includes Field Operations Management, Quality Assurance, Logistical Management and Technical Installations. Implements company standards for hiring project management quality, and field employees.

May 2011–June 2013 Vanguard Utility Service, Inc.; Owensboro, KY
Regional Manager of Electrical Services

Plan, organize, and staff key field positions through regional department heads. Establish project objectives, policies, procedures, and performance standards within the boundaries of corporate policy. Initiate and maintain liaison with prime client and contacts to facilitate project activities. Monitor/control construction through administrative direction of on-site Project Managers to ensure the project is on schedule and within budget; investigate potentially serious situations and implement corrective measures. Responsible for review/compilation of subordinates administrative paperwork (timecards, daily reports); responsible for timely submission of these records to office. Represent company in project meetings; assist in labor negotiations/strategy meetings, etc. Manage financial aspects of contracts to protect the company's interest

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- 680 thousand end points project; gas and electric meters. Electric meter installations; single phase, three phase, and A-Base. Gas meter installations; retrofits.

Rocky Mountain Power; Salt Lake City, UT

Field Manager/Trainer

- 1.5 million electric meter project. Electric meter installations; single phase, three phase, and A-Base.

City of Tallahassee; FL

Field/Quality Control Manager

- 260 thousand end points project; gas, electric, and water meters. Electric meter installations; single phase, three phase, A-Base, and Transformer Rated. Trained installers on all electric and gas installations. Coordinated installation of gate keepers and programmed gate keepers. Gas and water meter installations; retrofits.

Florida Power & Light, FL

Field/Cross Dock Manager

- 4.5 million electric meter project. Electric meter installations; single phase.

Westar Energy; Topeka, KS

Project Manager

- Phase I & Phase II change out project consisting of 41,872 residential electric meters.

Twin Lakes Utility, Inc.; Crown Point, IN

Regional Manager

- Water meter installation project consisting of 3,100 – ¾" x 5/8" Master Meter 3G.

Indiana Water Service, Inc., Crown Point, IN

Regional Manager

- Water meter installation project consisting of 1,700 – ¾" x 5/8" Master Meter 3G.

City of Georgetown, SC

Operations Manager

- Ten Thousand Nine Hundred points project. Itron and Elster electric meters and ¾" thru 8" Badger water meters with Itron/Nicor waterproof connectors.

Riversouth Water, Ozark, AR

Operations Manager

- Water meter installation project consisting of 1,650 – 5/8" x 3/4" Composite Meters and Integral HOT ROD & ¾" thru 1" Brass Meters and Integral HOT ROD.

City of Durham, NC

Operations Manager

- Contract MR-8, 2012 Residential Meter Replacement, Phase III. 21,000 – 5/8" thru 1" Neptune T-10 E-Coder R900i water meters.

Town of Jonesville, LA

Operations Manager

- Replacement of 3,495 Badger water meters and the installation of a Galaxy Fixed Network.

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Vanguard Utility Service, Inc.

Kevin Thomas IT Coordinator- Vanguard Project Field Data Setup and Data Processing

10 Years of data operations and network administration. Kevin will be responsible for overseeing the installation data and coronation from the field to systems project management over site, interface with Munis system and Town of Canton. His resume is below.

Summary:

More than 10 year experience in computer operations and network administration. Effectively able to communicate concepts in an understandable manner, matching message to the audience. Experienced in supervision, training, motivation and evaluation of personnel. Skilled in finding problems and performing necessary change through project management or other methods. Maximize resources to achieve customer satisfaction and increased productivity, meet deadlines and goals. Implement and coordinate both strategic and tactical plans to enhance performance.

Professional Experience:

2011 – Current

**Vanguard Utility Service, Inc.; Owensboro, KY
IT Manager**

Manage the IT department and oversee all data transfers to all project Vanguard has completed to date.

2005 – 2011

Polypore/Daramic; Owensboro, KY

IT Coordinator/Network Administrator

Participated and lead many projects. Manage system ensuring ongoing operations, supporting more than 150 users on terminal servers, workstations, laptops, and Blackberry Smartphones. Accountable for 11 physical servers and six virtual servers; 60 printers; backing up data; supervision of IT personnel; nine Intermac CK31 scan guns; wireless access points; and Cisco switches/routers. Provide ERP support and administration and Oracle Financials support and administration. Oversee and maintain Active Directory, DNS, DHCP, VPN, DFS servers,

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PacketShaper, four terminal servers, imaging deployment for terminals; Microsoft Exchange Server.
Ensured SOX compliance for annual audit review.
Maintained security for all network and physical access points. Devised new backup solution. Visualized servers and migrated to new upgraded hardware. Migrated plant to IP phones, 2008 Server, Windows 7 and Office 2010.
Manager team member of plant during long union strike.
Reduced spending for IT budget when business unit expressed the need.

2002 – 2005

Habitat International, Inc.; Chattanooga, TN

Network Administrator

Administered 20 plus node network. Installed, configured and maintained workstations, Windows 2003 Small Business Server, set up Active Directory domain, DHCP, DNS, WINS, Microsoft Outlook Accounts VPN and RAS.

2003 – 2005

Auto Insurance Network; Chattanooga, TN

Network Administrator

Restored company data from network computer attack. Installed, restored and configured new computers, data, network configurations network security, backup software and hardware, and shared printers.

2002 – 2005

Chattanooga Christian School; Chattanooga, TN

Network Support/High School Computer Instructor

Supported more than 250 node network using Windows 2000/XP and Novell 5.1 servers. Installed and configured Windows 2003 Web Server with FrontPage server extensions. Taught classes on web design using FrontPage and Dreamweaver, MX, Fireworks, HTML, and Java Script; taught MS Office Suite.

2001 – 2002

Comcast Corporation; Chattanooga, TN

Cable Modem Installer

Installed cable modems in residences and businesses; configured routers, IP addresses, NIC cards, browsers, email accounts, and software.

1995 – 2001

Chattanooga Christian School; Chattanooga, TN

Network Support/High School Computer Instructor

Taught classes while supporting more than 50 node network using Novell Netware 4.1 Servers, Windows NT

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Workstations, Windows 95/98 clients network, and local printers.

Education and Training:

1994

Covenant College; Lookout Mountain, GA
Bachelor of Arts in Education

Professional Development:

- American Management Association – Managing Today’s IT and Technical Professionals
- Scotwork Negotiation Skills – Advanced Negotiating Skills
- Kepner Tregoe – Problem Solving & Decision Making Workshop
- MCSE Classes, New Horizon Computer Learning Center
- MCSE Certified

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Vanguard Utility Service, Inc.

Robert Bob Shelton, CFO –Vanguard Project Financial Coordination and Reporting

29 Years of Accounting Administration Background- 15 Years of which has been managing finances for water meter installation companies. Bob will oversee the financial coordinator for this project. His duties include over site of cost controls, budget monitoring, payment distribution, purchase order issuance, wage compliance reports and all financial issues related to field activities. His resume is below.

EDUCATION: University of Kentucky, College of Business and Economics
Lexington, Kentucky
December 1984 – Bachelor of Science in Accounting
Brescia Business College, Owensboro, Kentucky – June 1980
Owensboro High School, Owensboro, Kentucky – May 1980

**WORK
EXPERIENCE:**

6/07-Present Vanguard Utility Service – Chief Financial Officer

2/98 – 5/07 Kruckemeyer & Cohn, Inc.
Controller – Directed all financial activities of the company. Established, or recommended to officers, major economic objectives and policies for the company. Prepared reports which summarize and forecast company business activity and financial position in areas of income, expenses, and earnings based on past, present and expected operations.

2/97 – 2/98 Executive Inn Rivermont
Controller – Directed the Accounting and control functions for all departments. Prepare analysis and audit financial statements providing departmental reporting. Prepared and reviewed operating budgets for all departments and instituted cost and internal controls.

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8/96 – 2/97

Kruckemeyer & Cohn, Inc.
Business Manager – Duties are same as listed above.

1/89 – 7/96

Vanguard Meter Service, Inc.
Controller – Promoted to Controller June 1989
Directed the Accounting and Finance Departments of the corporate office and all field offices. Directed the control functions for all divisions and reported the results of operations. Duties also included: Working and reporting to unions; development of computerized inventory; purchasing and accounts receivable system; budget analysis of projects and overseeing and monitor material and labor cost; negotiate and administer supply contracts.

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References

Norwich, CT

100 Broadway

Norwich, CT 06360

Contact: Jeff Brining, Division Manager

Phone: (860) 823-4522

Email: JeffBrining@npumail.com

Project Name: AMI Electric Meter Deployment

Contract Term: 4 Months-September- December 2014

Number of Meters: 13,000

System: Tantalus

Detail of Work Performed: Removal and replacement of residential, commercial, and industrial revenue meters with Tantalus radio system equipped Itron and General Electric AMI meters.

Florida Power & Light

Miramar, FL

Contact: Tony Rea, AMI Deployment Supervisor

Phone: (954) 382-5133

Email: Tony.Rea@FPL.com

Project Name: Florida Power & Light AMI

Contract Term: 4 Years – 2009 thru 2013

Number of Meters: 2,500,000

System: Silver Spring Net

Detail of Work Performed: Change out residential electric meters.

Westar Energy

Topeka, KS

Contact: John Kelly, Meter and Service Supervisor

Phone: (785) 221-5429

Email: john.kelly@westarenergy.com

Contract Term: 3 Months – October 2011 thru January 2012

Number of Meters: 41,872

System: Elster Integrated

Detail of Work Performed: Phase I and Phase II of a residential electric meter change out project.

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Vanguard Utility Service, Inc.

Sub-Contracting

Vanguard will not be using subcontractors on this Project. The work to be performed will be completed entirely with our employees. We require our employees to undergo testing and education programs specific to the electronic solution to be installed. All of our employees hold OSHA 10 and Confined Space Certification and some require a State certification by Weights and Measures. The work to be done requires learned technical skills to install, which we provide each employee.

There is no sub-contractor's work to be let or done on this contract.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Shelton', with a large, sweeping initial 'R'.

Robert Shelton
Chief Financial Officer

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Vanguard Utility Service, Inc.
Audited Financial Statements
For the Years Ended December 31, 2015 and 2014



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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Vanguard Utility Service, Inc.

We have audited the accompanying financial statements of Vanguard Utility Service, Inc. (a corporation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income (loss) and changes in stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vanguard Utility Service, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 15-17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Myriad CPA Group, LLC". The signature is written in dark ink and is positioned above the printed name of the firm.

Myriad CPA Group, LLC
Owensboro, Kentucky
May 16, 2016

Vanguard Utility Service, Inc.
Balance Sheets
As of December 31, 2015 and 2014

ASSETS

	2015	2014
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 1,107,503	\$ 1,107,322
Contracts Receivable	2,256,306	3,135,634
Employee Receivables	39,087	100,245
Shareholder Receivable	24,258	55,489
Costs and Estimated Earnings in Excess of Billings	527,770	209,491
Inventory - Parts	180,810	553,143
Prepaid Expenses	123,257	148,141
Deferred Tax Asset	234,897	168,912
Other Current Assets	42,111	18,519
Total Current Assets	4,535,999	5,496,896
<u>Property and Equipment:</u>		
Buildings and Land	1,871,631	1,868,491
Vehicles	957,034	874,112
Furniture and Equipment	1,222,534	1,015,053
	4,051,199	3,757,656
Less: Accumulated Depreciation	(1,750,259)	(1,432,025)
Total Property and Equipment, net	2,300,940	2,325,631
<u>Other Assets:</u>		
Loan Closing Costs, net of Accumulated Amortization	38,682	12,144
Total Other Assets	38,682	12,144
Total Assets	\$ 6,875,621	\$ 7,834,671

LIABILITIES AND STOCKHOLDER'S EQUITY

<u>Current Liabilities:</u>		
Checks Issued in Excess of Deposits	\$ 118,157	\$ 61,771
Line of Credit and Other Short Term Borrowings	2,303,789	2,139,093
Notes Payable - Current Portion	357,309	339,520
Capital Leases - Current Portion	80,321	75,781
Accounts Payable	704,474	1,971,884
Accrued Payroll and Taxes Payable	32,839	53,965
Other Current Liabilities	8,222	15,136
Billings in Excess of Costs and Estimated Earnings	24,950	20,787
Total Current Liabilities	3,630,061	4,677,937
<u>Long-Term Liabilities:</u>		
Notes Payable, Less Current Portion	1,432,925	1,190,693
Capital Leases, Less Current Portion	59,777	137,736
Deferred Tax Liability	98,043	103,727
Total Long-Term Liabilities	1,590,745	1,432,156
Total Liabilities	5,220,806	6,110,093
<u>Stockholder's Equity:</u>		
Common Stock, no Par Value		
10,000 Shares Authorized and Outstanding	1,000	1,000
Additional Paid-in Capital	336,452	476,452
Retained Earnings	1,317,363	1,247,126
Total Stockholder's Equity	1,654,815	1,724,578
Total Liabilities and Stockholder's Equity	\$ 6,875,621	\$ 7,834,671

The accompanying notes are an integral part of the financial statements.

Vanguard Utility Service, Inc.
Statements of Income (Loss)
For the Years Ended December 31, 2015 and 2014

	2015	2014
Contract Revenues	\$ 10,868,593	\$ 11,114,827
Other Operating Revenues	27,423	263,044
Operating Revenue	10,896,016	11,377,871
Costs of Revenues Earned	7,513,208	8,285,684
Gross Profit	3,382,808	3,092,187
General and Administrative Expenses	3,383,563	2,957,205
Income (Loss) From Operations	(755)	134,982
Other Income (Expenses):		
Interest Income	783	1,531
Loss on Dispositions of Assets	-	(38,237)
Other Income	(309)	(2,045)
Total Other Income (Expenses)	474	(38,751)
Income Before Income Taxes	(281)	96,231
Income Taxes:		
Current	2,754	(8,539)
Deferred	(73,272)	47,856
Total Income Taxes	(70,518)	39,317
Net Income (Loss)	\$ 70,237	\$ 56,914

The accompanying notes are an integral part of the financial statements.

APPENDIX D

PRICING PROPOSAL FORM

16-002 – Installation Services for a Smart Meter Project

Provide meter installation cost, along with total installation cost in accordance with the City's current requirements, as set forth in Section 2 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

Table Indicates installation costs for electric meter exchanges.

ANSI Form	Meter Class	Voltage	Number of Meters	Meter Installation Cost	Total Installation Cost
Residential					
1S	100	120	40	\$51.79	\$2,071.60
2S	200	240	11,400	\$25.90	\$295,260.00
2S	320	240	15	\$25.90	\$388.50
12S Network	200	120	30	\$25.90	\$777.00
Commercial					
2S	200	Auto	400	\$34.53	\$13,812.00
12S	200	Auto	20	\$34.52	\$690.60
16S	200	Auto	1000	\$51.79	\$51,790.00
12S	200	Auto	20	\$34.53	\$690.60

***Industrial and Solar meters to be installed by COB as well as any difficult to place meters from above that fall outside of agreed upon timeline.*

APPENDIX F

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

None



ADDENDUM NO. 1
REQUEST FOR PROPOSAL
FOR
NO. 16-002
INSTALLATION SERVICES FOR A SMART METER PROJECT

PUBLIC WORKS DEPARTMENT
ELECTRIC UTILITY
CITY OF BANNING

Released on August 19, 2016

The referenced document has been modified as per the attached Addendum No. 1

Please sign this Addendum where designated and return the executed copy with submission of your bid. This addendum is hereby made part of the referenced quote as through fully set forth therein.

Any questions regarding this addendum should be addressed to:

Jennifer McCoy

Telephone: (951) 922-3121

Email: jmccov@ci.banning.ca.us

Addendum No. 1

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with your proposal.

General Information, as indicated in the Contract Documents:

1. There is an update to the proposal due date. Proposals are now due at 10:00 a.m. on **Thursday, September 22, 2016**. Note that proposals are due at the City Clerk’s office located at City Hall. Schedule changes below.

This request for proposal will be governed by the following schedule:

Release of RFP	August 19, 2016
Pre-Proposal Meeting	August 24, 2016 at 10:00 a.m.
Deadline for Written Questions	August, 26, 2016 by 5:00 p.m.
Responses to Questions Posted on Web	September 1, 2016 by 5:00 p.m.
Proposals are Due	September 8, 2016 September 22, 2016 by 10:00 a.m.
Interview (if held)	The Week of September 27, 2016 October 18, 2016
Approval of Contract (Tentative)	October 11, 2016 October 25, 2016

2. This is a prevailing wage contract. All bidders and their subcontractors must be registered with Department of Industrial Relations pursuant to California Labor Code section 1725.5. Craft Classification attached.
3. Itron OpenWay CENTRON Bridge Meter Specifications attached.

Request for Proposal Questions & Answers

The following questions were asked by qualified bidders:

1. Two interested bidders formally request to extend the bid date by two weeks to September 22 if possible. In an effort to ensure that all qualified responders are able to participate, we will extend the RFP due date to September 22.
2. On page 20 the RFP states: “City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement.” We respectfully request to receive this information now as it will impact pricing. The Prevailing Wage Determination for this craft is: #RESIDENTIAL ELECTRICIAN – INSIDE WIREMAN. Detailed rate sheet is attached for your review.
3. Section 16-002 2nd paragraph “All meters will be completely programmed and ready for installation”
Section 2.2.6 “The vendor shall program and/or interrogate each endpoint during the time of installation.”
Question: Please clarify if Contractor will be required to program the meters, if yes, will Contractor be required to provide the programmer? Contractor is not required to program the

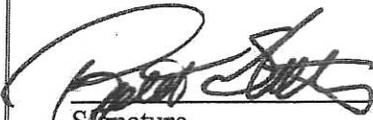
meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.

