

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

June 12, 2018
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey Street

The following information comprises the agenda for a regular meeting of the City Council; a joint meeting of the Banning City Council and the Banning Housing Authority, a joint meeting of the City Council and Banning Utility Authority, a scheduled meeting of the Banning Utility Authority, and a scheduled meeting of the Banning Financing 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 – Reverend Bill Dunn, St. Stephen’s Episcopal Church
- Pledge of Allegiance
- Roll Call – Council Members Andrade, Franklin, Peterson, Welch, Mayor Moyer

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS / CORRESPONDENCE / ANNOUNCEMENTS & REPORTS

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.

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

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

IV. **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: Approve Consent items 1 through 11: Items ____, ____, ____, to be pulled for discussion. *(Resolutions require a recorded majority vote of the total membership of the City Council)*

1.	Minutes – Special Meeting – 5/22/2018 (Workshop)	1
2.	Minutes – Special Meeting – 5/22/2018 (Closed Session).....	29
3.	Minutes – Regular Meeting – 5/22/2018	31
4.	Minutes – Special Meeting – 6/4/2018 (Closed Session).....	77
5.	List of Contracts Approved Under City Manager Signature Authority	79
6.	Report of Cash, Investments, and Reserve Report for the Month of February 2018	83
7.	2 nd Reading of Ordinance 1522, Adopting by Reference Title 6, Animals, of the Riverside County Code as the City’s Animal Control Ordinance, and Amending the Banning Municipal Code	89
8.	Resolution 2018-74, Approving Amendment No. 1 to the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District for Street Repairs on Hargrave Street	107
9.	Notice of Completion for Project No. HSIPL-5214(010) – Traffic Signal System Improvements on Ramsey Street	121
10.	Executive Order B-40-17 to Lift Drought Emergency in All but Four Counties	127
11.	Resolution 2018-73, Repealing Resolution 2018-45, Declaring the Intention to Levy and Collect Assessments, Approving the Revised Engineer’s Report, and Setting the Revised Date for Public Hearing for Landscape Maintenance District No. 1	135

- Open Consent Items for Public Comments
- Make Motion

RECESS REGULAR MEETING AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING HOUSING AUTHORITY

I. REPORTS OF OFFICERS

1. Resolution 2018-01 HA, Approving Housing Programs and
Appropriation of Funding 147
(Staff Report – Patty Nevins, Community Development Director)
Recommendation: **Adopt Resolution 2018-01 HA, approving housing
programs and appropriations for Fiscal Years 2018/19 and 2019/20.**

RECESS THE JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING HOUSING AUTHORITY AND RECONVENE THE REGULAR MEETING OF THE BANNING CITY COUNCIL

V. REPORTS OF OFFICERS

1. Resolution 2018-58, Approving an Agreement for One (1) Year with an Option to Renew for Two (2) Additional Years with Riverside County Fire Department 189
(Staff Report – Tim Chavez, Battalion Chief)

Recommendation: **Adopt Resolution 2018-58, approving an agreement for one year with an option to renew for two additional years with Riverside County Fire Department to provide medical, fire protection and other emergency response services.**

2. Resolution 2018-63, Approving a Three Year Enterprise Licensing Agreement with Microsoft (through Software One) 227
(Staff Report – Rochelle Clayton, Interim City Manager)

Recommendation: **Adopt Resolution 2018-63, approving the Enterprise Licensing Agreement with Microsoft (through Software One) and authorize the Interim City Manager to execute the agreement.**

3. Resolution 2018-75, Approving the Agreement with Cybertime Network Communications for Citywide Looped Microwave Backbone System and Data Circuit to the Water Plant, and Provision of 10.0 Mbps Internet Feed to City Hall for Fiscal Year 2018-2019 in the Amount of \$31,188 253
(Staff Report – Rochelle Clayton, Interim City Manager)

Recommendation: **Adopt Resolution 2018-75, approving the agreement with Cybertime Network Communications for citywide looped microwave backbone system, data circuit to the water plant, provision of 10.0 Mbps internet feed to City Hall, and authorizing the Interim City Manager to execute the agreement.**

4. Resolution 2018-76, Authorizing the California Statewide Communities Development Authority to form a Community Facilities District in the City of Banning 269
(Staff Report – Rochelle Clayton, Interim City Manager)

Recommendation: **Adopt Resolution 2018-76, authorizing the California Statewide Communities Development Authority to form a Community Facilities District within the City of Banning to finance certain public improvements and public safety services for the development project known as Atwell by Pardee Homes.**

5. City Policy Development on the Negotiation and Execution of Agreements with other Agencies 399
(Staff Report – Rochelle Clayton, Interim City Manager)
Recommendation: **Discuss and provide input to staff on the development of a City Policy regarding negotiation of agreements with other agencies.**
6. Potential Ballot Measure to be Placed on the November 2018 Ballot by the City Council to Allow Retail Cannabis Businesses to Operate in the City Subject to a City Gross Receipts Tax and Various Zoning and Other Regulations..... 401
(Staff Report – Patty Nevins, Community Development Director)
Recommendation: **Discuss the possible placement of a second City Council proposed ballot measure on the November 2018 ballot to allow and tax retail cannabis businesses in the City and provide direction to staff.**
7. Resolution 2018-57, Accepting the 2018 Supplemental Law Enforcement Services Allocation (SLESA) in the Amount of \$100,000..... 425
(Staff Report –Robert Fisher, Interim Police Chief)
Recommendation: **Adopt Resolution 2018-57, authorizing the acceptance of the 2018 SLESA in the amount of \$100,000 and authorizing the Banning Police Department to apply the funds towards the purchase of front line law enforcement related equipment, services, and supplies.**
8. Resolution 2018-61, Adopting the San Gorgonio Integrated Regional Water Management Plan (IRWM) for the Newly Created San Gorgonio IRWM Region 435
(Staff Report – Art Vela, Public Works Director)
Recommendation: **Adopt Resolution 2018-61, adopting the San Gorgonio IRWM Plan.**
9. Resolution 2018-67, Approving the Water Supply Verification (WSV) for Tentative Tract No. 37298 445
(Staff Report – Art Vela, Public Works Director)
Recommendation: **Adopt Resolution 2018-67, approving the WSV prepared by KWC Engineers for Tentative Tract No. 37298, also known as Atwell Specific Plan Phase 1 and previously known as Butterfield Specific Plan Phase 1.**