4. What meter brand and reading system will Contractor be installing? COB is utilizing the Itron OpenWay meters with this project. COB is not installing a “reading system”.
5. Do you have a Prevailing Wage Rate Determination from the State? See #2 for response.
6. What is your billing software system? Sungard Naviline
7. Page 2 – COB risk management criteria – where can we find this document? Please see the criteria in APPENDIX B – Sample Contract for Professional Services: Section 17.
8. Page 2 – Meters are already programmed and only installation, no testing or checking to make sure new meter is communicating with the hand held device? Please confirm it? Contractor is not required to program the meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.
9. Page 3- Kick-off meeting 2.1.1 fourth bullet – confirmation of system configuration, hardware and software – can you elaborate more on what hardware and software will be involved and what will system configuration entail? The handheld devices and management system associated with those handheld devices which should be compatible with COB’s billing system; or at least the ability to produce an electronic file that can be imported into Banning’s Utility Billing System.
10. Page 3- 2.1.2 Design Document Development – this project does not involve any design – can you please explain what you mean by it? There is no design component to this project, and references to “design documents” in Section 2.1.2 should be disregarded.
11. Page 3- 2.2 – whose work management system – COB or contractors? This refers to the Contractor’s handheld devices and work management system associated with those handheld devices, which should be compatible with COB’s system.
12. Price Proposal Appendix D- There are lots of unknowns and committing to a lump sum bid will be very risky or companies bidding have to allow large contingency to cover the risk and increase the budget. To be cost-effective would COB consider time and expenses bid with the hourly rates provided for each title and position expected to be used during meter replacement? Contractors may bid the hourly rates for each title and position expected to be used, but they would have to include a “NOT-TO-EXCEED” amount in the proposal. COB will not pay more than that FIXED amount. COB will not pay higher project costs, just because the Contractor has slow and/or non-productive employees.
13. Can you please provide a copy of the meter specifications? Yes, the meter specifications will be provided with the responses on September 1.
14. Can you please extend the bidding deadline date to September 22? See #1 for response.
15. Section 2.5 pg. 6 Meter and Endpoint Installations –
 - a. Is this work to be performed while equipment is energized? Yes.

- b. is the meter installation a clip in or snap turn twisting install and out of any electrical harm's way? This question is not clear. However, the meters are the standard meters for single phase 120/240 volt 3W is four clips. The self-contained poly-phase 120 -480 4W meters are seven clips.
- c. If not; what are you electrical safety procedures when working around energized equipment? Contractor should comply with standard OSHA requirements for working with services of less than 480 volts.
- d. Expected manpower and duration requirements? Manpower requirements should be determined by the Contractor. COB would like to complete the project within six (6) months of award, but is open to extending the completion date if necessary.
- e. Ultimately what is EPS responsible for in this scope of work? Meter change outs, programming, labor only on Prevailing scale? Please refer to the RFP package.

All other provisions of the request for quote shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.


Signature 9/6/16
Date

Robert Shelton, CFO
Typed Name and Title

Vanguard Utility Service, Inc
Company Name

1421 W. 9th Street
Address

Quensboro, KY 42301
City State Zip

ATTACHMENT NO. 1

**PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR
OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE
PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1**

CRAFT: #RESIDENTIAL ELECTRICIAN

RESIDENTIAL DETERMINATION: R-61-440-1-2015-1

Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates.

ISSUE DATE: December 1, 2015

EXPIRATION DATE: December 27, 2015* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director – Research Unit at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

LOCALITY: All localities within Riverside County.

WAGE RATES:

<u>Classification(s)</u>	<u>Basic Straight-Time Hourly Rate</u>
Residential Electrician: Inside Wireman	\$24.00 ^a

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Health & Welfare:	\$5.01 per hour worked
Pension:	\$0.72 per hour worked ^b
Training:	\$0.20 per hour worked
Other:	\$0.20 per hour worked ^c

STRAIGHT TIME HOURS: Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME: All work performed after eight (8) hours a day and/or forty (40) hours a week, and all work performed on Sundays and Holidays shall be paid at one and one-half (1½x) the regular straight-time hourly rate.

RECOGNIZED HOLIDAYS: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving and Christmas Day. When one of the holidays falls on Sunday, the holiday shall be observed on the following Monday. If Christmas or New Year's falls on Saturday, the Friday preceding will be considered the holiday. Other holidays which fall on Saturday shall be celebrated on that day.

TRAVEL AND SUBSISTENCE: In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director - Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please fax a request (415) 703-4771 to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603. To obtain any commercial and residential apprentice wage rates as of July 1, 2008 and prior to September 27, 2012, please contact the Division of Apprenticeship Standards or refer to the Division of Apprenticeship Standards' website at <http://www.dir.ca.gov/das/das.html>.

^a Includes an amount withheld for working dues.

^b This amount is equal to 3% of the Basic Hourly Rate for the National Employees Benefit Fund (NEBF) which is factored at the applicable overtime multiplier for each overtime hour.

^c Includes an amount for Administrative Maintenance Fund (\$0.10) and Labor Management Cooperation Committee (\$0.10).

* The rate is in effect throughout the duration of the project.

ATTACHMENT NO. 2



OpenWay® CENTRON®

Bridge Meter

The CENTRON Bridge meter is the bridge between Itron communication architectures that enable AMI and smart grid functionality. The meter's adaptability allows it to be incorporated alongside existing Itron electric meters with a mobile meter data collection system, delivering advanced metering benefits associated with remote service disconnects, demand metering (real-time resetting), net metering, time of use rates, and interval data for customer service and engineering.

When prudent for the utility, the CENTRON Bridge can easily migrate to a full smart grid solution, offering demand response and distribution automation benefits. With CENTRON Bridge's versatility and proven operational benefits, utilities can address current business challenges and see an immediate return on investment, all while readying for a full smart grid solution as the need develops. Enabled to leverage field assets across two different data collection solutions, a utility can protect and extend its original investment.

Featuring open-standards architecture, modular design for flexibility in communications, and extensive features and functionality, the CENTRON Bridge supports existing operational needs as well as the most demanding smart grid business requirements today and well into the future. The CENTRON Bridge is the first meter to offer compatibility between the OpenWay® network and Itron's ChoiceConnect® mobile environment. This revolutionary capability is perfect for customers that require advanced metering functionality in a mobile environment today, with complete support for full smart grid functionality in the future.

What does the CENTRON Bridge offer in a mobile environment?

Utilities can deploy the new CENTRON Bridge alongside the existing meter population, reading all meters with the Itron mobile data collection system. This enables the utility to deploy the CENTRON Bridge on a schedule, whether through an annual meter maintenance program, a complete meter replacement or any other combination that suits the business case. With this flexibility, the utility sets the timetable according to its operational needs, capital management goals or strategic plans.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip (Smart Energy Profile v1.1) to provide a built-in communications pathway into the home for data presentation, load control and demand response.

What does the CENTRON Bridge offer under the OpenWay environment?

While in OpenWay network mode, the meter is fully compliant with the ANSI C12.19 and C12.22 standards for storage and transport of register data. The CENTRON Bridge provides a secure and reliable open-standards approach to data collection and communications between the meter and network.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip to provide a built-in communications pathway into the home for data presentation, load control and demand response. These features include full two-way communication, a load-limiting remote disconnect and reconnect switch, positive outage detection and restoration notification, voltage monitoring, automatic tamper and theft detection, as well as the ability to reprogram the meter remotely and upload new firmware via the network.

The CENTRON Bridge meter is the sensible choice for all your metering needs from mobile data collection to the smart grid.

CHOICECONNECT MOBILE MODE

Energy Values

- » Up to five energy registers (Max of 4 for Singlephase); kWh delivered, kWh received, kWh net, kWh unidirectional, VAh delivered, VAh received, Varh delivered, Varh received
- » Up to 2 demand values (1 for Singlephase) based on energy values; Max demand, cumulative demand, continuous cumulative demand with a remote reset. For Polyphase, a PF @ Peak Demand can also be returned
- » Two channels of 15-minute interval data with 40 days of data retention; intervals can be retrieved as 15 minute, hourly, daily or single historical read

Time of Use

- » Time of Use rates can be calculated in the meter and retrieved with your Field Collection System (FCS)
- » 25 Year calendar in the meter
 - Can be updated via FCS remotely
- » Seasons (1 to 8 per year)
- » Rates (1 to 4 per season)
- » Events (1 to 32 per season)
 - DST and Holidays

Disconnect/Reconnect service switch operation

- » The CENTRON Bridge (forms 1S, 2S, 12S, and 25S) is available with a 200 amp remote disconnect/reconnect switch that can be operated with your ChoiceConnect applications

Tamper Detection

- » Tamper indications are included in every communication received by the ChoiceConnect applications
- » Tamperers include: inversion, removal, reverse power flow and magnetic (Singlephase only)
- » SiteScan Diagnostics™ with OpenWay Tools

Other Features

- » Event Counters: Volt Hour Threshold Exceeded, RMS Threshold Exceeded, Outage, Demand Reset, Tamperers & Program Changes
- » Date and Time of last power outage
- » Number of Minutes Running on Battery
- » Firmware Versions
- » Configuration Information (Energy and Demand values)
- » Fatal & Non-Fatal errors
- » Ability to schedule a switch from ChoiceConnect to OpenWay mode
- » Ability to switch from OpenWay to ChoiceConnect mode
- » Time synchronization
- » ZigBee radio chip provides access to Consumer Engagement (CE) devices like in-home displays, smart thermostats and others

Security

- » ChoiceConnect security deploys end to end security from the mobile communications systems to the meter through authentication of two-way communications and encryption of meter data

ChoiceConnect Support

- » Approved Reading Devices for Collecting Reads with Basic Security
 - Handheld and Mobile Application Software SCM+ Only
 - MV-RS v8.4.1 or higher
 - Field Collection System (FCS) v2.3 or higher including FCS DC v2.3.10.1 and FCS DC v2.4.8.2
 - Mobile Collection Software v3.4 or higher
 - Field Deployment Manager (FDM) Work orders v3.3 or higher
 - Field Deployment Manager (FDM) Endpoint Tools Enhanced v3.2 or higher
 - Handhelds and Radios
 - FC300SR: All models along with application software listed above
 - Mobile Collectors
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001, DCU-5300-011U, DCU-5300-101U, DCU-5300-111U
 - MCLite when used with application software listed above.
 - Only: DCU-5000-001, DCU-5000-002, DCU-5000-002U, DCU-5000-102U, DCU-5000-002DL, DCU-5310-201
- » Approved Reading Devices for Performing Advanced AMR Commands
 - Handheld and Mobile Application Software:
 - Field Collection System (FCS) v2.7 or higher
 - Mobile Collection Software v3.7 or higher
 - Itron Security Manager v3.0 or higher
 - Field Deployment Manager (FDM) FDM work orders v3.6 or higher
 - FDM Endpoint Tools Enhanced v3.6 or higher
 - Handhelds and Radios:
 - FC300SR: All models along with application software listed above.
 - Mobile Collectors:
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001DL, DCU-5300-001DLU, DCU-5300-011DLU, DCU-5310-001, DCU-5310-011, DCU-5310-011U
 - MCLite when used with application software listed above.
 - DCU-5000-002DL, DCU-5310-201

SPECIFICATIONS

Technical Data

Meets applicable standards:

- » ANSI C12.1 - 2001 (American National Standard for Electric Meters - Code for Electricity Metering)
- » ANSI C12.18 - 1996 (American National Standard - Protocol Specification for ANSI Type 2 Optical Port)
- » ANSI C12.19 - 1997 (American National Standard - Utility Industry End Device Data Tables)
- » ANSI C12.20 - 2002 (American National Standard for Electricity Meters-0.2 and 0.5 Accuracy Classes)
- » ANSI C12.22 - (consult ANSI electricity metering protocol standards, balloted version)
- » ANSI/IEEE C62.45 - 1992 (Guide to Surge Testing on Low-Voltage AC Power Circuits)
- » IEC 61000-4-2
- » IEC 61000-4-4

Reference Information

- » OpenWay CENTRON Meter Specification Sheet
- » OpenWay CENTRON Polyphase Meter Specification Sheet
- » OpenWay CENTRON Meter Technical Reference Guide
- » Hardware Specification Form



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CORPORATE HQ
2111 North Molter Road
Liberty Lake, WA 99019 USA
Phone: 1.800.635.5461
Fax: 1.509.891.3355

- b. is the meter installation a clip in or snap turn twisting install and out of any electrical harm's way? *This question is not clear. However, the meters are the standard meters for single phase 120/240 volt 3W is four clips. The self-contained poly-phase 120 -480 4W meters are seven clips.*
- c. If not; what are your electrical safety procedures when working around energized equipment? *Contractor should comply with standard OSHA requirements for working with services of less than 480 volts.*
- d. Expected manpower and duration requirements? *Manpower requirements should be determined by the Contractor. COB would like to complete the project within six (6) months of award, but is open to extending the completion date if necessary.*
- e. Ultimately what is EPS responsible for in this scope of work? Meter change outs, programming, labor only on Prevailing scale? *Please refer to the RFP package.*

All other provisions of the request for quote shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.

 9/6/16
Signature Date

Robert Shelton, CFO
Typed Name and Title

Vanguard Utility Service, Inc.
Company Name

1421 W. 9th Street
Address

Owensboro, KY 42301
City State Zip

APPENDIX C

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the CONTRACTOR Services RFP at any time after August 19, 2016.


Robert Shelton, CFO

OR

I certify that Proposer or Proposer's representatives have communicated after August 19, 2016 with a City Councilmember concerning RFP 16-002 – Installation Services for a Smart Meter Project. A copy of all such communications is attached to this form for public distribution.

APPENDIX E

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No x

If the answer is yes, explain the circumstances in the following space.



City of Banning
Request for Proposal
No. 16-002
For
Installation Services for a Smart Meter Project

September 20, 2016



Provided to:

City of Banning

Provided by:

**Anixter Power Solutions
Proposal Development – GridAdvance™
1100 Old State Rd E
Mattoon, IL 61938
800.631.2555
SmartGrid@anixter.com**

ANIXTER

Executive Summary

The History of Anixter Inc. GridAdvance™ (formerly HD Supply Power Solutions) involved with the metering industry, began with ELASCO Supply Meter Services which had been in business for over 60 years. HD Supply acquired the assets of ELASCO Meter Services which included Electric Meter Laboratories and Sales in 1996. Since this time we have seen the opportunities in AMR/AMI integration explode. We have seen several integrators for large projects not meet the expectations of the Utility marketplace and in a very short time frame become financially insolvent. We feel that the benefits of our organization are financial strength, long-term financial stability, as well as part of the overall Anixter Power Solutions T&D Distribution business. Due to the size of the Financial Documentation, it can be found online at www.anixter.com/investorrelations. Please review the attached electronic file.



AnixterInternationalIn
c-10K.pdf

October 5, 2015 HD Supply Power Solutions was purchased by Anixter International, Inc, and became Anixter Inc. In May of 2005 HD Supply purchased the assets of A/S Precision which was located outside of Pittsburgh, PA. With this acquisition, HD Supply Power Solutions had the people, equipment, and expertise to tackle any size of integration opportunity, with the financial wherewithal to manage several AMR projects simultaneously anywhere in North America. We are aggressively building an AMI infrastructure to include multiple distribution/meter shop facilities throughout the United States and Canada so that we can further improve our customer's satisfaction and to demonstrate our commitment to this industry.

Anixter Inc GridAdvance™ currently has 2 Meter Shop Locations.

Electric Meter Lab 2208 S 14 th Street Mattoon, IL 61938	Texas Meter Lab 2800 Quail Run Dr. Suite 100 Corinth, TX 76208
---	---

Anixter Field Services currently has 31 meter technicians total based out of these locations.

Anixter GridAdvance™ offers a very extensive line of services to Electric Utility organizations

Meter Lab Services

- Test and repair single-phase and three-phase kilowatthour meters
- Test and repair all makes of regulator panels
- Test and certify wathhour reference standards traceable to NIST
- Pre-wire meter loops and sockets
- Custom wiring and assembly to customer spec
- Retrofit AMR modules (Electromechanical & Solid state meters)



Field Services

- On-site testing of single and three-phase kilowatthour meters
- In service CT testing
- Install metering, secondary and primary
- Meter change outs for AMR both single-phase and three-phase

SCADA and Communications

- Install SCADA systems
- Install 900 Mhz radio equipment
- Install fiber optic

Scope of Experience

Anixter GridAdvance™ Services has been on the cutting edge of metering automation and communication solutions for well over 15 years.

Our technical experience has helped usher in new innovation for our customers operational benefit by constantly seeking better solutions for automation and information processing.

We have installed all aspects of demand, time of use, and interval recording devices utilizing pier to pier 900 Mhz data RF, copper phone line, cell RF, power line carrier, fiber optics and satellite repeater networks.

We have licensed radio technicians and all related test equipment that we would typically encounter supporting this wide variety of communication solutions.