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

I. 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: Approve Consent items 1 through 3: Items ____, ____, ____, to be pulled for discussion. *(Resolutions require a recorded majority vote of the total membership of the City Council)*

1. Resolution 2018-08 UA, Approving an Increase of \$10,218 to Purchase Order 28567 with Quinn Company for Repairs to the City of Banning's CAT D-6 Dozer **559**
2. Water Enterprise Revenue Bonds Refunding and Improvement Projects, 2015 Series; Requisition No. 1 Bond Project Funds Drawdown **577**
3. Wastewater Enterprise Revenue Bonds Refunding and Improvement Projects, 2005 Series Project Funds Drawdown..... **597**

- Open Consent Items for Public Comments
- Make Motion

I. REPORTS OF OFFICERS

1. Ordinance 1525, Adopting Water and Wastewater Rate Increases..... **615**
(Staff Report – Rochelle Clayton, Interim City Manager)
Recommendation: **Ordinance 1525 pass its first reading.**

Mayor asks the City Clerk to read the title of Ordinance 1525

“Ordinance 1525, an Ordinance of the City of Banning, California, Amending Chapter 13.08 of the Banning Municipal Code Approving the Water and Wastewater Rate Schedules”

Motion: I move to waive further reading of Ordinance 1525
(Requires a majority vote of the Council)

Motion: I move that Ordinance No. 1525 pass its first reading.

ADJOURN JOINT MEETINGS AND CALL TO ORDER A SCHEDULED MEETING OF THE BANNING FINANCING AUTHORITY

Roll Call: Board Members Andrade, Franklin, Peterson, Welch, Chairman Moyer

I. CONSENT ITEMS

1. Refunding Revenue Bonds (Electric System Project), 2015 Series; Requisition No. 1 Bond Project Funds Drawdown **673**

ADJOURN THE SCHEDULED MEETING OF THE BANNING FINANCING AUTHORITY AND RECONVENE THE REGULAR CITY COUNCIL MEETING

VI. ITEMS FOR FUTURE AGENDAS

New items –

Pending Items – City Council

1. Information Technology – Media Room/Production Set
2. Update on Armory Lease
3. Mills Act – Additional Information
4. WRCOG HERO Program
5. Highland Home Road Interchange
6. Fee Waiver Update (November)
7. Assembly Bills – Staff Analysis
8. Council Refresher on Directing Staff
9. Introduction of New Employees
10. Website Redesign
11. Censure Process

VII. ADJOURNMENT

NOTICE: Any member of the public may address this meeting of the Mayor and City 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 Title II]

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.

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

05/22/18
SPECIAL MEETING

A special joint meeting of the Banning City Council, Banning Utility Authority, and the City Council sitting in its capacity of the Successor Agency Board was called to order by Mayor Moyer on May 22, 2018 at 3:00 p.m. at the Banning Civic Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL/BOARD MEMBERS PRESENT: Council Member Andrade
Council Member Franklin
Council Member Peterson
Council Member Welch
Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Rochelle Clayton, Interim City Manager
Kevin Ennis, City Attorney
John McQuown, City Treasurer
Patty Nevins, Community Development Director
Heidi Meraz, Community Services Director
Tom Miller, Electric Utility Director
Art Vela, Public Works Director
Suzanne Cook, Deputy Finance Director
Robert Meteau, Deputy Human Resources Director
Michelle Devoux, Fire Marshal
Sonja De La Fuente, Deputy City Clerk

The Mayor called for Public Comment on items on the Agenda.

Jerry Westholder noticed challenges to the budget. He questioned Measure J tax on mining operations, and why it the City was not collecting 80 cents per ton.

Mayor Moyer advised the City has not received money from Robertson's this year.

Don Smith expressed his concern with the \$3 million shortfall and questioned how the budget would be balanced. He looks forward to hearing Council's suggestions then would like to provide comments.

Seeing no further comments, the Mayor closed Public Comment.

WORKSHOP

1. Fiscal Year 2018-19 and 2019-20 Two Year Budget (Draft)

Interim City Manager Clayton presented the Staff Report as contained in the Agenda packet along with a slide presentation regarding the Budget (see Exhibit "A").

Council Member Franklin asked if any positions could be contracted out. Interim City Manager Clayton indicated the Public Information Officer position would be the only position that could be contracted out at this point.

Council Member Peterson inquired as to where the City would be if the personnel wish list was pulled out of the equation. Interim City Manager Clayton explained there would be an approximate \$100,000 savings to the General Fund if the positions were pulled.

Council Member Peterson asked for clarification on the Engineering Manager position in the Electric Department. Interim City Manager Clayton explained that currently the Operations Manager is overseeing the Engineering Division. Electric Utility Director Miller provided clarification as to why it was important to have an Operations Manager and an Engineering Manager. This would also greatly reduce and possibly eliminate the contract with an outside engineering firm. He explained that it would also depend on how much work the Council directs the Electric Utility Department to do at one time.

Council Member Peterson recommended updating personnel policies with an online company with a "salad bar" selection approach. Council Member Andrade clarified that the Workers Comp firm should be able to provide the policy since we already work with them. Interim City Manager Clayton would like the current HR policies brought up to date through a firm like LCW as well.

Council Member Peterson expressed concern with the number of employees the City has, as he prefers smaller government.

Council Member Franklin asked about the increase in Worker's Comp claims and if there is something the City can address. Interim City Manager Clayton advised the Human Resources division is working on getting a process in place to reduce Workers Comp claims and any possible abuse.