Anixter Inc. has had several AMI projects to date. The first couple of projects were manual process. We saw quickly that this had to become an automated process. We then developed our own handheld system for the transfer of data. Thus virtually eliminating data transfer errors, we continue to improve this process by adding features and enhancements to include GPS and built-in camera recorded images. We also address the customer needs for substation equipment.

Anixter GridAdvance™ Field Services is highly recognized as the authority when it comes to meter services. This claim is easily evident where Anixter is asked by Utility customers to give formal training classes to their technicians. In fact several Utilities have incorporated Anixter training classes into their formal employee advancement programs. We have trained many technicians who in the course of their day-to-day duties involve providing the services needed on an AMR project. This includes the retrofit process, field change outs, and utility safety. These classes have been taught on campuses throughout North America.

Some of the following are locations that we perform complete seminars on electric metering or teach classes at:

Association of Missouri Coops
Buckeye Rural Coop Association



Pennsylvania Rural Electric Coop Association
Great Lakes Electric Meter School (GLEMS)
University of Arkansas Electric Meter School



Background / Project Summary

Anixter's Automation Services offers comprehensive metering services with all full-time Anixter employees that are required to pass both background checks and drug screenings. The average Anixter meter technician has been employed for 8.5 years, with a number of technicians with over 30 years in service. Anixter Services of both laboratory and field settings, services are based out of our two service centers:

- **Mattoon, IL**

Electric Laboratory and Sales Corp. (ELASCO), founded in the Midwest, but quickly started provided metering services in the nationwide for 76 years. Through acquisitions it is now part of Anixter Inc.

- **Corinth, TX**

Started in 2000 building Pre-Wire Meter Sets & Capacitor Banks for Texas region customers. Now expanding into Field Meter Testing, Meter Exchange and other service offerings.

Anixter's history as a meter services organization, resulted in a wide range of meter services being offered to its utility customers across the country. Anixter's rich history in core metering products, allows us to bring highly qualified and specialized personnel to projects across the county, including:

Laboratory Services:

- **Meter Testing & Repair**

Professional testing and repair are available for both 1ph and 3ph meters

- **Meter Programming**

Solid state meters are programmed to your specifications at our facility

- **Meter Retrofit**

Retrofit meters with new modules. Reprogram & test meters & modules

- **Certify Watthour Standards**

HD can certify the Utilities testing equipment, traceable to NIST

- **Meter Support**

Trained technical support for all meter, metering questions and meter software

Field Services:

- **1 Phase Meter Testing & Repair**

Onsite testing of kilowatt-hour meters

Field communication module testing

- **CT Testing**

In service testing of CT's

- **3 Phase Service Analysis**

Complete service test from CT / PT down to the socket & meter

Provide detailed test reports for each site tested

Compare CT ratios to CIS records to ensure correct values

- **Metering Installation**

Secondary Metering

Primary Metering

Substation Metering



- **Substation Installation**

Turn-Key SCADA installation with RTU, and communications

- **Substation Installation**

Prefer to pre-wire the MTU as a lab service

Field install, communications, fiber optic termination and system commissioning

IPU pre-wire & field installation

Pre-Wire Services:

- **Primary Meter Sets**

Pre-wired meter sets are available in many standard formats, or can be customized to utility specifications

Engineering drawings can be made available

Provides customers with peace of mind that the assembly is wired correctly

Wired in a controlled shop environment by trained technicians

Frees up linemen to be doing other work

Single phase and three phase available

Overhead and underground offering

- **Secondary Meter Sets**

Stock pre wired secondary metering sets

Available with multiple manufacture instrument transformers

PT's also available

Easy to install and troubleshoot

Engineering drawings can be made available

All wires marked, including Line and Load

Customer specific color codes

Managed with one point of contact:

- **Cap Bank Summary Info**

Customizable to utility specifications

Quality control through HD standards

Supported by engineering documentation, by engineering professionals

Engineering drawings available

Proven to be more cost effective than utility assembly

Methodology / Process

Project Management

APS uses a Tracking System to manage and track an AMI electric meter change-out program.

APS will utilize Handheld Data Collectors (HDC) with bar code scanners. These handheld devices allow us to gather installation data efficiently and accurately. Once collected, this data can be formatted to allow for easy uploading to the Utilities billing system. The Anixter Tracking System (APS-TS) is a highly customizable, proven system for managing large-scale electric meter change-out programs. The combination of technology, accurate data collection, and top notch project manager's allows APS to provide customers with unmatched services that are performed quickly, safely, cost effectively, and in a high quality, value-added way.

APS will assign a Project Manager to this project that will schedule resources, manage data, and function as a liaison with the Utility for issues as they arise.

Tracking System (APS-TS)

The APS-TS was created solely for the purpose of tracking and managing metering system change-out programs. The systems key attributes include a proven and successful track record of accurately tracking installation data and efficiently transferring that data to the customer billing system. Another key attribute of this system is its ability to schedule and track installations.

The APS-TS allows for the convenient tracking of all important details associated with a meter change-out program including:

- Customer Account Data (account number, address)
- Existing customer service information
- Customer contact records
- Installation details
- Work progress tracking (routes, incomplete lists, etc.)
- Installer
- Old and new meter readings

At the beginning of a change-out program, all relevant existing customer data is downloaded to the APS-TS. Data such as customer account number, name, address, phone number, and any known details associated with the existing service are downloaded to the system. The APS-TS includes a series of data fields for purposes of capturing appropriate information associated with the installation program. The APS-TS database is customized to ensure capture of all relevant data in order to populate our customer's database(s) and/or GIS. Examples of field types can include collection of informational data could include meter tampering, photographs of meter, GPS coordinate, etc.

All data collected can be transmitted in an electronic format that is compatible with the existing billing system.

Handheld Data Collectors (HDC)

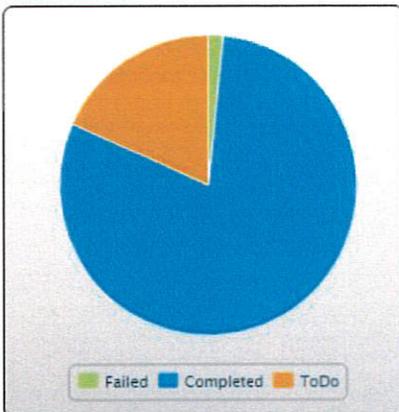


Dashboard Install Details Quality Inventory Schedule Extras Login Log

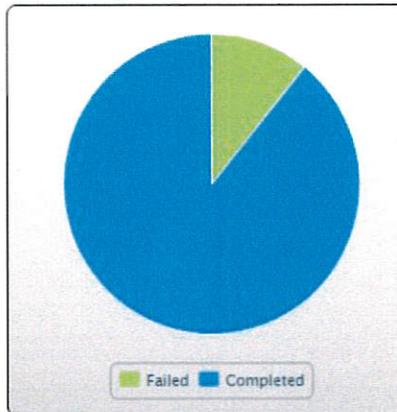
Daily Breakdown



Progress



Last 7 Days



Failed Attempts

Old Meter ID	Attempt
AB01396329	06/16/2016 - 2 - X2 - No Answer
AB01854288	06/10/2016 - 2 - X1 - Left Message
AB02808023	06/10/2016 - 2 - X1 - Left Message
AB03456015	05/05/2016 - 2 - X1 - Left Message
AB03456061	06/04/2016 - 1 - E1 - Trouble - Other
AB03456088	06/16/2016 - 1 - CF - Cannot Find Address/Meter
AB03456088	06/07/2016 - 4 - CF - Cannot

Anixter Tracking System (APS-TS)



Customer Search

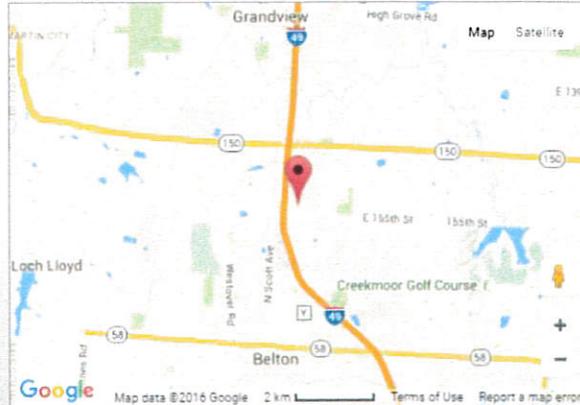
Resp Party:
 Tech ID:
 Start Date: 06/16/2016
 End Date: 06/16/2016
 Old Meter:
 New Meter:
 SP ID:
 Address:
 Trouble Code:
 Route:
 Service:
 Territory:

Show 10 entries [Select Columns](#) [Download Excel](#)

Date	New Meter	Address	Old Meter	Attempt
06/16/2016	1224718330914	6006 E 153RD TER,APT B/GRANDVIEW,MO	AB89254450	
06/16/2016	1224718330913	6006 E 153RD TER,APT A/GRANDVIEW,MO	LG13295843	
06/16/2016	1224718333648	6007 E 152ND TER, # B/GRANDVIEW,MO	AB88201435	
06/16/2016	1224718331755	8400 E 161ST ST/BELTON,MO	LG86738125	
06/16/2016	1224718333647	6007 E 152ND TER, # A/GRANDVIEW,MO	DU21704441	
06/16/2016	1224718327150	16105 SPEAKER AVE/BELTON,MO	AB98400673	
06/16/2016	1224718331937	15400 BELLAIRE AVE, # L/GRANDVIEW,MO	LG78108807	
06/16/2016	1224718328447	6412 E 150TH ST/GRANDVIEW,MO	AB92250486	
06/16/2016	1224718330953	6007 E 153RD ST,APT B/GRANDVIEW,MO	LG84855803	
06/16/2016	1224718332178	6106 E 155TH ST/GRANDVIEW,MO	LG87494616	

Showing 1 to 10 of 868 entries (filtered from 187,231 total entries)

Responsible Party: HDS
SP ID: 4204696295
Address: 6006 E 153RD TER,APT B/GRANDVIEW,MO
Old Meter: AB89254450
Out Read: 49709
Demand: 0
New Meter: 1224718330914
Route: 01MO13
Route Scheduled: 06/13/2016
Latitude: 38.84503639
Longitude: -94.52521033
Date Changed: 06/16/2016 14:26:06
Trouble Code:



Failed Attempts:

Tech ID: H0555
Comments:

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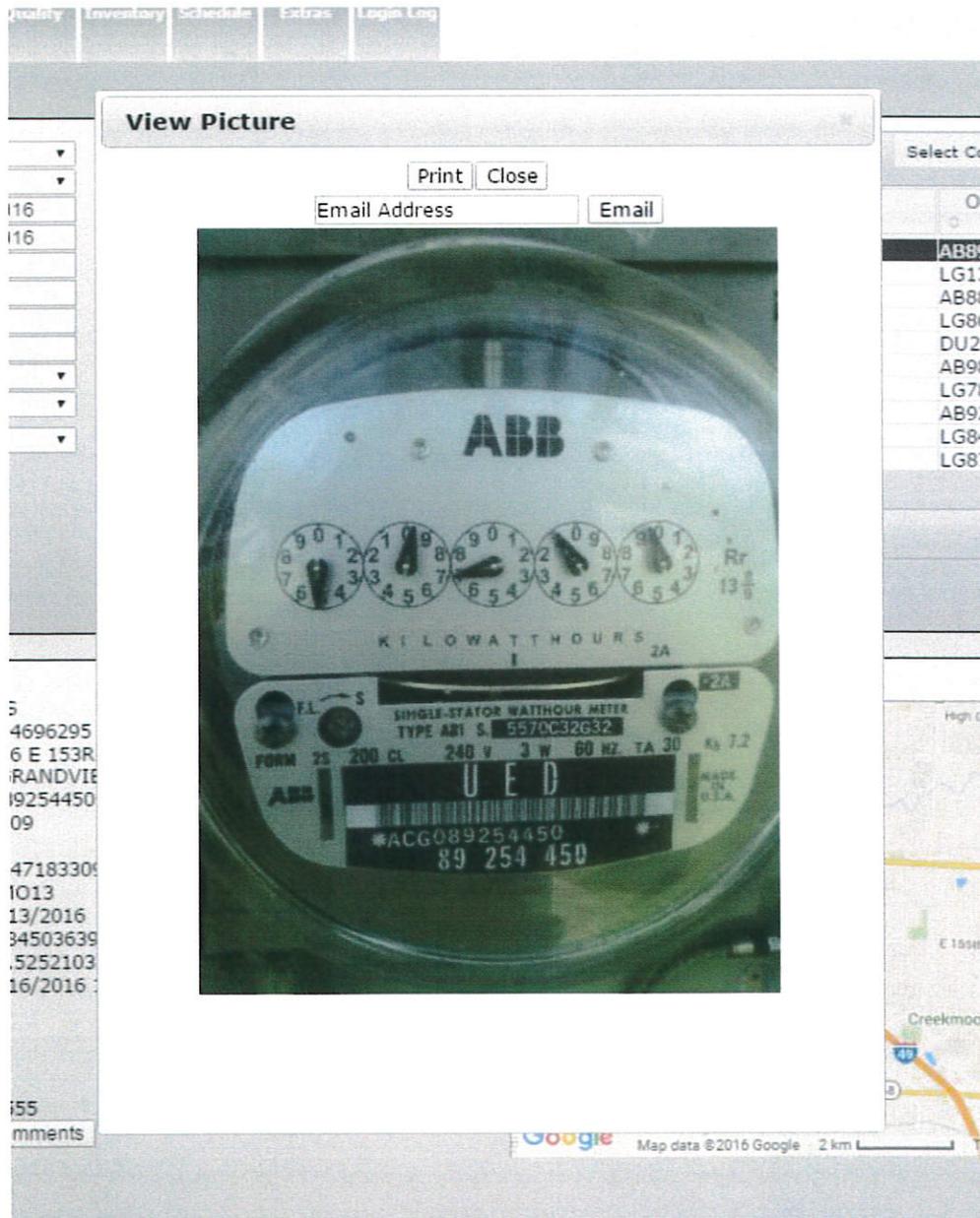
Field Installation Reports

Each APS installation technician will be provided with a Handheld Data Collector (HDC) that will be specifically programmed to prompt the technician to input the data agreed to be collected for a given project.

The HDC is a multifunction device. It is capable of capturing barcode data from newly installed or existing equipment. Barcode scanning allows for quick and accurate input of serial number data from equipment. In the event a bar code is not available, the technician will key in the

appropriate serial numbers. Whenever possible, pull down menus or look-up lists are used to minimize technician data entry errors for entries such as size/type of equipment installed or type/condition of the existing service.

The HDC sync's to the APS-TS Server via cellular data. The data is sync'd real time and multiple HDC's can be used syncing to the same real time database. Daily the data is compared to data already residing within the APS-TS and is either appended to the data set or, if a conflict is identified, the APS Project Manager would reconcile the discrepancy. Once this data is reconciled, it is then available for review by our customer. Typically install data files are reconciled and made available by the next business day.



General Meter Exchange Process

Residential single phase 120/240 volt services/accounts

1. Make contact with utility supervisor, if necessary, prior to going out for the day.
2. Arrive at the location. Do not drive across private property, stay on the roadways.
3. Make contact with home owner if possible.
4. Conduct a visual inspection of installation. If the installation does not appear to be up to current standards, **Do Not Proceed**. Note the meter number and continue to the next location. Provide information to project manager by end of the work day.
5. Verify meter number with meter numbers in hand held.
6. Verify information for service order (i.e. meter number, form number, voltage etc.)
7. Record Data (i.e. KWH reading)
8. Take picture of old meter while still in service close-up with reading clearly visible.
9. Confirm appropriate PPE in place
10. Cut seal on meter and remove cover. Note if meter seal has been removed/cut.
11. Remove old meter.
12. Do a visual inspection of meter base and socket, wiring, and wiring to the meter
13. Install new meter with correct form
14. Replace the meter ring and/or cover and reseal meter. Record meter seal number.
15. Scan radio bar code on meter
16. Scan utility meter number bar code
17. Capture GPS coordinates
18. Confirm the meter is energized before leaving the site by verifying that the LCD screen on the meter displays.
19. Take picture of new meter while still in service with new meter seal visible

Polyphase Self-Contained Metered services/accounts

1. Make contact with utility supervisor, if necessary, prior to going out for the day.
2. Arrive at the location. Do not drive across private property, stay on the roadways.
3. Make contact with home owner if possible.
4. Conduct a visual inspection of installation. If the installation does not appear to be up to current standards, **Do Not Proceed**. Note the meter number and continue to the next location. Provide information to project manager by end of the work day.
5. Verify meter number with meter numbers in hand held.
6. Verify information for service order (i.e. meter number, form number, voltage etc.)
7. Record Data (i.e. KWH reading, KW reading etc.)
8. Take picture of old meter while still in service close-up with reading clearly visible.
9. Confirm appropriate PPE in place
10. Cut seal on meter and remove cover. Note if meter seal has been removed/cut.
11. Remove old meter.
12. Do a visual inspection of meter base and socket, wiring, and wiring to the meter
13. Install new meter with correct form
14. Replace the meter ring and/or cover and reseal meter. Record meter seal number.
15. Scan radio bar code on meter
16. Scan utility meter number bar code



17. Capture GPS coordinates
18. Confirm the meter is energized before leaving the site by verifying that the LCD screen on the meter displays.
19. Take picture of new meter while still in service with new meter seal visible

Polyphase Transformer-Rated Metered services/accounts

1. Coordinate meter change with Utility Operations Crews to be on site in case of needed repairs or to open up transformer bank.
2. Arrive at the location. Do not drive across private property, stay on the roadways.
3. Contact customer and make aware of your intentions.
4. Conduct a visual inspection of installation. If the installation does not appear to be up to current standards, **Do Not Proceed**. Note the meter number and continue to the next location. Provide information to project manager by end of the work day.
5. Verify meter number with meter numbers in hand held.
6. Verify information for service order (i.e. meter number, form number, voltage etc.)
7. Record Data (i.e. kWh reading, kW reading etc.)
8. Take picture of old meter while still in service close-up with reading clearly visible.
9. Confirm appropriate PPE is in place.
10. Remove seal on meter and test switch. Note if meter seal has been removed.
11. Do a visual inspection of test switch, wiring, and wiring to the meter
12. Inspect wiring in the C.T.
13. Open test switch (keep meter circuit metering as long as possible)
14. Remove old meter
15. Install new meter
16. Replace the meter ring and/or cover and reseal
17. Close test switch
18. Scan radio bar code on meter
19. Scan meter number bar code
20. Capture GPS coordinates
21. Take picture of new meter while still in service with new meter seal visible

Summary

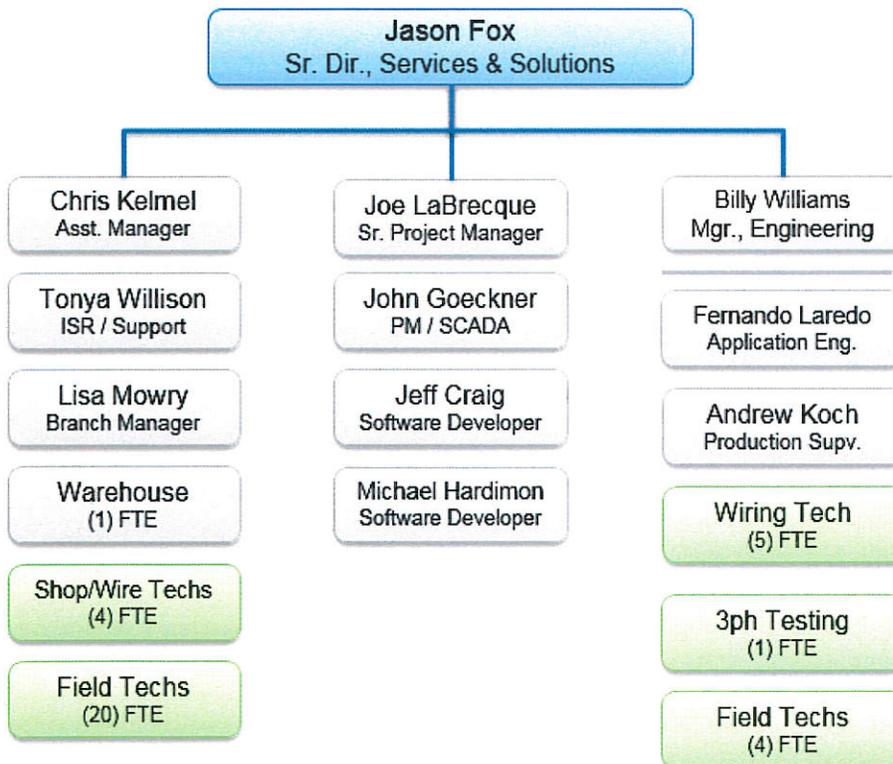
The APS-TS is a highly customizable, proven system for managing large-scale change-out programs. The combination of technology, experienced installers, and top notch project manager's allows APS to provide customers with unmatched services that are performed quickly, safely, cost effectively, and in a high quality, value-added way.

As an option, if the utility prefers to perform the labor portion of the meter exchange Anixter can provide pricing options for leasing the handhelds and software.

Staffing

Anixter’s Automation Services offers comprehensive metering services with all full-time Anixter employees that are required to pass both background checks and drug screenings. The average Anixter meter technician has been employed for 8.5 years, with a number of technicians with over 30 years in service.

Specific project staffing will be based on many factors, many of these factors will be variable throughout the project, requiring staffing changes to accommodate. Anixter has the ability to add or remove technicians from projects to help keep pace with a changing project schedule.





References

Kansas City Power & Light – Performed a meter exchange project, including full inventory control in Anixter owned warehouse. Project scope was hundreds of thousands of meters. We completed installs 2 months ahead of schedule. We also exceeded Utility’s metrics for quality, customer service and invoicing accuracy. This project just concluded in August 2016.

Contact: Corey Paczosa (816-245-3905) – corey.paczosa@kcpl.com

Matanuska Electric Coop, Alaska – Performed a meter exchange project, with a total scope of 50,000 meters over 24 month installation. This is exceptional given this is a rural project with extreme weather fluctuations. It required excellent communication with the utility personnel, efficient process, skilled workers and our best of breed work order system.

Contact: Steve Kozlowski (907-761-9353) – steve.kozlowski@mea.coop

Jackson Energy, TN – Performed a meter exchange project, with a total scope of 33,000 meters over 24 month installation. This RF networking based project, required working closely with the AMI network installer, ensuring that network hardware installation and metering installation deployment areas and schedules stayed tied together.

Contact: Mike Helton (731-422-7434) – mhelton@jaxenergy.com

PRICING PROPOSAL FORM

16-002 – Installation Services for a Smart Meter Project

Provide meter installation cost, along with total installation cost in accordance with the City’s current requirements, as set forth in Section 2 Scope of Work. Also provide your firm’s proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor’s website at www.bls.gov.)

Note: Pricing will remain firm for a minimum of two (2) years, provided the applicable prevailing wage rate does not change in that time period. Changes to required prevailing wage rate, will have the possibility to effect the below pricing. Anixter will work with the city to make every effort to minimize any cost impact as a result of prevailing wage rate changes that are outside of either parties control.

Table Indicates installation costs for electric meter exchanges.

ANSI Form	Meter Class	Voltage	Number of Meters	Meter Installation Cost	Total Installation Cost
Residential					
1S	100	120	40	\$22.75	\$910.00
2S	200	240	11,400	\$22.75	\$259,350.00
2S	320	240	15	\$22.75	\$341.25
12S Network	200	120	30	\$22.75	\$682.50
Commercial					
2S	200	Auto	400	\$46.50	\$18,600.00
12S	200	Auto	20	\$46.50	\$930.00
16S	200	Auto	1000	\$46.50	\$46,500.00
12S	200	Auto	20	\$46.50	\$930.00

***Industrial and Solar meters to be installed by COB as well as any difficult to place meters from above that fall outside of agreed upon timeline*

APPENDIX A

Is your business: (check one)

NON PROFIT CORPORATION FOR PROFIT CORPORATION

Is your business: (check one)

CORPORATION LIMITED LIABILITY PARTNERSHIP

INDIVIDUAL SOLE PROPRIETORSHIP

PARTNERSHIP UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
Bob Eck	President/CEO	
Ian Clark	Pres - UPS	224.521.4261
Bill Pettit	VP - Sourcing	224.521.8334
Scott Ockerhausen	VP- SmartGrid Metering & Services	217.258.0955

Federal Tax Identification Number: 36-2361285

City of Banning Business License Number: _____

(If none, you must obtain a Banning Business License upon award of contract.) Per RFP - To be applied for during contract negotiations.

City of Banning Business License Expiration Date: _____

APPENDIX B

**CONTRACT FOR PROFESSIONAL SERVICES
BETWEEN
THE CITY OF BANNING
AND**

This AGREEMENT is entered into this _____ day of _____, 2016, by and between the CITY OF BANNING, a general law city a municipal corporation (“CITY”) and _____, a (state) (type of corporation) (“CONSULTANT”).

RECITALS

- A. The City does not have the personnel able and/or available to perform the services required under this agreement.
- B. Therefore, the City desires to contract out for consulting services for certain projects relating to preparation of documents in connection with a design project.
- C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.
- D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, based on the foregoing recitals, the City and the Consultant agree as follows:

1. CONSIDERATION AND COMPENSATION

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, attached as EXHIBIT A;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a total of \$ _____, for CONSULTANT’s services, unless otherwise specified by written amendment to this Agreement.
- D. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager or his designee.
- E. CONSULTANT shall submit to CITY, by not later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the

previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

2. SCOPE OF SERVICES.

- A. CONSULTANT will perform the services and activities set forth in the SCOPE OF SERVICE attached hereto as Exhibit A and incorporated herein by this reference.
- B. Except as herein otherwise expressly specified to be furnished by CITY, CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space, and facilities necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit an invoice to CITY which lists the reimbursable costs, the specific tasks performed, and, for work that includes deliverables, the percentage of the task completed during the billing period.

4. TIME OF PERFORMANCE. The services of the CONTRACTOR are to commence upon receipt of a notice to proceed from the CITY and shall continue until all authorized work is completed to the CITY's reasonable satisfaction, in accordance with the schedule incorporated in "Exhibit A," unless extended in writing by the CITY.

5. FAMILIARITY WITH WORK. By executing this Agreement, CONSULTANT represents that CONSULTANT has (a) thoroughly investigated and considered the scope of services to be performed; (b) carefully considered how the services should be performed; and (c) understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

6. KEY PERSONNEL. CONSULTANT's key person assigned to perform work under this Agreement is _____. CONSULTANT shall not assign another person to be in charge of the work contemplated by this Agreement without the prior written authorization of the City.

7. TERM OF AGREEMENT. The term of this Agreement shall commence upon execution by both parties and shall expire on _____, unless earlier termination occurs under Section 11 of this Agreement, or extended in writing in advance by both parties.

8. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

9. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

10. PERMITS AND LICENSES. CONTRACTOR will obtain and maintain during the term of this Agreement all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

11. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause. Notice of termination shall be in writing.
- B. CONSULTANT may terminate this Agreement. Notice will be in writing at least 30 days before the effective termination date.
- C. In the event of such termination, the CONTRACTOR shall cease services as of the date of termination, all finished or unfinished documents, data, drawings, maps, and other materials prepared by CONSULTANT shall, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination.
- D. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

12. INDEMNIFICATION.

- A. CONSULTANT shall indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this AGREEMENT, regardless of CITY'S passive negligence, but excepting such loss or damage which is caused by the sole active negligence or willful misconduct of the CITY. Should CITY in its sole discretion find CONSULTANT'S legal counsel unacceptable, then CONSULTANT shall reimburse the CITY its costs of defense, including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation. The CONSULTANT shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) covered by this indemnity obligation. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.
- B. The requirements as to the types and limits of insurance coverage to be maintained

by CONSULTANT as required by Section 17, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

13. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

14. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

15. AUDIT OF RECORDS.

- A. CONSULTANT agrees that CITY, or designee, has the right to review, obtain, and copy all records pertaining to the performance of this Agreement. CONSULTANT agrees to provide CITY, or designee, with any relevant information requested and will permit CITY, or designee, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this Agreement. CONSULTANT further agrees to maintain such records for a period of three (3) years following final payment under this Agreement.
- B. CONSULTANT will keep all books, records, accounts and documents pertaining to this Agreement separate from other activities unrelated to this Agreement.

16. CORRECTIVE MEASURES. CONSULTANT will promptly implement any corrective measures required by CITY regarding the requirements and obligations of this Agreement. CONSULTANT will be given a reasonable amount of time as determined by the City to implement said corrective measures. Failure of CONSULTANT to implement required corrective measures shall result in immediate termination of this Agreement.

17. INSURANCE REQUIREMENTS.

- A. The CONSULTANT, at the CONSULTANT's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies:
 - 1. Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective

employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the CITY at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against the CITY, its officers, agents, employees, and volunteers for losses arising from work performed by the CONTRACTOR for City.

2. General Liability Coverage. The CONSULTANT shall maintain commercial general liability insurance in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
 3. Automobile Liability Coverage. The CONSULTANT shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the CONSULTANT arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
 4. Professional Liability Coverage. The CONSULTANT shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from the CONSULTANT'S operations under this Agreement, whether such operations be by the CONSULTANT or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit-per-occurrence basis. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- B. Endorsements. Each general liability, automobile liability and professional liability insurance policy shall be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California, or which is approved in writing by City, and shall be endorsed as follows. CONSULTANT also agrees to require all contractors, and subcontractors to do likewise.
1. "The CITY, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the CONSULTANT, including materials, parts, or equipment furnished in connection with such work or operations."
 2. This policy shall be considered primary insurance as respects the CITY, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance

maintained by the CITY, including any self-insured retention the CITY may have, shall be considered excess insurance only and shall not contribute with this policy.

3. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
 4. The insurer waives all rights of subrogation against the CITY, its elected or appointed officers, officials, employees, or agents.
 5. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents, or volunteers.
 6. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days' written notice has been received by the CITY.
- C. CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against Contractor arising out of the work performed under this agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.
- D. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the CITY's option, the CONSULTANT shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- E. The CONSULTANT shall provide certificates of insurance with original endorsements to the CITY as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the CITY on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the CITY at all times during the term of this Agreement.
- F. Failure on the part of the CONSULTANT to procure or maintain required insurance shall constitute a material breach of contract under which the CITY may terminate this Agreement pursuant to Section 11 above.

18. USE OF OTHER CONSULTANTS. CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must include approval of the proposed consultant and the terms of compensation.

19. FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE. The acceptance by the CONSULTANT of the final payment made under this Agreement shall operate as and be a release of the CITY from all claims and liabilities for compensation to the CONSULTANT for anything done, furnished or relating to the CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of the CITY'S check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the CITY shall not constitute, nor be deemed, a release of the responsibility and liability of the

CONSULTANT, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the CITY for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

20. CORRECTIONS. In addition to the above indemnification obligations, the CONSULTANT shall correct, at its expense, all errors in the work which may be disclosed during the City’s review of the Consultant’s report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the CITY, and the cost thereof shall be charged to the CONSULTANT. In addition to all other available remedies, the City may deduct the cost of such correction from any retention amount held by the City or may withhold payment otherwise owed CONSULTANT under this Agreement up to the amount of the cost of correction.

21. NON-APPROPRIATION OF FUNDS. Payments to be made to CONSULTANT by CITY for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that CITY does not appropriate sufficient funds for payment of CONSULTANT’S services beyond the current fiscal year, the Agreement shall cover payment for CONSULTANT’S only to the conclusion of the last fiscal year in which CITY appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

22. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

CITY	CONSULTANT
<u>City of Banning</u> <u>99 East Ramsey Street</u> <u>Banning, CA 92220</u> <u>ATTN: City Manager</u>	_____ _____ _____ ATTN:

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph. Courtesy copies of notices may be sent via electronic mail, provided that the original notice is deposited in the U.S. mail or personally delivered as specified in this Section.

23. SOLICITATION. CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT’s bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT’s bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

24. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.
25. INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.
26. ENTIRE AGREEMENT. This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written.
27. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.
28. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment with signatures of all parties to this Agreement. CITY's city administrator, or designee, may execute any such amendment on behalf of CITY.
29. ACCEPTANCE OF FACSIMILE OR ELECTRONIC SIGNATURES. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.
30. FORCE MAJEURE. Should performance of this Agreement be impossible due to fire, flood, explosion, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' control, then the Agreement will immediately terminate without obligation of either party to the other.
31. TIME IS OF ESSENCE. Time is of the essence to comply with dates and schedules to be provided.
32. ATTORNEY'S FEES. The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.
33. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to

perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

34. DISCLOSURE REQUIRED. (City and Consultant initials required at one of the following paragraphs)

By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a “consultant” for the purposes of the California Political Reform Act because Consultant’s duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18701(a)(2) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City’s Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City’s Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant’s disclosure obligations in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

OR

By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a “consultant” for the purpose of the California Political Reform Act because Consultant’s duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18701(a)(2)(A) and is otherwise not serving in staff capacity in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF BANNING

CONSULTANT

[MAYOR or CITY MANAGER]

By:

NAME:
TITLE:

By:

NAME:
TITLE:

ATTEST:

Tax ID No.

City Clerk

APPROVED AS TO FORM:

City Attorney

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 DEVELOPER'S BUSINESS ENTITY.

APPENDIX C

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the CONTRACTOR Services RFP at any time after August 19, 2016.



OR

I certify that Proposer or Proposer's representatives have communicated after August 19, 2016 with a City Councilmember concerning RFP 16-002 – Installation Services for a Smart Meter Project. A copy of all such communications is attached to this form for public distribution.

APPENDIX E

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No X _____

If the answer is yes, explain the circumstances in the following space.



ADDENDUM NO. 1
REQUEST FOR PROPOSAL
FOR
NO. 16-002
INSTALLATION SERVICES FOR A SMART METER PROJECT

PUBLIC WORKS DEPARTMENT
ELECTRIC UTILITY
CITY OF BANNING

Released on August 19, 2016

The referenced document has been modified as per the attached Addendum No. 1

Please sign this Addendum where designated and return the executed copy with submission of your bid. This addendum is hereby made part of the referenced quote as through fully set forth therein.