Council Member Franklin asked about job descriptions being updated. Interim City Manager Clayton advised that job descriptions are being updated as they are brought to Council for approval.

Council Member Franklin asked about the jail expansion and if it would provide additional funding. Interim City Manager Clayton advised she will reach out to the County to investigate if any funding is available.

Council Member Franklin asked about utilizing technology to improve efficiency. Interim City Manager Clayton advised there are online trainings available and staff is always looking into ways processes can be automated.

Council Member Franklin asked how the property tax and sales tax from the new homes the City is expecting from Pardee would help the budget. Interim City Manager Clayton advised it would greatly help improve the budget.

Council Member Welch provided some background regarding the jail expansion. He advised the staff should look into the MOU with the County, as he feels it should be updated. He also recommended a one year agreement with CalFire instead of a three year agreement. Interim City Manager Clayton indicated a proposal for a one year contract was just received.

Council Member Andrade asked about the MOU with the County. Interim City Manager Clayton believes the MOU sunset this last Fiscal Year with an opportunity to renew Fiscal Year 2018 and 2019 if expanded, but will reach out to the County to clarify.

Mayor Moyer mentioned he had asked about revenue for SB1 based on the outcome of a vote this November and if the City could rely on it. Interim City Manager Clayton explained that if it is repealed the City would only lose future money, not what has been received.

Mayor Moyer asked about the \$771 outstanding for the Sunset grade separation. Public Works Director explained that the Western Riverside Council of Governments is auditing the invoices the City has submitted and requested reimbursement. Interim City Manager Clayton explained that the City has been reimbursed for what was agreed on, but has submitted for reimbursement for additional costs. Council Member Franklin advised she would follow up on this.

Mayor Moyer expressed concern with the costs to run the airport. Interim City Manager Clayton explained that the cost to run the airport does not remain static.

Mayor Moyer would like to review all of the position requests as well.

Council Member Peterson recommended selling some of the City's assets.

The Mayor opened Public Comment.

Don Smith noticed a structural deficit of \$3 million and assumes the City will borrow money from the Reserves to pay operational expenses. He recommended a study session to discuss solutions. He feels selling property would not address long term budget issues and would only solve immediate needs. Additionally, he doesn't believe allowing cannabis will solve the problem. He recommended a study session to discuss and develop solutions.

Jerry Westholder advised he is aware of an HR program called Knowledge Pro that provides policies and job descriptions. He asked how hiring someone in the Electric Department would reduce rates. He recommended reviewing the budget line item by line item.

Seeing no further comments, Mayor Moyer closed Public Comment.

Interim City Manager Clayton advised she will meet with the Directors then she would like to schedule a special Budget and Finance Committee meeting on June 4th at 8:30 a.m. in the Large Conference Room. Committee Members Peterson, Mayor Moyer and City Treasurer McQuown confirmed they would be available to meet.

ADJOURNMENT

By common consent the meeting adjourned at 4:12 p.m.

Minutes Prepared by:

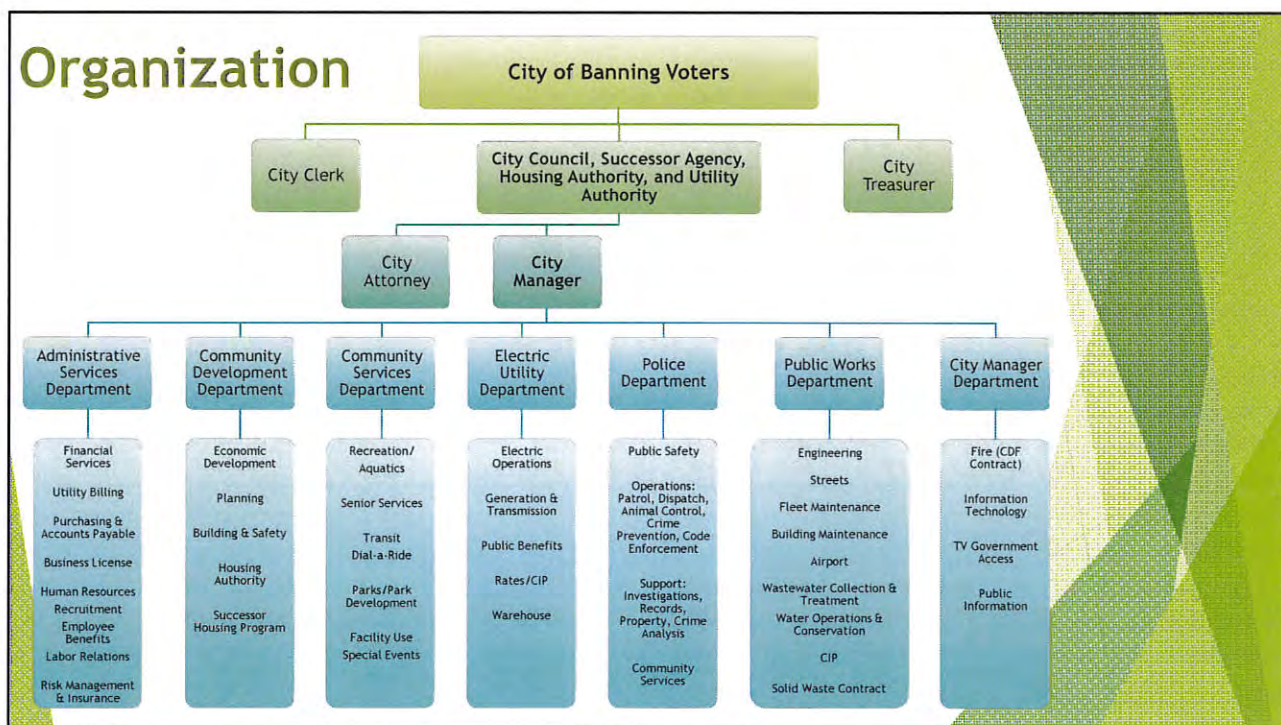
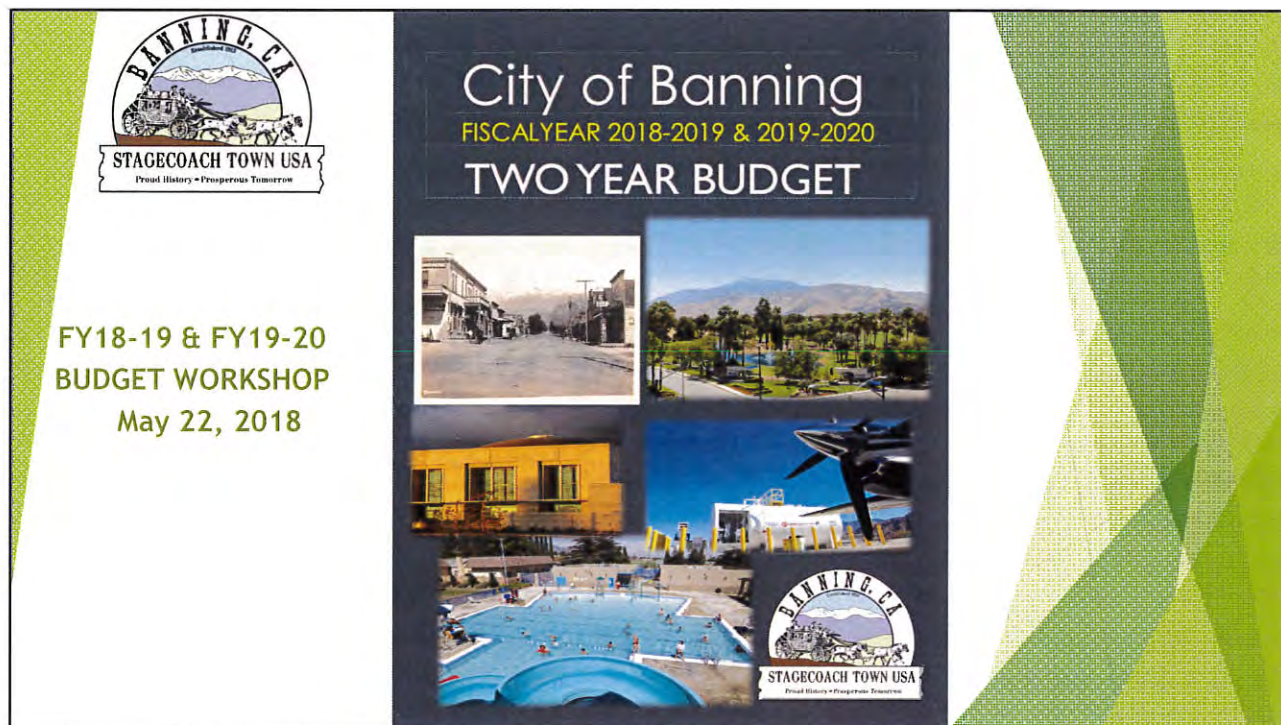
Sonja De La Fuente, Deputy City Clerk

These Action Minutes reflect actions taken by the City Council. The entire discussion of this meeting can be found by visiting the following website: <https://banninglive.viebit.com/player.php?hash=oGg3U57P9W2A> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

Exhibit “A”

to the May 22, 2018

**3:00 P.M. Special Joint Meeting of the Banning City
Council, the City Council sitting in its capacity of the
Successor Agency Board, and the Banning Utility
Authority**



BUDGET REQUESTS & CONSIDERATIONS

PUBLIC WORKS

➤ Position Requests

Building Maintenance Specialist

FUNDING: 47 % General Fund (\$35k for FY18-19); Balance allocated to multiple other funds.

Justification: Additional employee needed for repairs, service and maintenance of all City buildings, including Police, Community & Senior Center, Water, Electric, City Hall and Parks. Currently one employee covers all buildings.

Building Maintenance Specialist_(cont.)

TASKS:

- Performs general repairs on City buildings related to electrical, plumbing and other general maintenance.
- Arranges for major repairs needed by vendors.
- Supervises contractors on various new construction projects, remodels and major repairs.

Fiscal Year 2018-2019 & 2019-2020 Building Maintenance Specialist Salary and Benefits Calculation			
Building Maintenance Specialist		FY19	FY20
SALARY RANGE - G-49			
FY 19 (\$18,4138 - 24,9116) Step 1	Hourly	18.41	20.98
FY 20 (\$18,9662 - \$25,6589) Step 5	Annual	\$ 38,300.70	\$ 43,631.12
Uniform Allowance/POST Cert		250.00	250.00
Benefit Allowance		16,200.00	16,800.00
Cash Out:			
Sick Payoff		736.55	839.06
Personal Payoff		736.55	839.06
Vacation Payoff		736.55	839.06
Total Salary Cost		56,960.36	63,198.30
Life Insurance		432.00	432.00
PERSEmployer Cost		9,575.18	10,907.78
Medicare		825.93	916.38
Social Security		3,531.54	3,918.29
SUI		428.97	488.67
WC		3,063.67	1,960.35
Total Benefit Cost		17,857.28	18,623.46
Total Salary & Benefits		\$ 74,817.64	\$ 81,821.76
General Fund	47%	\$ 35,164.29	\$ 38,456.23
Balance allocated to Transit, Electric Water, Wastewater, Refuse, Streets, Fleet			

Senior Building Maintenance Specialist

FUNDING: 47% General Fund (\$660 for FY18-19).

Justification: Reclassification of one Building Maintenance Specialist to a Senior Building Maintenance Specialist (pending approval of the additional Building Maintenance Specialist in FY18-19).