Any questions regarding this addendum should be addressed to:

Jennifer McCoy

Telephone: (951) 922-3121

Email: jmccov@ci.banning.ca.us

Addendum No. 1

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with your proposal.

General Information, as indicated in the Contract Documents:

1. There is an update to the proposal due date. Proposals are now due at 10:00 a.m. on **Thursday, September 22, 2016**. Note that proposals are due at the City Clerk’s office located at City Hall. Schedule changes below.

This request for proposal will be governed by the following schedule:

Release of RFP	August 19, 2016
Pre-Proposal Meeting	August 24, 2016 at 10:00 a.m.
Deadline for Written Questions	August, 26, 2016 by 5:00 p.m.
Responses to Questions Posted on Web	September 1, 2016 by 5:00 p.m.
Proposals are Due	September 8, 2016 September 22, 2016 by 10:00 a.m.
Interview (if held)	The Week of September 27, 2016 October 18, 2016
Approval of Contract (Tentative)	October 11, 2016 October 25, 2016

2. This is a prevailing wage contract. All bidders and their subcontractors must be registered with Department of Industrial Relations pursuant to California Labor Code section 1725.5. Craft Classification attached.
3. Itron OpenWay CENTRON Bridge Meter Specifications attached.

Request for Proposal Questions & Answers

The following questions were asked by qualified bidders:

1. Two interested bidders formally request to extend the bid date by two weeks to September 22 if possible. **In an effort to ensure that all qualified responders are able to participate, we will extend the RFP due date to September 22.**
2. On page 20 the RFP states: “City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement.” We respectfully request to receive this information now as it will impact pricing. **The Prevailing Wage Determination for this craft is: #RESIDENTIAL ELECTRICIAN – INSIDE WIREMAN. Detailed rate sheet is attached for your review.**
3. Section 16-002 2nd paragraph “All meters will be completely programmed and ready for installation”
Section 2.2.6 “The vendor shall program and/or interrogate each endpoint during the time of installation.”
Question: Please clarify if Contractor will be required to program the meters, if yes, will Contractor be required to provide the programmer? **Contractor is not required to program the**

meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.

4. What meter brand and reading system will Contractor be installing? COB is utilizing the Itron OpenWay meters with this project. COB is not installing a “reading system”.
5. Do you have a Prevailing Wage Rate Determination from the State? See #2 for response.
6. What is your billing software system? Sungard Naviline
7. Page 2 – COB risk management criteria – where can we find this document? Please see the criteria in APPENDIX B – Sample Contract for Professional Services: Section 17.
8. Page 2 – Meters are already programmed and only installation, no testing or checking to make sure new meter is communicating with the hand held device? Please confirm it? Contractor is not required to program the meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.
9. Page 3- Kick-off meeting 2.1.1 fourth bullet – confirmation of system configuration, hardware and software – can you elaborate more on what hardware and software will be involved and what will system configuration entail? The handheld devices and management system associated with those handheld devices which should be compatible with COB’s billing system; or at least the ability to produce an electronic file that can be imported into Banning’s Utility Billing System.
10. Page 3- 2.1.2 Design Document Development – this project does not involve any design – can you please explain what you mean by it? There is no design component to this project, and references to “design documents” in Section 2.1.2 should be disregarded.
11. Page 3- 2.2 – whose work management system – COB or contractors? This refers to the Contractor’s handheld devices and work management system associated with those handheld devices, which should be compatible with COB’s system.
12. Price Proposal Appendix D- There are lots of unknowns and committing to a lump sum bid will be very risky or companies bidding have to allow large contingency to cover the risk and increase the budget. To be cost-effective would COB consider time and expenses bid with the hourly rates provided for each title and position expected to be used during meter replacement? Contractors may bid the hourly rates for each title and position expected to be used, but they would have to include a “NOT-TO-EXCEED” amount in the proposal. COB will not pay more than that FIXED amount. COB will not pay higher project costs, just because the Contractor has slow and/or non-productive employees.
13. Can you please provide a copy of the meter specifications? Yes, the meter specifications will be provided with the responses on September 1.
14. Can you please extend the bidding deadline date to September 22? See #1 for response.
15. Section 2.5 pg. 6 Meter and Endpoint Installations –
 - a. Is this work to be performed while equipment is energized? Yes.

- b. is the meter installation a clip in or snap turn twisting install and out of any electrical harm's way? **This question is not clear. However, the meters are the standard meters for single phase 120/240 volt 3W is four clips. The self-contained poly-phase 120 -480 4W meters are seven clips.**
- c. If not; what are you electrical safety procedures when working around energized equipment? **Contractor should comply with standard OSHA requirements for working with services of less than 480 volts.**
- d. Expected manpower and duration requirements? **Manpower requirements should be determined by the Contractor. COB would like to complete the project within six (6) months of award, but is open to extending the completion date if necessary.**
- e. Ultimately what is EPS responsible for in this scope of work? Meter change outs, programming, labor only on Prevailing scale? **Please refer to the RFP package.**

All other provisions of the request for quote shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.

Scott Ockerhausen 9-19-16
 Signature Date

Scott Ockerhausen, VP SmartGrid Metering
 Typed Name and Title

Anixter Inc.
 Company Name
1100 Old State Road E
 Address
Mattoon, IL 61938
 City State Zip

ATTACHMENT NO. 1

**PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR
OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE
PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1**

CRAFT: #RESIDENTIAL ELECTRICIAN

RESIDENTIAL DETERMINATION: R-61-440-1-2015-1

Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates.

ISSUE DATE: December 1, 2015

EXPIRATION DATE: December 27, 2015* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director – Research Unit at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

LOCALITY: All localities within Riverside County.

WAGE RATES:

<u>Classification(s)</u>	<u>Basic Straight-Time Hourly Rate</u>
Residential Electrician: Inside Wireman	\$24.00 ^a

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Health & Welfare:	\$5.01 per hour worked
Pension:	\$0.72 per hour worked ^b
Training:	\$0.20 per hour worked
Other:	\$0.20 per hour worked ^c

STRAIGHT TIME HOURS: Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME: All work performed after eight (8) hours a day and/or forty (40) hours a week, and all work performed on Sundays and Holidays shall be paid at one and one-half (1½x) the regular straight-time hourly rate.

RECOGNIZED HOLIDAYS: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving and Christmas Day. When one of the holidays falls on Sunday, the holiday shall be observed on the following Monday. If Christmas or New Year's falls on Saturday, the Friday preceding will be considered the holiday. Other holidays which fall on Saturday shall be celebrated on that day.

TRAVEL AND SUBSISTENCE: In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director - Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please fax a request (415) 703-4771 to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603. To obtain any commercial and residential apprentice wage rates as of July 1, 2008 and prior to September 27, 2012, please contact the Division of Apprenticeship Standards or refer to the Division of Apprenticeship Standards' website at <http://www.dir.ca.gov/das/das.html>.

^a Includes an amount withheld for working dues.

^b This amount is equal to 3% of the Basic Hourly Rate for the National Employees Benefit Fund (NEBF) which is factored at the applicable overtime multiplier for each overtime hour.

^c Includes an amount for Administrative Maintenance Fund (\$0.10) and Labor Management Cooperation Committee (\$0.10).

* The rate is in effect throughout the duration of the project.

ATTACHMENT NO. 2



OpenWay® CENTRON®

Bridge Meter

The CENTRON Bridge meter is the bridge between Itron communication architectures that enable AMI and smart grid functionality. The meter's adaptability allows it to be incorporated alongside existing Itron electric meters with a mobile meter data collection system, delivering advanced metering benefits associated with remote service disconnects, demand metering (real-time resetting), net metering, time of use rates, and interval data for customer service and engineering.

When prudent for the utility, the CENTRON Bridge can easily migrate to a full smart grid solution, offering demand response and distribution automation benefits. With CENTRON Bridge's versatility and proven operational benefits, utilities can address current business challenges and see an immediate return on investment, all while readying for a full smart grid solution as the need develops. Enabled to leverage field assets across two different data collection solutions, a utility can protect and extend its original investment.

Featuring open-standards architecture, modular design for flexibility in communications, and extensive features and functionality, the CENTRON Bridge supports existing operational needs as well as the most demanding smart grid business requirements today and well into the future. The CENTRON Bridge is the first meter to offer compatibility between the OpenWay® network and Itron's ChoiceConnect® mobile environment. This revolutionary capability is perfect for customers that require advanced metering functionality in a mobile environment today, with complete support for full smart grid functionality in the future.

What does the CENTRON Bridge offer in a mobile environment?

Utilities can deploy the new CENTRON Bridge alongside the existing meter population, reading all meters with the Itron mobile data collection system. This enables the utility to deploy the CENTRON Bridge on a schedule, whether through an annual meter maintenance program, a complete meter replacement or any other combination that suits the business case. With this flexibility, the utility sets the timetable according to its operational needs, capital management goals or strategic plans.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip (Smart Energy Profile v1.1) to provide a built-in communications pathway into the home for data presentation, load control and demand response.

What does the CENTRON Bridge offer under the OpenWay environment?

While in OpenWay network mode, the meter is fully compliant with the ANSI C12.19 and C12.22 standards for storage and transport of register data. The CENTRON Bridge provides a secure and reliable open-standards approach to data collection and communications between the meter and network.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip to provide a built-in communications pathway into the home for data presentation, load control and demand response. These features include full two-way communication, a load-limiting remote disconnect and reconnect switch, positive outage detection and restoration notification, voltage monitoring, automatic tamper and theft detection, as well as the ability to reprogram the meter remotely and upload new firmware via the network.

The CENTRON Bridge meter is the sensible choice for all your metering needs from mobile data collection to the smart grid.

CHOICECONNECT MOBILE MODE

Energy Values

- » Up to five energy registers (Max of 4 for Singlephase); kWh delivered, kWh received, kWh net, kWh unidirectional, VAh delivered, VAh received, Varh delivered, Varh received
- » Up to 2 demand values (1 for Singlephase) based on energy values; Max demand, cumulative demand, continuous cumulative demand with a remote reset. For Polyphase, a PF @ Peak Demand can also be returned
- » Two channels of 15-minute interval data with 40 days of data retention; intervals can be retrieved as 15 minute, hourly, daily or single historical read

Time of Use

- » Time of Use rates can be calculated in the meter and retrieved with your Field Collection System (FCS)
- » 25 Year calendar in the meter
 - Can be updated via FCS remotely
- » Seasons (1 to 8 per year)
- » Rates (1 to 4 per season)
- » Events (1 to 32 per season)
 - DST and Holidays

Disconnect/Reconnect service switch operation

- » The CENTRON Bridge (forms 1S, 2S, 12S, and 25S) is available with a 200 amp remote disconnect/reconnect switch that can be operated with your ChoiceConnect applications

Tamper Detection

- » Tamper indications are included in every communication received by the ChoiceConnect applications
- » Tampers include: inversion, removal, reverse power flow and magnetic (Singlephase only)
- » SiteScan Diagnostics™ with OpenWay Tools

Other Features

- » Event Counters: Volt Hour Threshold Exceeded, RMS Threshold Exceeded, Outage, Demand Reset, Tampers & Program Changes
- » Date and Time of last power outage
- » Number of Minutes Running on Battery
- » Firmware Versions
- » Configuration Information (Energy and Demand values)
- » Fatal & Non-Fatal errors
- » Ability to schedule a switch from ChoiceConnect to OpenWay mode
- » Ability to switch from OpenWay to ChoiceConnect mode
- » Time synchronization
- » ZigBee radio chip provides access to Consumer Engagement (CE) devices like in-home displays, smart thermostats and others

Security

- » ChoiceConnect security deploys end to end security from the mobile communications systems to the meter through authentication of two-way communications and encryption of meter data

ChoiceConnect Support

- » Approved Reading Devices for Collecting Reads with Basic Security
 - Handheld and Mobile Application Software SCM+ Only
 - MV-RS v8.4.1 or higher
 - Field Collection System (FCS) v2.3 or higher including FCS DC v2.3.10.1 and FCS DC v2.4.8.2
 - Mobile Collection Software v3.4 or higher
 - Field Deployment Manager (FDM) Work orders v3.3 or higher
 - Field Deployment Manager (FDM) Endpoint Tools Enhanced v3.2 or higher
 - Handhelds and Radios
 - FC300SR: All models along with application software listed above
 - Mobile Collectors
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001, DCU-5300-011U, DCU-5300-101U, DCU-5300-111U
 - MCLite when used with application software listed above.
 - Only: DCU-5000-001, DCU-5000-002, DCU-5000-002U, DCU-5000-102U, DCU-5000-002DL, DCU-5310-201
- » Approved Reading Devices for Performing Advanced AMR Commands
 - Handheld and Mobile Application Software:
 - Field Collection System (FCS) v2.7 or higher
 - Mobile Collection Software v3.7 or higher
 - Itron Security Manager v3.0 or higher
 - Field Deployment Manager (FDM) FDM work orders v3.6 or higher
 - FDM Endpoint Tools Enhanced v3.6 or higher
 - Handhelds and Radios:
 - FC300SR: All models along with application software listed above.
 - Mobile Collectors:
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001DL, DCU-5300-001DLU, DCU-5300-011DLU, DCU-5310-001, DCU-5310-011, DCU-5310-011U
 - MCLite when used with application software listed above.
 - DCU-5000-002DL, DCU-5310-201

SPECIFICATIONS

Technical Data

Meets applicable standards:

- » ANSI C12.1 - 2001 (American National Standard for Electric Meters - Code for Electricity Metering)
- » ANSI C12.18 - 1996 (American National Standard - Protocol Specification for ANSI Type 2 Optical Port)
- » ANSI C12.19 - 1997 (American National Standard - Utility Industry End Device Data Tables)
- » ANSI C12.20 - 2002 (American National Standard for Electricity Meters-0.2 and 0.5 Accuracy Classes)
- » ANSI C12.22 - (consult ANSI electricity metering protocol standards, balloted version)
- » ANSI/IEEE C62.45 - 1992 (Guide to Surge Testing on Low-Voltage AC Power Circuits)
- » IEC 61000-4-2
- » IEC 61000-4-4

Reference Information

- » OpenWay CENTRON Meter Specification Sheet
- » OpenWay CENTRON Polyphase Meter Specification Sheet
- » OpenWay CENTRON Meter Technical Reference Guide
- » Hardware Specification Form



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CORPORATE HQ

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Liberty Lake, WA 99019 USA

Phone: 1.800.635.5461

Fax: 1.509.891.3355

**City of Banning
Electric Utility Department
Bid No. 16-002
Anixter Inc.
Exception Sheet**

Section No.	Title	Exception
1	Consideration and Compensation	Paragraph E is deleted in its entirety and replaced with the following: "Notwithstanding anything to the contrary contained herein, CONSULTANT shall bill the CITY on a weekly basis for the meter installations performed during the previous week, regardless of acceptance status, and all such invoices shall be due thirty (30) days from receipt by the CITY. In the event the CITY disputes any invoice, the CITY will promptly notify CONSULTANT in writing of such dispute and pay the portion of the invoiced amounts not in dispute within the thirty (30) days. Both parties will use commercially reasonable efforts to promptly resolve the dispute."
2	Scope of Services	The following language is added at the end of paragraph A.: "Consultant warrants that it will perform the services and activities in a professional and workmanlike manner, in accordance with the meter manufacturer's instructions and other instructions provided by the CITY."
2	Scope of Services	The following language is added as paragraph C. to Section 2: "C. Notwithstanding anything to the contrary contained herein, the CITY's sole and exclusive remedy for any alleged defect, failure, inadequacy, or breach of any warranty related to the services which is discovered during the thirty (30) day period following initial performance of the services by CONSULTANT, shall be limited to the reperformance of such services by CONSULTANT, or such other remedy as is mutually agreed upon by the parties."
12	Indemnification	Change title to "INDEMNIFICATION AND LIMITATION OF LIABILITY".
12	Indemnification	The first sentence in paragraph A of Section 12 is deleted in its entirety and replaced with the following: "CONSULTANT shall indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with third party claims for injury to person (including death) and damage to tangible property to the extent caused by the negligence or willful misconduct of CONSULTANT."
12	Indemnification	The following language is added as paragraph C. to Section 12: "C. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING; PROVIDED, HOWEVER, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO DAMAGES ARISING FROM (A) PERSONAL INJURY (INCLUDING DEATH) OR TANGIBLE PROPERTY DAMAGE ARISING FROM A PARTY'S NEGLIGENCE; (B) A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD; (C) A PARTY'S VIOLATION OF ANY APPLICABLE LAW OR REGULATION; (D) A PARTY'S BREACH OF ANY CONFIDENTIALITY OBLIGATIONS ARISING UNDER THIS AGREEMENT; OR (E) A PARTY'S ACTUAL INFRINGEMENT OF US INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. IN ADDITION, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, NEITHER PARTY'S LIABILITY FOR ANY CLAIMS FOR DAMAGES OR CHARGES ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT OR THE PERFORMANCE OF SERVICES SHALL EXCEED THE PURCHASE PRICE OF THE SERVICES GIVING RISE TO THE CLAIM."
17	Insurance	Paragraph D is deleted in its entirety.
17	Insurance	In the first sentence of paragraph E, the word "original" is hereby deleted.