Fiscal Year 2019-2020 Senior Building Maintenance Specialist Salary and Benefits Calculation		
Senior Building Maintenance Specialist	FY 2020	
SALARY RANGE - GS3 (\$20,936.0 - \$28,321.6) Step 1	Hourly 20.94 Annual \$ 43,544.80	
Uniform Allowance/POST Cert	250.00	
Benefit Allowance	16,500.00	
Cash Out:		
Sick Payoff	837.40	
Comp Payoff	837.40	
Vacation Payoff	837.40	
Total Salary Cost	63,107.00	
Life Insurance	432.00	
PERSE employer Cost	10,586.20	
Medicare	915.05	
Social Security	3,912.63	
SUI	487.70	
WC	3,483.15	
Total Benefit Cost	20,116.74	
Total Salary & Benefits:	\$ 83,223.74	
Building Maintenance Specialist	81,821.76	
General Fund Allocation:	47%	658.93
<i>Balance allocated to Other funds same as Building Maintenance Specialist</i>		
New Position in Fiscal Year 2020 - Re-classification of one Building Maintenance Specialist		

Assistant Civil Engineer

FUNDING: 25% to General Fund (\$24,861 for FY18-19) and 75% allocated to Streets, Water, Wastewater and Refuse.

Justification: Previous existing position to help the Engineering Dept.

Fiscal Year 2018-2019 & 2019-2020				
Assistant Civil Engineer				
Salary and Benefits Calculation				
Assistant Civil Engineer		FY 2019	FY 2020	
SALARY RANGE - T64				
FY 19 (\$27,1965 - \$36,7936) Step 1	Hourly	27.20	30.98	
FY 20 (\$28,0124 - \$37,8974) Step 5	Annual	\$ 56,568.72	\$ 64,441.73	
Uniform Allowance/POST Cert		0.00	0.00	
Benefit Allowance		16,200.00	16,800.00	
Cash Out				
Sick Payoff		1,087.86	1,239.26	
Comp Payoff		1,087.86	1,239.26	
Vacation Payoff		1,087.86	1,239.26	
Total Salary Cost		76,032.30	84,959.52	
Life Insurance		432.00	432.00	
PERSE employer Cost		14,142.18	16,110.43	
Medicare		1,102.47	1,231.91	
Social Security		4,714.00	5,267.49	
SUI		633.57	721.75	
WC		2,388.61	2,721.05	
Total Benefit Cost		23,412.83	26,484.63	
Total Salary & Benefits		\$ 99,445.13	\$ 111,444.15	
General Fund Allocation:	25%	24,861.28	27,861.04	
20% Engineering 5% Parks (Capital)				

Assistant Public Utilities Director

FUNDING: 50% to Water and 50% to Wastewater (\$77,440 to each fund in FY18-19).

Justification: Previously existing position to oversee the Water and Wastewater operations.

Fiscal Year 2018-2019 & 2019-2020 Assistant Public Utilities Director Salary and Benefits Calculation			
Assistant Public Utilities Director		FY 2019	FY 2020
SALARY RANGE - TSS			
FY 19 (\$45,678.4 - \$61,797.3) Step 1	Hourly	45.68	52.04
FY 20 (\$47,048.7 - \$63,661.2) Step 5	Annual	\$ 95,011.07	\$ 108,234.08
Uniform Allowance POST Cert		0.00	0.00
Benefit Allowance		16,200.00	16,800.00
Cash Out:			
Sick Payoff		1,827.14	2,081.42
Comp Payoff		1,827.14	2,081.42
Vacation Payoff		1,827.14	2,081.42
Total Salary Cost		116,692.48	131,278.32
Life Insurance		432.00	432.00
PERS Employer Cost		23,752.77	27,058.51
Medicare		1,692.04	1,903.54
Social Security		7,234.93	8,139.26
SUI		1,064.12	1,212.22
WC		4,011.84	4,570.18
Total Benefit Cost		38,187.71	43,315.71
Total Salary & Benefits		\$ 154,880.19	\$ 174,594.03
General Fund Allocation:	0%	-	-
50% Water 50% Wastewater			

UTILITY BILLING

➤ Position Update

Lead Customer Service Representative

FUNDING: 100% to Water, Wastewater, Electric, and Refuse Funds (\$5,965 for FY18-19).

Justification: Reclassification of a Utility Billing Representative to Lead Customer Service Representative to provide support to the Manager to improve customer service to Banning Utility Customers.

Lead Customer Service Representative (cont.)

Justification:

Frees up time for Customer Service and Billing manager to:

- Improve on-line services to help with setting-up service connections.
- Provide Customer outreach for low-income programs.
- Improve the information provided on and appearance of the utility bill.

Fiscal Year 2018-2019 & 2019-2020			
Lead Customer Service Representative			
Salary and Benefits Calculation			
Lead Customer Service Representative		FY 2019	FY 2020
SALARY RANGE - G-36			
FY 19 (\$17,0986 - \$23,1323) Step 9	Hourly	20.41	23.83
FY 20 (\$17,6116 - \$23,8263) Step 13	Annual	\$ 42,443.65	\$ 49,558.70
Uniform Allowance/POST Cert		0.00	0.00
Benefit Allowance		16,200.00	16,800.00
Cash Out:			
Sick Pay-off		816.22	953.05
Comp Payoff		816.22	953.05
Vacation Payoff		816.22	953.05
Total Salary Cost		61,092.32	69,217.86
Life Insurance		432.00	432.00
FERS Employer Cost		10,610.91	12,389.68
Medicare		885.84	1,003.66
Social Security		3,787.72	4,291.51
SUI		475.37	555.06
WC		1,792.18	2,092.62
Total Benefit Cost		17,984.03	20,764.52
Total Salary & Benefits		\$ 79,076.35	\$ 89,982.38
Utility Billing Representative		\$ 73,111.06	\$ 79,808.82
Increase in Budget		\$ 5,965.29	\$ 10,173.56
Fund 761 Utility Billing Funded by			
660, 670, 680 & 690			
23.34%, 46.73%, 14.79% & 15.14%			

COMMUNITY SERVICES

➤ Position Requests

Senior Recreation Leader

FUNDING: 40% to General Fund (\$41,734 for FY18-19) and 60% to Transit.

Justification: Two Positions replacing Receptionist and Sports Specialist Positions.

Fiscal Year 2018-2019 & 2019-2020 Senior Recreation Leader Salary and Benefits Calculation			
Senior Recreation Leader		FY19	FY20
SALARY RANGE - G31			
FY 19 (\$11,4620 - \$16,6067) Step 1	Hourly	11.46	13.11
FY 20 (\$12,1601 - 16,4611) Step 5	Annual	\$ 23,840.96	\$ 27,278.16
Uniform Allowance POST Cert		0.00	0.00
Benefit Allowance		16,200.00	16,800.00
Maximum Cash Out:			
Sick Payoff		1,100.35	1,258.99
Comp Payoff		687.72	786.87
Vacation Payoff			
Total Salary Cost		41,829.03	46,124.02
Life Insurance		432.00	432.00
PE RS Employer Cost		5,960.24	6,819.54
Medicare		606.52	668.80
Social Security		2,593.40	2,859.69
SUI		267.02	305.52
WC		478.87	547.91
Total Benefit Cost		10,338.05	11,633.45
Total Salary & Benefits		\$ 52,167.08	\$ 57,757.47
Two Positions Replacing Receptionist and Sports Specialist Positions			
Sports Specialist is a budgeted 16-17 Position, but not a filled position that is included in the current budget projections. Amount hitting the General fund would be additional funds required for the two positions.			
Two Positions		\$ 104,334.16	\$ 115,514.95
General Fund - 2 Positions	40%	\$ 41,733.66	\$ 46,205.98
60%Transit			
General Fund - 1 Position		\$ 20,866.83	\$ 23,102.99

ELECTRIC

➤ Position Request

Engineer Manager

FUNDING: 100% to Electric Fund (\$154,880 for FY18-19).

Justification: Position needed to help manage the Electric Engineering Department, currently the Operations Manager oversees Engineering.

Fiscal Year 2018-2019 & 2019-2020 Engineering Manager Salary and Benefits Calculation				
Engineering Manager		FY 2019		FY 2020
SALARY RANGE - TSS				
FY 19 (\$45,678.4 - \$61,797.3) Step 1	Hourly	45.68		52.04
FY 20 (\$47,048.7 - \$63,651.2) Step 5	Annual	\$ 95,011.07	\$	108,234.05
Uniform Allowance/POST Cert		0.00		0.00
Benefit Allowance		16,200.00		16,800.00
Cash Out:				
Sick Payoff		1,827.14		2,081.42
Comp Payoff		1,827.14		2,081.42
Vacation Payoff		1,827.14		2,081.42
Total Salary Cost		116,692.48		131,278.32
Life Insurance		432.00		432.00
PERSE Employer Cost		23,752.77		27,058.51
Medicare		1,692.04		1,903.54
Social Security		7,234.93		8,139.26
SUI		1,064.12		1,212.22
WC		4,011.84		4,570.18
Total Benefit Cost		38,187.71		43,315.71
Total Salary & Benefits		\$ 154,880.19	\$	174,594.03
General Fund Allocation:	0%	-		-
100% Electric Department				

NEW POSITIONS IMPACT ON GENERAL FUND

POSITION	DEPARTMENT	FY 2019 General Fund Impact	FY 2020 General Fund Impact
Senior Recreation Leader	Community Services	\$ 20,866.83	\$ 23,102.99
Building Maintenance Specialist	Building Maintenance	\$ 35,164.29	\$ 38,456.23
Senior Building Maintenance Specialist	Building Maintenance		\$ 658.93
Lead Customer Service Representative	Utility Billing	\$ -	\$ -
Assistant Civil Engineer	Public Works	\$ 24,861.28	\$ 27,861.04
Assistant Public Utilities Director	Public Works - Water/Wastewater	\$ -	\$ -
Engineering Manager	Electric	\$ -	\$ -
General Fund Impact:		\$ 80,892.40	\$ 90,079.19

POLICE & CODE ENFORCEMENT

Significant Fiscal Impacts

- ▶ Increase in Salaries and Benefits to absorb the 4 officers funded by the Riverside County MOU. The FY18-19 increase is \$472,772 and 2019-2020 increase is \$513,418
- ▶ \$81,803 in FY18-19 for the Final Vehicle Lease Purchase, which is funded by the Fleet Replacement Fund
- ▶ Eliminate the 2 unfilled Code Enforcement Officers approved at FY 2018 Mid-Year until funding has been established for the positions through successful ballot measure. Reduces budget by \$180,740 for 2018-2019.

COMMUNITY DEVELOPMENT & PLANNING

Significant Fiscal Impacts

- ▶ An increase in Professional Services for Charles Abbot at 91% building permit and PC Fees, Increase in budget of \$154,570
- ▶ Begin work on the General Plan Update and Downtown Master Plan. FY18-19 \$200,000 to \$400,000 expected for General Plan Update and \$175,000 for Downtown Master Plan. Same for 2019-2020; staff previously earmarked funds for projects.
- ▶ Increase in Training of \$12,838 for Planning Commissioners Academy

ADMINISTRATIVE SERVICES

➤ Position Updates

FISCAL SERVICES & PURCHASING

- ▶ Reclassification of Accountant I position to an Accountant II position due to high level responsibilities performed equivalent to the Accountant II. Included in current budget projection. Approximately 5% total increase of \$4,032 - 33% allocated to General Fund (\$1,330) in FY18-19.
- ▶ Moved one Financial Services Specialist from Purchasing department to Fiscal Services as employee performs Accounts Payable tasks. No impact to the General Fund. Included in current budget projection.
- ▶ Moved Utility Services Assistant to Purchasing department, with 28% allocated to General Fund for an increase of \$23,923. Accounted for in budget projection.