REQUEST FOR PROPOSAL
NO. 16-002
FOR
INSTALLATION SERVICES FOR A SMART METER PROJECT

Electric Utility Department

CITY OF BANNING

Released on August 19, 2016

16-002 - INSTALLATION SERVICES FOR A SMART METER PROJECT

REQUEST FOR PROPOSAL (RFP)

Dear Proposers:

The City of Banning Electric Utility (COB) provides electric service to customers in the city of Banning, CA.

We are requesting your proposals for installation services for a Smart Meter project. COB is receiving proposals to evaluate the possibility to contract with a vendor for the service of the installation of Smart Meters. Submittals by vendors should include the installation services only, with COB to procure meters. This will include replacing approximately 12,500 of existing electric meter population with new meters and endpoints. All meters will be completely programmed and ready for installation. The anticipated project length is 180 days, but may be extended if necessary. Our primary goals for this Request for Proposal (RFP) are to select a vendor and negotiate a contract that accomplish the following:

- Enable COB to manage the install services to its residential and select commercial users. (Example: self-contained 3-phase users)
- Provide high quality, efficient and cost effective workmanship.
- Meets COB risk management criteria while maximizing benefits.
- Provides turn-key project management skills until project completion date.
- Maximizes benefits through the timeliest deployment program possible that meets overall project goals.

1. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule:

Release of RFP	August 19, 2016
Pre-Proposal Meeting	August 24, 2016 at 10:00 a.m.
Deadline for Written Questions	August, 26, 2016 by 5:00 p.m.
Responses to Questions Posted on Web	September 1, 2016 by 5:00 p.m.
Proposals are Due	September 8, 2016 by 10:00 a.m.
Interview (if held)	The Week of September 27, 2016
Approval of Contract (Tentative)	October 11, 2016

All dates are subject to change at the discretion of the City

2. SCOPE OF WORK

2.1 Pre-installation Responsibilities

Vendors are expected to provide the following functions and documents:

2.1.1 Kick-off Meeting

Vendor will be responsible for the first on-site meeting of the project team. These sessions will include:

- Definition of roles and responsibilities.
- Vendor will assign a project manager to oversee the Smart Meter project. This project manager will be thoroughly familiar and experienced with this type of project and will have the authority to speak on behalf of the vendor on project related issues.
- COB will assign an individual to serve as COB's Smart Meter project manager. This project manager will provide the vendor with all required work orders and any other data necessary to complete project.
- Confirmation of system configuration, hardware and software requirements, and any requirements for materials procurement.
- Defining a field work schedule (work hours and days of the week set for Smart Meter installation). Monday – Friday 7am-5pm (unless otherwise agreed upon)
- Establishing regular project review meeting schedule.
- Vendor will develop installation schedule to meet requirements of the project. This schedule must take into consideration meter reading blackout dates provided by COB.

2.1.2 Project Charter and Design Document Development

Determine project requirements through review meetings and update the project charter and the proper design documents. Vendor to provide a sample project charter and design documents to be used for this project.

2.1.3 Hardware, Software and Procurement Plan

Provide schedule of required hardware (PCs, endpoints and so on.) and software required to successfully deliver this project.

2.1.4 Project Controls

Describe program controls to manage data flow and other key deliverables required for this project.

2.1.5 Procedures

Provide detailed procedures to COB for approval prior to project start.

2.1.6 Facilities

COB will provide project facilities that are located within close proximity of the meter deployment area as required to support the Smart Meter project deployment and installation.

2.2 Work Management

2.2.1 COB will provide the vendor all necessary information about customers in the Smart Meter project. This information will be provided electronically. Vendor will provide a list of required data.

2.2.2 Vendor is responsible for staffing of employees responsible for managing deployment scheduling, dispatching, and appointment setting.

2.2.3 Vendor will provide handheld computers or other devices to be used by field technicians.

2.2.4 The vendor will validate customer data provided by COB at the time of installation.

2.2.5 Work management system must provide an automated means to minimize data errors entered by an installer, such as wrong meter number, meter read, etc.

2.2.6 The vendor shall program and/or interrogate each endpoint during the time of installation.

2.2.7 Vendor will enter premise specific information such as meter location, access issues, etc. into the work management system at the time of installation.

2.2.8 Work management system will track meter assets down to the employee level.

2.2.9 Vendor must clear data exceptions before exporting data to COB.

2.2.10 The vendor will create an export file for all completed installations and deliver them to COB on a weekly basis.

2.2.11 The work management system will be tested by the vendor and COB before work commences.

2.3 Personnel, Customer Communications and Interactions

- 2.3.1 Field personnel are subject to mandatory drug & alcohol screenings as a condition of employment and annual random drug and alcohol screening.
- 2.3.2 Field deployment personnel are subject to a background check to determine employment eligibility. COB and/or vendor will perform the background checks.
- 2.3.3 Vendor will train and qualify field deployment personnel based on job requirements for each employee. Where applicable, describe a standard training program.
- 2.3.4 Vendor shall have suitable communications system with COB so that vendor can be contacted at any time via radio or phone. Vendor shall be capable of contacting all installers via pagers or cell phones.
- 2.3.5 Vendor must have a dedicated phone number for Smart Meter project install problems.
- 2.3.6 Vendor must designate a customer service representative to meet and resolve COB customer problems related to the Smart Meter project.
- 2.3.7 Vendor shall be responsible for handling customer complaints in a timely manner. Complaints and results are to be shared with COB.
- 2.3.8 Good relations with COB's customers shall be ensured. The following procedures will be followed for this purpose:
 - Any reports of lack of courtesy or workmanship must be investigated within 24 hours.
 - Technicians must always be cognizant of being representatives of the utility and conduct themselves accordingly.
 - The technician shall not enter a customer's home without the permission or presence of an adult, 18 years or older.
 - The technician shall not solicit additional business or accept payment for work performed during the Smart Meter installation. No additional work unrelated to the installation of the Smart Meter shall be performed by the vendor.
 - Any proven inappropriate conduct will be grounds for the employee's dismissal.
- 2.3.9 In responding to this request, all professional firms or contractors agree to comply with prevailing wage requirements, and the Department of Industrial Relations, and COB insurance requirements as further described in the Appendix.

- 2.3.10 Vendor will provide vehicles to support the deployment and installation of endpoints and meters.
- 2.3.11 Field installers will be outfitted in uniforms provided by the Vendor with Vendor working with COB to define requirements.
- 2.3.12 Vendor will provide the field, quality audit, and work tracking staff to deploy the endpoints and the meters.

2.4 Public Relations Program

- 2.4.1 COB will send letters to all of its customers which will introduce the project and the vendor. It will explain how the Smart Meter project will be carried out and what is expected of them for the successful implementation of this project. All necessary contact information shall be provided in this letter so that customers are able to contact the vendor with any program related questions.
- 2.4.2 COB will provide the vendor with door hangers to be left at unsuccessful installation attempts. This hanger will include vendor's telephone number to schedule appointments. Vendor is responsible for leaving these hangers at all uncompleted installation sites.
- 2.4.3 COB will provide the vendor with door hangers to be left at successful installations performed when no customer was present. This hanger will include vendor's telephone number to report any emergencies or any other issues related to the install. Vendor is responsible for leaving these hangers at all completed installations.
- 2.4.4 COB will be responsible for other communication methods. Vendor will provide guidance on this matter.

2.5 Meter and Endpoint Installations

COB is seeking a solution with high power and high-throughput data handling characteristics.

2.5.1 Vendor will be responsible for the field deployment, installation and retrofit of endpoints, including the following:

- Manage field deployment activities.
- Manage field deployment quality and quality audits.
- Coordinate with COB on management of inventory control process.
- Manage work scheduling and completion and work tracking Data integrity.
- Manage customer appointments.
- Exchange of ELECTRIC meters.

- Install COB provided seal, lock rings and Do Not Tamper tags.
 - Scrap meter handling. A credit should be provided for value of meters.
- 2.5.2 If conditions at a particular site are deemed to be unsafe, the vendor shall contact COB immediately so that corrective action can be taken and the unsafe condition is addressed.
- 2.5.3 Vendor will notify COB of any service issues found. Installer will note date and time and who at COB was contacted. Installer to provide customer information to COB contact. Installer should NOT wait for COB to arrive at the customer site to respond appropriately and safely to emergencies.
- 2.5.4 If an installer discovers theft of service, the installer will contact the utility immediately. In the case of theft, meter is not to be exchanged and endpoint should not be installed. Installer will note date and time and who at COB was contacted.
- 2.5.5 All faulty installations within one (1) year warranty period shall be repaired by the vendor at no extra cost to COB.
- 2.5.6 It is expected that a large percentage of installations will result from door to door canvassing of customers. The vendor's field personnel shall use the following procedures for door to door contact:
- Verify that the account is within work area approved for installation.
 - Attempt to contact resident by ringing bell or knocking on door. Refrain from knocking on windows or entering backyards prior to customer contact.
 - If resident is present, inform them of metering program and attempt to complete Smart Meter installation. If installation cannot be accomplished due to customer inconvenience, installer should provide homeowner with information to call to schedule appointment.
 - If resident is not present, perform installation and leave approved notice, hanging notice from doorknob that explains what devices were installed. If meter is not accessible, installer shall leave a notice on door with vendor's phone number so that installation can be scheduled on a later date.
 - The vendor shall keep a record on all Smart Meter device installation attempts and the reason for non-installs.
- 2.5.7 Vendor shall take all steps necessary to minimize meter reading disputes. Digital photographs of old and new meter registers are required to comply.

2.5.8 Vendor must commit to the following meter access plan:

- Three scheduled field visits. A door hanger should be left if customer is not present. If meter is not accessible to the installer, the vendor shall reschedule the installation to a time when the customer will have made the meter accessible.
- Vendor must document all contact attempts detailing dates, times and reasons for unsuccessful installation.
- After final attempt, notification of unsuccessful install will be given to COB. COB will take necessary steps to schedule Smart Meter installation.

2.5.9 Vendor shall be responsible for repairing any utility asset damage caused by any of its installers unless the vendor has reported, before work was initiated, an unsafe condition to COB and the utility's project manager has authorized the vendor to proceed with the job. COB will have 60 days from date of scheduled install to notify vendor of any damages found.

2.5.10 Vendor will install COB provided Do Not Tamper tags, lock rings and seals according to COB color coded requirements on all newly installed meters.

2.5.11 Vendor will verify the secondary voltage at each electric meter point for each meter type.

2.5.12 Vendor will review existing metering end-points and fittings for obvious signs of tampering (e. g. broken or missing seals, broken lock stops, jumpers, bypasses, tampered meters, un-metered load on the line side of the electric meter, damage caused by apparent attempts to open the meter, etc.). Any meters suspected of tampering will be reported to COB. Meter is not to be exchanged; endpoint should not be installed. Vendor will note date and time and who at COB was contacted.

2.6 Quality Assurance

2.6.1 The vendor will retrain due to installation errors found during the vendor's quality audits.

2.6.2 The vendor will resolve all installation errors.

2.6.3 Vendor will perform random audits on installers work.

2.6.4 The vendor will make available an audit report summary at the end of each work week.

2.7 System Configuration

2.7.1 Vendor must ensure all hardware or software compatibility for use in the uploading of meter exchange data.

2.8 Project Administration

2.8.1 Project Oversight

2.8.2 Vendor to provide proposal for the installation of COB provided endpoints. Vendor will install COB provided do not tamper tabs, lock rings and seals according to COB color coded requirements.

2.8.2 Vendor must provide the following reports weekly:

- Installation report that details the number of Smart Meters and endpoints installed, compared to the expected amount.
- Quality assurance inspections and results.
- The number of endpoints returned and any other pertinent inventory (such as COB provided parts or property required for installation services).
- Field claims status report.
- Exchange documentation report including photos of new and old registers.

2.8.3 Vendor will implement a program to control consigned materials, inventory and supplies associated with the electric meter retrofit operation.

2.8.4 Vendor will provide problem-solving procedures for the following issues:

- Faulty installs.
- Faulty endpoint programming errors.
- Incorrect inventory.

2.9 Acceptance Program

2.9.1 Installations will be accepted by COB after the following conditions are met:

- Details of completed installations showing all agreed upon information.
- Successful meter reading by COB of all installed meters for two consecutive billing periods after initial install.

2.9.2 Installed meters that are submitted by the vendor as complete and are not accepted by COB within sixty (60) calendar days through no fault of the vendor, shall be conditionally accepted by COB.

2.10 Payment

The vendor will invoice COB on a monthly basis for all accepted and conditionally accepted installed meters.

- Installations will be conditionally accepted if COB can obtain a read during the first billing cycle after initial install.

3. PROPOSAL FORMAT GUIDELINES

Interested entities or contractors are to provide the City of Banning with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide “layman” explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following proposal sections are to be included in the Proposer’s response:

- **Vendor Application Form and Cover Letter**

Complete Appendix A, “Request for Proposal-Vendor Application Form” and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 180 days. Indicate the address and telephone number of the contractor’s office located nearest to Banning, California and the office from which the project will be managed.

- **Background and Project Summary Section**

The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.

- **Methodology Section**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii)

methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.

2. Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.
3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.
6. Proposers are also requested to identify any City owned facilities or property which Proposer would propose to use or lease, purchase, or rent from the City in connection with the services to be performed, including information about the terms of any proposed lease, purchase or use of such equipment and facilities, and how this proposed structure affects the overall cost proposal to the City, if applicable.

- **Staffing**

Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual.¹ Include a resume for each designated individual.

Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.

¹ Rates for the proposed personnel shall be set forth on Appendix D.

- **Qualifications**

The information requested in this section should describe the qualifications of the firm or entity, key staff and sub-contractors performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of work.

A summary of your firm's or entity's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

For private Proposers, provide at least three references that received similar services from your firm. The City of Banning reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- Client Name
- Project Description
- Project start and end dates
- Client project manager name, telephone number, and e-mail address.

Any public entity which submits a proposal should describe in detail how it currently performs services like those identified in the scope of work within its or other jurisdictions, including photographs, written policies and/or video of services provided. If you have performed these services under contract for another public entity, please provide references for those entities as set forth above for private Proposers.

- **Financial Capacity**

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

- **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 180 days following submission.

- **Disclosure**

Please disclose any and all past or current business and personal relationships with any current Banning elected official, appointed official, City employee, or family member of any

current Banning elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.*

- **Sample Agreement**

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.

- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

4. **PROCESS FOR SUBMITTING PROPOSALS**

- **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

- **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

- **Number of Proposals**

Submit one original, Five (5) hard copies plus one disk copy of flash drive of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.

- **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than **10:00 a.m. (P.S.T) on September 8, 2016** to the address below. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.*

City of Banning
City Hall
Office of the City Clerk
99 E. Ramsey St.
Banning, CA 92220-0998

RE: 16-002 – Installation Services for a Smart Meter Project

- **Inquiries**

Questions about this RFP must be directed in writing, via e-mail to:

Jennifer McCoy, RFP Facilitator

jmccoy@ci.banning.ca.us

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All addendums, responses to questions received, and additional information will be posted to the Banning Procurement Registry, Banning - <http://ci.banning.ca.us/bids.aspx>. Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than **September 1, 2016**. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Banning, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

5. EVALUATION CRITERIA

The City’s evaluation and selection process will be conducted in accordance with the City's Purchasing and Procedures Policy (Policy). In accordance with the Policy, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. Qualifications of Entity and Key Personnel-----35%

Includes ability to provide the requested scope of services, the Proposer’s financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.

2. Approach to Providing the Requested Scope of Services-----25%

Includes an understanding of the RFP and of the project's scope of services, knowledge of applicable laws and regulations related to the scope of services.

3. Price Proposal-----15%

Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Appendix D.

4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities. ---25%

6. EVALUATION OF PROPOSALS AND SELECTION PROCESS

In accordance with its Policy, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which may include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

A. **Responsiveness Screening**

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.

B. **Initial Proposal Review**

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

C. **Interviews, Reference Checks, Revised Proposals, Discussions**

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for the week of **September 27, 2016** and will be conducted at City of Banning City Hall, 99 E. Ramsey St., Banning, CA 92220. This date is subject to change. The individual(s) from Proposer's firm or entity that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm, which shall be determined to be the lowest responsible bidder. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may

terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

7. PROTEST PROCEDURES

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the RFP Facilitator at least 10 calendar days prior to the deadline for receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the RFP Facilitator, within forty-eight hours from receipt of the notice from the City advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The RFP Facilitator will respond to the protest in writing at least three days prior to the meeting at which staff's recommendation to the City Council will be considered. Should Proposer decide to appeal the response of the RFP Facilitator, and pursue its protest at the Council meeting, it will notify the RFP Facilitator of its intention at least two days prior to the scheduled meeting.

8. CONFIDENTIALITY

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer

information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

9. EX PARTE COMMUNICATIONS

Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Appendix C) with their proposals certifying that they have not had or directed prohibited communications as described in this section.

10. CONFLICT OF INTEREST

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090 et seq., or sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

11. DISCLOSURE OF GOVERNMENTAL POSITION

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached "Disclosure of Government Positions Form." (See Appendix F.)

12 CONDITIONS TO AGREEMENT, IF ANY.

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Appendix B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

The terms of the agreement, including insurance requirements have been mandated by the City and can be modified only if extraordinary circumstances exist. Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluation proposals and determining the lowest responsible bidder.

13. DISQUALIFICATION QUESTIONNAIRE

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Appendix E.