HUMAN RESOURCES & RISK MANAGEMENT

➤ Position Updates

HUMAN RESOURCES & RISK MANAGEMENT

- ▶ Reclassification of Human Resources Technician to a Senior Human Resources Technician due to additional responsibilities and tasks related to personnel and risk management. Increase of 5%, \$3,805 with 25% impacting the General Fund \$951. Included in budget projections.
- ▶ Reclassification of PT Human Resources Technician to Full-time to accommodate additional tasks in human resources and risk management department. Overall Increase of \$26,715 with 25% impacting the General Fund \$6,679. Included in the Budget projections.
- ▶ Increase in Worker's Compensation Insurance premium of \$6,000 over FY 2018 budget and Increase of \$50,000 for Worker's Comp claims due to increase in the number of claims.
- ▶ Increase of \$5,000 for Employee Safety program to help reduce the amount of Worker's comp claims.

FIRE CONTRACT SERVICES

- ▶ The City has received the new contract for fire service with the County, increasing from the FY18 budget of \$3,027,389 by approximately 11.7% or \$353,387, to a total FY19 budget of \$3,380,776
- ▶ In FY20, the Fire Contract will continue to increase to \$3,561,029; an increase of \$180,253 or 5.3%

SUMMARY OF BUDGET CHALLENGES

Budget Challenges

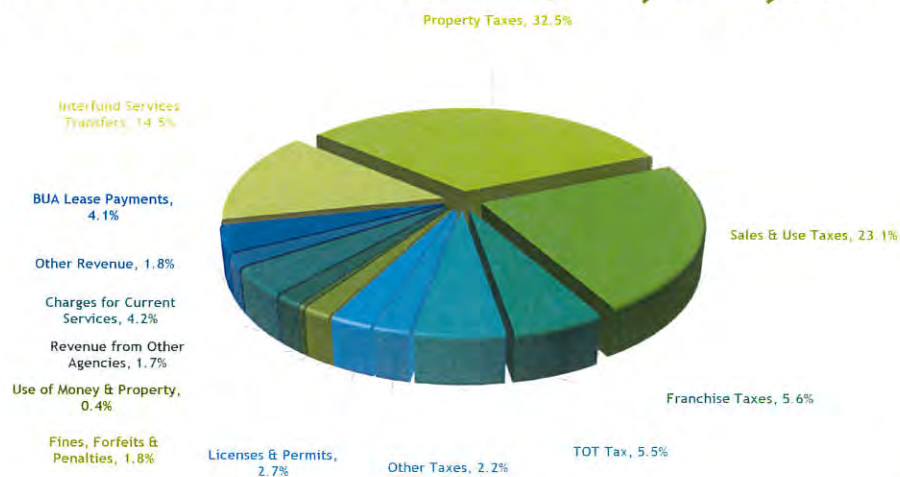
- Cancellation of City's Animal Control contract by the City of Beaumont will cost the City an additional \$50,000 with a new contract with County of Riverside.
- The increase in City's obligation to Pre-fund CalPERS unfunded accrued liability. The fiscal impact (increase) in 2018-2019 is \$459,515 and 2019-2020 is \$427,680.

Budget Challenges (Cont.)

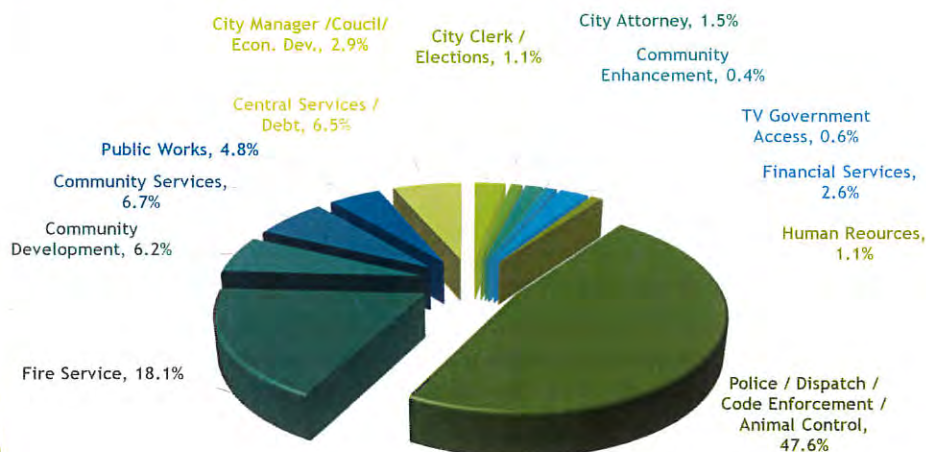
- Conclusion of MOU with Riverside County that provided approx. \$500,000 in revenue for Police Officers. The \$500,000 will need to be absorbed by the General Fund to maintain the same level of public safety.
- Increase in the Cal Fire Contract for fire services in the approximate amount of \$350,000 for 2018-2019. The increase for 2019-2020 is \$180,253 and for 2020-2021 is \$184,276.