14. STANDARD TERMS AND CONDITIONS

Addendums

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All addendums and additional information will be posted to the Banning Procurement Registry, <http://ci.banning.ca.us/bids.aspx>. Proposers should check this web page daily for new information.

Cost for Preparing Proposal

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

Insurance Requirements

City requires that licensees, lessees, and vendors have an *approved* Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a

permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Proposer must furnish the City with the Certificates of Insurance proving coverage as specified within Appendix B.

Prevailing Wages Requirements

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates, that Contractor and all subcontractors must be registered and pay the registration fee with the Department of Industrial Relations (“DIR”), Contractor shall be subject to compliance monitoring and enforcement by the DIR, and the performance of other requirements on “Public Works” and “Maintenance” projects. If the services are being performed as part of an applicable “Public Works” or “Maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

California Department of Industrial Relations Registrations

In 2014, the California legislature enacted several laws impacting public works contracting. Senate Bill 854 (SB 854) creates changes in the way DIR monitors prevailing wage requirements. All contractors and subcontractors must register with the DIR and meet DIR requirements before bidding on public works contracts in California. No contractor or subcontractor may be awarded a contract for public work or public works project unless registered with the DIR.

All contractors and subcontractors must furnish electronic certified payroll records directly to the Labor Commissioner (aka Division of Labor Standards Enforcement).

The phase-in timetable for this requirement is as follows:

- April 1, 2015: For all new projects awarded on or after this date, the contractors and subcontractors must furnish electronic certified payroll records to the Labor Commissioner.
- January 1, 2016: The requirement for contractors and subcontractors to furnish electronic certified payroll records to Labor Commissioner will apply to all public works projects, whether new or ongoing.

Public Work Contractors/Subcontractors can register with the DIR at www.dir.ca.gov/Public-Works/.

APPENDIX A



REQUEST FOR PROPOSAL

16-002 – Installation Services for a Smart Meter Project

VENDOR APPLICATION FORM

TYPE OF APPLICANT: NEW CURRENT VENDOR

Legal Contractual Name of Corporation: _____

Contact Person for Agreement: _____

Corporate Mailing Address: _____

City, State and Zip Code: _____

E-Mail Address: _____

Phone: _____ Fax: _____

Contact Person for Proposals: _____

Title: _____ E-Mail Address: _____

Business Telephone: _____ Business Fax: _____

Is your business: (check one)

- NON PROFIT CORPORATION FOR PROFIT CORPORATION

Is your business: (check one)

- CORPORATION LIMITED LIABILITY PARTNERSHIP
 INDIVIDUAL SOLE PROPRIETORSHIP
 PARTNERSHIP UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: _____

City of Banning Business License Number: _____

(If none, you must obtain a Banning Business License upon award of contract.)

City of Banning Business License Expiration Date: _____

APPENDIX B

**CONTRACT FOR PROFESSIONAL SERVICES
BETWEEN
THE CITY OF BANNING
AND**

This AGREEMENT is entered into this ____ day of _____, 2016, by and between the CITY OF BANNING, a general law city a municipal corporation (“CITY”) and _____, a (state) (type of corporation) (“CONSULTANT”).

RECITALS

- A. The City does not have the personnel able and/or available to perform the services required under this agreement.
- B. Therefore, the City desires to contract out for consulting services for certain projects relating to preparation of documents in connection with a design project.
- C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.
- D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, based on the foregoing recitals, the City and the Consultant agree as follows:

1. CONSIDERATION AND COMPENSATION

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, attached as EXHIBIT A;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a total of \$_____, for CONSULTANT’s services, unless otherwise specified by written amendment to this Agreement.
- D. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager or his designee.
- E. CONSULTANT shall submit to CITY, by not later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the

previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

2. SCOPE OF SERVICES.

- A. CONSULTANT will perform the services and activities set forth in the SCOPE OF SERVICE attached hereto as Exhibit A and incorporated herein by this reference.
- B. Except as herein otherwise expressly specified to be furnished by CITY, CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space, and facilities necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit an invoice to CITY which lists the reimbursable costs, the specific tasks performed, and, for work that includes deliverables, the percentage of the task completed during the billing period.

4. TIME OF PERFORMANCE. The services of the CONTRACTOR are to commence upon receipt of a notice to proceed from the CITY and shall continue until all authorized work is completed to the CITY's reasonable satisfaction, in accordance with the schedule incorporated in "Exhibit A," unless extended in writing by the CITY.

5. FAMILIARITY WITH WORK. By executing this Agreement, CONSULTANT represents that CONSULTANT has (a) thoroughly investigated and considered the scope of services to be performed; (b) carefully considered how the services should be performed; and (c) understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

6. KEY PERSONNEL. CONSULTANT's key person assigned to perform work under this Agreement is _____. CONSULTANT shall not assign another person to be in charge of the work contemplated by this Agreement without the prior written authorization of the City.

7. TERM OF AGREEMENT. The term of this Agreement shall commence upon execution by both parties and shall expire on _____, unless earlier termination occurs under Section 11 of this Agreement, or extended in writing in advance by both parties.

8. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

9. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

10. PERMITS AND LICENSES. CONTRACTOR will obtain and maintain during the term of this Agreement all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

11. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause. Notice of termination shall be in writing.
- B. CONSULTANT may terminate this Agreement. Notice will be in writing at least 30 days before the effective termination date.
- C. In the event of such termination, the CONTRACTOR shall cease services as of the date of termination, all finished or unfinished documents, data, drawings, maps, and other materials prepared by CONSULTANT shall, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination.
- D. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

12. INDEMNIFICATION.

- A. CONSULTANT shall indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this AGREEMENT, regardless of CITY'S passive negligence, but excepting such loss or damage which is caused by the sole active negligence or willful misconduct of the CITY. Should CITY in its sole discretion find CONSULTANT'S legal counsel unacceptable, then CONSULTANT shall reimburse the CITY its costs of defense, including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation. The CONSULTANT shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) covered by this indemnity obligation. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.
- B. The requirements as to the types and limits of insurance coverage to be maintained

by CONSULTANT as required by Section 17, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

13. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

14. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

15. AUDIT OF RECORDS.

- A. CONSULTANT agrees that CITY, or designee, has the right to review, obtain, and copy all records pertaining to the performance of this Agreement. CONSULTANT agrees to provide CITY, or designee, with any relevant information requested and will permit CITY, or designee, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this Agreement. CONSULTANT further agrees to maintain such records for a period of three (3) years following final payment under this Agreement.
- B. CONSULTANT will keep all books, records, accounts and documents pertaining to this Agreement separate from other activities unrelated to this Agreement.

16. CORRECTIVE MEASURES. CONSULTANT will promptly implement any corrective measures required by CITY regarding the requirements and obligations of this Agreement. CONSULTANT will be given a reasonable amount of time as determined by the City to implement said corrective measures. Failure of CONSULTANT to implement required corrective measures shall result in immediate termination of this Agreement.

17. INSURANCE REQUIREMENTS.

- A. The CONSULTANT, at the CONSULTANT's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies:
 - 1. Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective

employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the CITY at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against the CITY, its officers, agents, employees, and volunteers for losses arising from work performed by the CONTRACTOR for City.

2. General Liability Coverage. The CONSULTANT shall maintain commercial general liability insurance in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
 3. Automobile Liability Coverage. The CONSULTANT shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the CONSULTANT arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
 4. Professional Liability Coverage. The CONSULTANT shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from the CONSULTANT'S operations under this Agreement, whether such operations be by the CONSULTANT or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit-per-occurrence basis. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- B. Endorsements. Each general liability, automobile liability and professional liability insurance policy shall be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California, or which is approved in writing by City, and shall be endorsed as follows. CONSULTANT also agrees to require all contractors, and subcontractors to do likewise.
1. "The CITY, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the CONSULTANT, including materials, parts, or equipment furnished in connection with such work or operations."
 2. This policy shall be considered primary insurance as respects the CITY, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance

maintained by the CITY, including any self-insured retention the CITY may have, shall be considered excess insurance only and shall not contribute with this policy.

3. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
 4. The insurer waives all rights of subrogation against the CITY, its elected or appointed officers, officials, employees, or agents.
 5. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents, or volunteers.
 6. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days' written notice has been received by the CITY.
- C. CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against Contractor arising out of the work performed under this agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.
- D. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the CITY's option, the CONSULTANT shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- E. The CONSULTANT shall provide certificates of insurance with original endorsements to the CITY as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the CITY on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the CITY at all times during the term of this Agreement.
- F. Failure on the part of the CONSULTANT to procure or maintain required insurance shall constitute a material breach of contract under which the CITY may terminate this Agreement pursuant to Section 11 above.

18. USE OF OTHER CONSULTANTS. CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must include approval of the proposed consultant and the terms of compensation.

19. FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE. The acceptance by the CONSULTANT of the final payment made under this Agreement shall operate as and be a release of the CITY from all claims and liabilities for compensation to the CONSULTANT for anything done, furnished or relating to the CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of the CITY'S check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the CITY shall not constitute, nor be deemed, a release of the responsibility and liability of the

CONSULTANT, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the CITY for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

20. CORRECTIONS. In addition to the above indemnification obligations, the CONSULTANT shall correct, at its expense, all errors in the work which may be disclosed during the City’s review of the Consultant’s report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the CITY, and the cost thereof shall be charged to the CONSULTANT. In addition to all other available remedies, the City may deduct the cost of such correction from any retention amount held by the City or may withhold payment otherwise owed CONSULTANT under this Agreement up to the amount of the cost of correction.

21. NON-APPROPRIATION OF FUNDS. Payments to be made to CONSULTANT by CITY for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that CITY does not appropriate sufficient funds for payment of CONSULTANT’S services beyond the current fiscal year, the Agreement shall cover payment for CONSULTANT’S only to the conclusion of the last fiscal year in which CITY appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

22. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

CITY	CONSULTANT
<u>City of Banning</u> <u>99 East Ramsey Street</u> <u>Banning, CA 92220</u>	_____ _____ _____
<u>ATTN: City Manager</u>	<u>ATTN: _____</u>

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph. Courtesy copies of notices may be sent via electronic mail, provided that the original notice is deposited in the U.S. mail or personally delivered as specified in this Section.

23. SOLICITATION. CONSULTANT warrants that it has not employed nor retained any company or person, other than CONSULTANT’S bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT’S bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

24. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.
25. INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.
26. ENTIRE AGREEMENT. This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written.
27. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.
28. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment with signatures of all parties to this Agreement. CITY's city administrator, or designee, may execute any such amendment on behalf of CITY.
29. ACCEPTANCE OF FACSIMILE OR ELECTRONIC SIGNATURES. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.
30. FORCE MAJEURE. Should performance of this Agreement be impossible due to fire, flood, explosion, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' control, then the Agreement will immediately terminate without obligation of either party to the other.
31. TIME IS OF ESSENCE. Time is of the essence to comply with dates and schedules to be provided.
32. ATTORNEY'S FEES. The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.
33. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to

perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

34. DISCLOSURE REQUIRED. (City and Consultant initials required at one of the following paragraphs)

By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a “consultant” for the purposes of the California Political Reform Act because Consultant’s duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18701(a)(2) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City’s Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City’s Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant’s disclosure obligations in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

OR

By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a “consultant” for the purpose of the California Political Reform Act because Consultant’s duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18701(a)(2)(A) and is otherwise not serving in staff capacity in accordance with the City’s Conflict of Interest Code.

City Initials _____
Consultant Initials _____

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF BANNING

CONSULTANT

[MAYOR or CITY MANAGER]

By: _____
NAME:
TITLE:

By: _____
NAME:
TITLE:

ATTEST:

City Clerk

Tax ID No.

APPROVED AS TO FORM:

City Attorney

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 DEVELOPER'S BUSINESS ENTITY.

APPENDIX C

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer’s representatives have not had any communication with a City Councilmember concerning the CONTRACTOR Services RFP at any time after August 19, 2016.

OR

I certify that Proposer or Proposer’s representatives have communicated after August 19, 2016 with a City Councilmember concerning RFP 16-002 – Installation Services for a Smart Meter Project. A copy of all such communications is attached to this form for public distribution.

APPENDIX D

PRICING PROPOSAL FORM

16-002 – Installation Services for a Smart Meter Project

Provide meter installation cost, along with total installation cost in accordance with the City’s current requirements, as set forth in Section 2 Scope of Work. Also provide your firm’s proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor’s website at www.bls.gov.)

Table Indicates installation costs for electric meter exchanges.

ANSI Form	Meter Class	Voltage	Number of Meters	Meter Installation Cost	Total Installation Cost
Residential					
1S	100	120	40		
2S	200	240	11,400		
2S	320	240	15		
12S Network	200	120	30		
Commercial					
2S	200	Auto	400		
12S	200	Auto	20		
16S	200	Auto	1000		
12S	200	Auto	20		

***Industrial and Solar meters to be installed by COB as well as any difficult to place meters from above that fall outside of agreed upon timeline.*

APPENDIX E

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

APPENDIX F

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."



ADDENDUM NO. 1
REQUEST FOR PROPOSAL
FOR
NO. 16-002
INSTALLATION SERVICES FOR A SMART METER PROJECT

PUBLIC WORKS DEPARTMENT
ELECTRIC UTILITY
CITY OF BANNING

Released on August 19, 2016

The referenced document has been modified as per the attached Addendum No. 1

Please sign this Addendum where designated and return the executed copy with submission of your bid. This addendum is hereby made part of the referenced quote as through fully set forth therein.

Any questions regarding this addendum should be addressed to:

Jennifer McCoy

Telephone: (951) 922-3121

Email: jmccoy@ci.banning.ca.us

Addendum No. 1

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with your proposal.

General Information, as indicated in the Contract Documents:

1. There is an update to the proposal due date. Proposals are now due at 10:00 a.m. on **Thursday, September 22, 2016**. Note that proposals are due at the City Clerk’s office located at City Hall. Schedule changes below.

This request for proposal will be governed by the following schedule:

Release of RFP	August 19, 2016
Pre-Proposal Meeting	August 24, 2016 at 10:00 a.m.
Deadline for Written Questions	August, 26, 2016 by 5:00 p.m.
Responses to Questions Posted on Web	September 1, 2016 by 5:00 p.m.
Proposals are Due	September 8, 2016 September 22, 2016 by 10:00 a.m.
Interview (if held)	The Week of September 27, 2016 October 18, 2016
Approval of Contract (Tentative)	October 11, 2016 October 25, 2016

2. This is a prevailing wage contract. All bidders and their subcontractors must be registered with Department of Industrial Relations pursuant to California Labor Code section 1725.5. Craft Classification attached.
3. Itron OpenWay CENTRON Bridge Meter Specifications attached.

Request for Proposal Questions & Answers

The following questions were asked by qualified bidders:

1. Two interested bidders formally request to extend the bid date by two weeks to September 22 if possible. **In an effort to ensure that all qualified responders are able to participate, we will extend the RFP due date to September 22.**
2. On page 20 the RFP states: “City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement.” We respectfully request to receive this information now as it will impact pricing. **The Prevailing Wage Determination for this craft is: #RESIDENTIAL ELECTRICIAN – INSIDE WIREMAN. Detailed rate sheet is attached for your review.**
3. Section 16-002 2nd paragraph “All meters will be completely programmed and ready for installation”
 Section 2.2.6 “The vendor shall program and/or interrogate each endpoint during the time of installation.”
 Question: Please clarify if Contractor will be required to program the meters, if yes, will Contractor be required to provide the programmer? **Contractor is not required to program the**

meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.

4. What meter brand and reading system will Contractor be installing? COB is utilizing the Itron OpenWay meters with this project. COB is not installing a “reading system”.
5. Do you have a Prevailing Wage Rate Determination from the State? See #2 for response.
6. What is your billing software system? Sungard Naviline
7. Page 2 – COB risk management criteria – where can we find this document? Please see the criteria in APPENDIX B – Sample Contract for Professional Services: Section 17.
8. Page 2 – Meters are already programmed and only installation, no testing or checking to make sure new meter is communicating with the hand held device? Please confirm it? Contractor is not required to program the meters. However, they will be required to interrogate each meter during the time of installation to ensure it is communicating with the handheld device.
9. Page 3- Kick-off meeting 2.1.1 fourth bullet – confirmation of system configuration, hardware and software – can you elaborate more on what hardware and software will be involved and what will system configuration entail? The handheld devices and management system associated with those handheld devices which should be compatible with COB’s billing system; or at least the ability to produce an electronic file that can be imported into Banning’s Utility Billing System.
10. Page 3- 2.1.2 Design Document Development – this project does not involve any design – can you please explain what you mean by it? There is no design component to this project, and references to “design documents” in Section 2.1.2 should be disregarded.
11. Page 3- 2.2 – whose work management system – COB or contractors? This refers to the Contractor’s handheld devices and work management system associated with those handheld devices, which should be compatible with COB’s system.
12. Price Proposal Appendix D- There are lots of unknowns and committing to a lump sum bid will be very risky or companies bidding have to allow large contingency to cover the risk and increase the budget. To be cost-effective would COB consider time and expenses bid with the hourly rates provided for each title and position expected to be used during meter replacement? Contractors may bid the hourly rates for each title and position expected to be used, but they would have to include a “NOT-TO-EXCEED” amount in the proposal. COB will not pay more than that FIXED amount. COB will not pay higher project costs, just because the Contractor has slow and/or non-productive employees.
13. Can you please provide a copy of the meter specifications? Yes, the meter specifications will be provided with the responses on September 1.
14. Can you please extend the bidding deadline date to September 22? See #1 for response.
15. Section 2.5 pg. 6 Meter and Endpoint Installations –
 - a. Is this work to be performed while equipment is energized? Yes.

- b. is the meter installation a clip in or snap turn twisting install and out of any electrical harm's way? **This question is not clear. However, the meters are the standard meters for single phase 120/240 volt 3W is four clips. The self-contained poly-phase 120 -480 4W meters are seven clips.**
- c. If not; what are your electrical safety procedures when working around energized equipment? **Contractor should comply with standard OSHA requirements for working with services of less than 480 volts.**
- d. Expected manpower and duration requirements? **Manpower requirements should be determined by the Contractor. COB would like to complete the project within six (6) months of award, but is open to extending the completion date if necessary.**
- e. Ultimately what is EPS responsible for in this scope of work? Meter change outs, programming, labor only on Prevailing scale? **Please refer to the RFP package.**

All other provisions of the request for quote shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.

Signature Date

Company Name

Typed Name and Title

Address

City State Zip

ATTACHMENT NO. 1

**PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR
OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE
PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1**

CRAFT: #RESIDENTIAL ELECTRICIAN

RESIDENTIAL DETERMINATION: R-61-440-1-2015-1

Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates.

ISSUE DATE: December 1, 2015

EXPIRATION DATE: December 27, 2015* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director – Research Unit at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

LOCALITY: All localities within Riverside County.

WAGE RATES:

<u>Classification(s)</u>	<u>Basic Straight-Time Hourly Rate</u>
Residential Electrician: Inside Wireman	\$24.00 ^a

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Health & Welfare:	\$5.01 per hour worked
Pension:	\$0.72 per hour worked ^b
Training:	\$0.20 per hour worked
Other:	\$0.20 per hour worked ^c

STRAIGHT TIME HOURS: Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME: All work performed after eight (8) hours a day and/or forty (40) hours a week, and all work performed on Sundays and Holidays shall be paid at one and one-half (1½x) the regular straight-time hourly rate.

RECOGNIZED HOLIDAYS: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving and Christmas Day. When one of the holidays falls on Sunday, the holiday shall be observed on the following Monday. If Christmas or New Year's falls on Saturday, the Friday preceding will be considered the holiday. Other holidays which fall on Saturday shall be celebrated on that day.

TRAVEL AND SUBSISTENCE: In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director - Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please fax a request (415) 703-4771 to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603. To obtain any commercial and residential apprentice wage rates as of July 1, 2008 and prior to September 27, 2012, please contact the Division of Apprenticeship Standards or refer to the Division of Apprenticeship Standards' website at <http://www.dir.ca.gov/das/das.html>.

^a Includes an amount withheld for working dues.

^b This amount is equal to 3% of the Basic Hourly Rate for the National Employees Benefit Fund (NEBF) which is factored at the applicable overtime multiplier for each overtime hour.

^c Includes an amount for Administrative Maintenance Fund (\$0.10) and Labor Management Cooperation Committee (\$0.10).

* The rate is in effect throughout the duration of the project.

ATTACHMENT NO. 2



OpenWay® CENTRON®

Bridge Meter

The CENTRON Bridge meter is the bridge between Itron communication architectures that enable AMI and smart grid functionality. The meter's adaptability allows it to be incorporated alongside existing Itron electric meters with a mobile meter data collection system, delivering advanced metering benefits associated with remote service disconnects, demand metering (real-time resetting), net metering, time of use rates, and interval data for customer service and engineering.

When prudent for the utility, the CENTRON Bridge can easily migrate to a full smart grid solution, offering demand response and distribution automation benefits. With CENTRON Bridge's versatility and proven operational benefits, utilities can address current business challenges and see an immediate return on investment, all while readying for a full smart grid solution as the need develops. Enabled to leverage field assets across two different data collection solutions, a utility can protect and extend its original investment.

Featuring open-standards architecture, modular design for flexibility in communications, and extensive features and functionality, the CENTRON Bridge supports existing operational needs as well as the most demanding smart grid business requirements today and well into the future. The CENTRON Bridge is the first meter to offer compatibility between the OpenWay® network and Itron's ChoiceConnect® mobile environment. This revolutionary capability is perfect for customers that require advanced metering functionality in a mobile environment today, with complete support for full smart grid functionality in the future.

What does the CENTRON Bridge offer in a mobile environment?

Utilities can deploy the new CENTRON Bridge alongside the existing meter population, reading all meters with the Itron mobile data collection system. This enables the utility to deploy the CENTRON Bridge on a schedule, whether through an annual meter maintenance program, a complete meter replacement or any other combination that suits the business case. With this flexibility, the utility sets the timetable according to its operational needs, capital management goals or strategic plans.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip (Smart Energy Profile v1.1) to provide a built-in communications pathway into the home for data presentation, load control and demand response.

What does the CENTRON Bridge offer under the OpenWay environment?

While in OpenWay network mode, the meter is fully compliant with the ANSI C12.19 and C12.22 standards for storage and transport of register data. The CENTRON Bridge provides a secure and reliable open-standards approach to data collection and communications between the meter and network.

In addition, each CENTRON Bridge comes factory-equipped with a ZigBee® radio chip to provide a built-in communications pathway into the home for data presentation, load control and demand response. These features include full two-way communication, a load-limiting remote disconnect and reconnect switch, positive outage detection and restoration notification, voltage monitoring, automatic tamper and theft detection, as well as the ability to reprogram the meter remotely and upload new firmware via the network.

The CENTRON Bridge meter is the sensible choice for all your metering needs from mobile data collection to the smart grid.

CHOICECONNECT MOBILE MODE

Energy Values

- » Up to five energy registers (Max of 4 for Singlephase); kWh delivered, kWh received, kWh net, kWh unidirectional, VAh delivered, VAh received, Varh delivered, Varh received
- » Up to 2 demand values (1 for Singlephase) based on energy values; Max demand, cumulative demand, continuous cumulative demand with a remote reset. For Polyphase, a PF @ Peak Demand can also be returned
- » Two channels of 15-minute interval data with 40 days of data retention; intervals can be retrieved as 15 minute, hourly, daily or single historical read

Time of Use

- » Time of Use rates can be calculated in the meter and retrieved with your Field Collection System (FCS)
- » 25 Year calendar in the meter
 - Can be updated via FCS remotely
- » Seasons (1 to 8 per year)
- » Rates (1 to 4 per season)
- » Events (1 to 32 per season)
 - DST and Holidays

Disconnect/Reconnect service switch operation

- » The CENTRON Bridge (forms 1S, 2S, 12S, and 25S) is available with a 200 amp remote disconnect/reconnect switch that can be operated with your ChoiceConnect applications

Tamper Detection

- » Tamper indications are included in every communication received by the ChoiceConnect applications
- » Tampers include: inversion, removal, reverse power flow and magnetic (Singlephase only)
- » SiteScan Diagnostics™ with OpenWay Tools

Other Features

- » Event Counters: Volt Hour Threshold Exceeded, RMS Threshold Exceeded, Outage, Demand Reset, Tampers & Program Changes
- » Date and Time of last power outage
- » Number of Minutes Running on Battery
- » Firmware Versions
- » Configuration Information (Energy and Demand values)
- » Fatal & Non-Fatal errors
- » Ability to schedule a switch from ChoiceConnect to OpenWay mode
- » Ability to switch from OpenWay to ChoiceConnect mode
- » Time synchronization
- » ZigBee radio chip provides access to Consumer Engagement (CE) devices like in-home displays, smart thermostats and others

Security

- » ChoiceConnect security deploys end to end security from the mobile communications systems to the meter through authentication of two-way communications and encryption of meter data

ChoiceConnect Support

- » Approved Reading Devices for Collecting Reads with Basic Security
 - Handheld and Mobile Application Software SCM+ Only
 - MV-RS v8.4.1 or higher
 - Field Collection System (FCS) v2.3 or higher including FCS DC v2.3.10.1 and FCS DC v2.4.8.2
 - Mobile Collection Software v3.4 or higher
 - Field Deployment Manager (FDM) Work orders v3.3 or higher
 - Field Deployment Manager (FDM) Endpoint Tools Enhanced v3.2 or higher
 - Handhelds and Radios
 - FC300SR: All models along with application software listed above
 - Mobile Collectors
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001, DCU-5300-011U, DCU-5300-101U, DCU-5300-111U
 - MCLite when used with application software listed above.
 - Only: DCU-5000-001, DCU-5000-002, DCU-5000-002U, DCU-5000-102U, DCU-5000-002DL, DCU-5310-201
- » Approved Reading Devices for Performing Advanced AMR Commands
 - Handheld and Mobile Application Software:
 - Field Collection System (FCS) v2.7 or higher
 - Mobile Collection Software v3.7 or higher
 - Itron Security Manager v3.0 or higher
 - Field Deployment Manager (FDM) FDM work orders v3.6 or higher
 - FDM Endpoint Tools Enhanced v3.6 or higher
 - Handhelds and Radios:
 - FC300SR: All models along with application software listed above.
 - Mobile Collectors:
 - MC3 when used with Mobile Collection Software v3.4 and application software listed above.
 - DCU-5300-001DL, DCU-5300-001DLU, DCU-5300-011DLU, DCU-5310-001, DCU-5310-011, DCU-5310-011U
 - MCLite when used with application software listed above.
 - DCU-5000-002DL, DCU-5310-201

SPECIFICATIONS

Technical Data

Meets applicable standards:

- » ANSI C12.1 - 2001 (American National Standard for Electric Meters - Code for Electricity Metering)
- » ANSI C12.18 - 1996 (American National Standard - Protocol Specification for ANSI Type 2 Optical Port)
- » ANSI C12.19 - 1997 (American National Standard - Utility Industry End Device Data Tables)
- » ANSI C12.20 - 2002 (American National Standard for Electricity Meters-0.2 and 0.5 Accuracy Classes)
- » ANSI C12.22 - (consult ANSI electricity metering protocol standards, balloted version)
- » ANSI/IEEE C62.45 - 1992 (Guide to Surge Testing on Low-Voltage AC Power Circuits)
- » IEC 61000-4-2
- » IEC 61000-4-4

Reference Information

- » OpenWay CENTRON Meter Specification Sheet
- » OpenWay CENTRON Polyphase Meter Specification Sheet
- » OpenWay CENTRON Meter Technical Reference Guide
- » Hardware Specification Form



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CORPORATE HQ

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Phone: 1.800.635.5461

Fax: 1.509.891.3355

RFP NO. 16-002
INSTALLATION SERVICES FOR A SMART METER PROJECT
PRE-PROPOSAL MEETING ATTENDANCE SHEET

	COMPANY	CONTACT	TITLE	EMAIL ADDRESS
1	Henkels & McCoy, Inc.	Dev Birla, PE & PMP	Supervisor of Engineering	dbirla@henkels.com
2	Henkels & McCoy, Inc.	Brad Mayo	Asset Management Supervisor	bmayo@henkels.com
3	Applied Metering Technologies	Mario Natividad	CEO & Chief Engineer	mario.natividad@appliedmetering.com
4	M. Brey Electric	Matt Brey	Owner	matt@mbreyelectric.com
5	EPS	Kevin Cunningham	Sales	k.cunningham@epsii.com
6	Anixter	Juan Zuniga	Outside Sales	juan.zuniga@anixter.com
7	City of Banning	Jennifer McCoy	Purchasing Manager	jmccoy@ci.banning.ca.us
8	City of Banning	Carla Young	Management Analyst	cyoung@ci.banning.ca.us

**RFP NO. 16-002
INSTALLATION SERVICES FOR A SMART METER PROJECT
VENDOR LIST**

	COMPANY	CONTACT	TITLE	EMAIL ADDRESS	WEBSITE ADDRESS	COMMENTS
1	Henkels & McCoy, Inc.	Dev Birla, PE & PMP	Supervisor of Engineering Asset Management Supervisor	dbirla@henkels.com	www.henkels.com	Emailed RFP Notice 08/19/16; Attended Pre-Proposal Meeting
2	Henkels & McCoy, Inc.	Brad Mayo		bmayo@henkels.com mario.natividad@appliedmetering.com johnell.holly@appliedmetering.com	www.henkels.com	Attended Pre-Proposal Meeting
3	Applied Metering Technologies	Mario Natividad & Johnell Holly	CEO & Chief Engineer		www.appliedmetering.com	Emailed RFP Notice 08/19/16; Attended Pre-Proposal Meeting
4	OCA Electrical	Sales		info@ocaelectrical.com	www.ocaelectrical.com	Emailed RFP Notice 08/19/16
5	R4 Electrical Construction	Donald Wright	President	dwright@r4electric.com		Emailed RFP Notice 08/19/16
6	R.I.S. Electrical Contractors, Inc.	Robert Hayes	President	donna@riselec.com		Emailed RFP Notice 08/19/16
7	Unlimited Engineering, Inc.	Nicholas Mazzulla	President	julieuei@yahoo.com		Emailed RFP Notice 08/19/16
8	M. Brey Electric	Matt Brey	Owner	matt@mbreyelectric.com		Attended Pre-Proposal Meeting
9	EPS	Kevin Cunningham	Sales	k.cunningham@epsii.com		Attended Pre-Proposal Meeting
10	Anixter	Juan Zuniga	Outside Sales	juan.zuniga@anixter.com	anixter.com	Attended Pre-Proposal Meeting

**CITY OF BANNING
STATE OF CALIFORNIA
NOTICE INVITING BIDS**

REQUEST FOR PROPOSAL NO. 16-002 – Installation Services for a Smart Meter Project

OWNER: City of Banning.

PLANS/SPECIFICATIONS: Available for download from our website in PDF form at <http://ci.banning.ca.us/bids.aspx>.

QUESTIONS REGARDING PROJECT: Any questions pertaining to this Request for Proposal shall be directed to Jennifer McCoy at jmccoy@ci.banning.ca.us. Deadline for submittal of bid Request for Information (RFIs) is August 26, 2016 at 5:00 p.m. pacific standard time. All addendums will be made available on the City's website. All contractors are fully responsible for obtaining addendum material.

REQUIREMENTS: Prevailing Wage, Certified Payroll, Bid Bond, Payment and Performance Bond. The successful bidder shall meet all insurance requirements of the City, including \$1,000,000 per occurrence for General, Automobile, Professional, and Employer's Liability. Insurance shall name the City of Banning as additional insured. No bid will be considered unless it is made on a proposal form furnished by the City. Each bid must be accompanied by cash, a certified or cashier's check, or bidders bond of the prescribed form and made payable to the City of Banning for an amount equal to ten (10%) of the total bid, such guaranty to be forfeited should the bidder to whom the contract is awarded fail to furnish the required bonds and enter into a contract with the City within the period of time provided by the proposal requirements.

PRE-BID MEETING: Wednesday, August 24, 2016 @ 10:00 a.m. at 176 E. Lincoln, Banning, CA 92220 to discuss the Description of Work. Attendance of the pre-bid meeting is not mandatory.

SEALED BIDS DUE: Thursday, September 8, 2016 at 10:00 a.m. local time, at City Hall, 99 E. Ramsey St., Banning, Ca 92220, Attn: City Clerk. Proposals will not be publicly opened.

CITY OF BANNING, CALIFORNIA
Dated: 08/19/16 and 08/26/16

/s/ Jennifer McCoy
Purchasing Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Rochelle Clayton, Deputy City Manager

MEETING DATE: October 25, 2016

SUBJECT: Discussion of Establishing a Financial Impact Maximum not to exceed \$25,000 on the City Council Agenda under Consent Items.

RECOMMENDATION:

Discussion of establishing a financial impact maximum not to exceed \$25,000 on the City Council Agenda under Consent Items and provide staff direction, if Council so wishes, to bring this item forward at a future meeting for action.

JUSTIFICATION:

Councilman Miller requested staff to bring this item forward for discussion with the City Council. This item was taken to the Budget and Finance Committee on October 11, 2016 for clarification.

The Consent Calendar items include all components of regular Agenda items, such as public comment, staff report, justification, background, and when warranted financial impact, competitive pricing, City Attorney review, resolution, ordinance, or contract. The Consent Calendar allows the City Council to save time by approving all items with one vote, or opting to pull specific items for discussion and a separate vote for the pulled items so that there is the opportunity for discussion. Establishing a maximum dollar threshold will create more regular agenda items and increase the time for the item as staff will need to make a separate presentation for the item to be voted on.

Exceptions to a maximum dollar threshold could include items with a Fiscal Impact that will be paid for by a developer, deposit account, reimbursement, or items for which the City is only acting as a pass-through agency.

BACKGROUND:

Under parliamentary rules governing City Council meetings, Consent Calendar items are reserved for items that are deemed to be routine, non-controversial, and easily explained. They allow a City Council to save the bulk of its meeting time for issues in which there is a need for a serious discussion or public debate.

OPTIONS:

1. Provide staff direction to bring item forward at a future meeting for action.
2. Provide staff with no direction for future action.

FISCAL IMPACT:

None.

ATTACHMENTS:

None.

Reviewed and Approved by:



Michael Rock
City Manager

Prepared by:



Rochelle Clayton
Deputy City Manager/
Administrative Services Director