BUDGET PROJECTION SUMMARIES

General Fund Revenues FY 2018-19 Total = \$15,892,827



General Fund Expenditures FY 2018-19 Total = \$19,011,615



Budget Fiscal Year 2018-2019

CITY OF BIRMINGHAM Fund Summary Status Fiscal Year 2018-2019 Projections																
Fund	Fund Name	FY 2015-2016		FY 2016-2017		FY 2017-18		(1) July 1, 2018	(2) FY 2018-19	(3) FY 2018-19	(4) FY 2018-19	(5) Projected YTD Gain (Loss) (Column 2-5)	(6) Projected Balance (Column 1-6)			
		Revenue Actuals	Expenditures Actuals	Revenue Actuals	Expenditures Actuals	Adopted Budget Revenues	Adopted Budget Expenditures	Available Revenues	Adjusted Revenues	Adjusted Expenditures	Projected YTD Gain (Loss)	Projected Balance				
001	General	15,805,915	13,341,380	15,005,704	14,385,552	16,454,255	16,443,305	10,138,481	15,892,827	15,892,827	15,892,827	15,892,827	7,019,684			
Governmental Funds Sub-total		15,805,915	13,341,380	15,005,704	14,385,552	16,454,255	16,443,305	10,138,481	15,892,827	15,892,827	15,892,827	15,892,827	7,019,684			
Special Revenue Funds																
002	Developer Deposit	381,298	381,298	156,182	381,302	35,000	35,000	68,142	81,120	81,120	81,120	81,120	68,142			
003	Riverside County MOU	500,515	473,947	0	407,362	50,000	50,000	0	472,777	472,777	472,777	472,777	640,513			
005	Socioeconomic Agency Administration	250,000	127,777	103,302	152,000	250,000	250,000	539,783	250,000	16,020	233,980	233,980	793,777			
100	Gas Tax Street	831,394	970,270	778,000	872,505	796,785	896,252	5,265	920,567	1,275,611	154,744	154,744	(140,476)			
101	Mosses & Street	534,148	0	558,900	0	554,200	0	1,994,248	592,500	0	592,500	592,500	1,588,248			
102	MMA (501) Gas Tax	0	0	0	0	0	0	99,042	515,917	0	515,917	515,917	614,849			
103	50300 Street Improvement	(230)	0	(209)	0	200	0	72,347	0	0	0	0	72,347			
104	Article 3 - Sidewalk Construction	(14)	0	0	0	0	0	0	0	0	0	0	0			
110	Community Development Block Grant (CDBG)	120,516	141,808	24,930	3,477	0	0	0	179,426	179,426	179,426	179,426	179,426			
111	Landscape Maintenance Assessment Dist #1	137,289	88,015	127,756	80,000	128,721	112,700	344,999	139,293	155,022	120,375	120,375	324,644			
112	Air Quality Improvement	30,200	0	68,417	3,000	37,500	3,000	98,185	34,200	3,000	3,000	3,000	134,413			
140	Asset Forfeiture	9	0	41,516	0	0	0	(27,348)	0	0	0	0	(27,348)			
148	Supplemental Law Enforcement	15,901	9,336	123,881	54,130	0	0	238,557	100,000	100,000	100,000	100,000	238,557			
150	State Park Board Act	0	0	0	0	0	0	0	0	0	0	0	0			
190	Housing Authority	0	0	0	0	0	0	0	0	0	0	0	0			
200	Special Donations	10,200	8,239	8,500	5,464	8,000	8,000	25,568	8,000	8,000	8,000	8,000	25,568			
201	Senior Center Activities	6,357	12,458	6,854	7,383	7,500	7,500	40,265	8,150	8,150	8,150	8,150	40,265			
202	Animal Control Reserve	37	0	20	0	0	0	4,989	0	0	0	0	4,989			
203	Police Volunteer	4	342	3	480	1,500	1,500	364	0	1,500	1,500	1,500	3,342			
300	City Hall CDP Debt Service	437,813	435,600	435,806	435,843	437,000	437,000	5,636	437,000	437,000	437,000	437,000	5,636			
309	San Lakes CDP #1	124	0	142	0	0	0	35,441	125	0	125	125	35,441			
305	Wilson Street Assessment #1 - Debt	218	0	208	0	120	0	53,273	250	0	250	250	53,273			
320	Area Police Computer	54,310	24,000	75,762	40,387	51,545	51,545	(2,131)	51,640	51,640	51,640	51,640	(2,131)			
375	Fair Oaks 2004 - Debt Service	200,161	202,203	202,801	199,149	201,600	201,600	271,464	197,683	197,683	197,683	197,683	271,464			
376	Central Homes	162	0	180	0	120	0	6,557	120	0	120	120	6,557			
Special Revenue Funds Sub-total		3,524,180	2,766,519	2,725,508	2,609,841	3,871,728	2,399,548	1,794,520	3,521,440	2,992,764	528,664	4,371,200	4,371,200			
Capital Improvement Funds																
400	Police Facilities Development	0	0	7,000	0	25	0	20,551	0	0	0	0	20,551			
410	Fire Facility Development	1,364	0	24,549	0	1,600	0	978,735	0	0	0	0	978,735			
420	Traffic Control Facility	1,553	0	15,902	0	950	0	458,263	2,000	0	2,000	2,000	460,263			
421	Ramsey/Hillcrest Home Traffic Signal	765	0	308	0	150	0	81,650	300	0	300	300	81,950			
430	General Facilities	1,517	0	8,225	30,884	800	0	419,665	0	0	0	0	419,665			
441	Sunset Grade Separation	0	0	1,531,546	203,210	0	0	(771,497)	0	0	0	0	(771,497)			
444	Wilson-Medley	1,218	0	1,533	0	700	0	182,113	1,450	0	1,450	1,450	183,563			
451	Park Development	475	0	44,602	0	2,200	0	128,863	0	0	0	0	129,063			
470	Capital Improvements	0	0	0	0	0	0	641,662	0	0	0	0	641,662			
480	SEA Capital Project Fund	8,804,918	0	0	10,740	0	0	7,750,256	0	0	0	0	7,750,256			
481	SEA LHM Capital Project Fund	535,609	(40)	2,109	0	0	0	535,609	0	0	0	0	535,609			
Capital Improvement Funds Sub-total		10,341,100	(40)	10,341,100	274,940	10,341,100	10,341,100	10,341,100	10,341,100	10,341,100	10,341,100	10,341,100	10,341,100			

Budget Fiscal Year 2018-2019 (Cont.)

CITY OF BANNING Fund Summary Status Fiscal Year 2018-2019 Projections												
Fund	Fund Name	FY 2015-2016		FY 2016-2017		FY 2017-18		(1)	(2)	(3)	(4)	(5)
		Revenue Actuals	Expenditure Actuals	Revenue Actuals	Expenditure Actuals	Adopted Budget Revenues	Adopted Budget Expenditures	July 1, 2018 Available Resources	FY 2018-19 Adjusted Revenues	FY 2018-19 Adjusted Expenditures	Projected YTD Gain (Loss) (Column 2-3)	Projected Balance (Column 1-4)
Running Utility Authority Funds												
640	Water Operations	8,912,484	8,334,639	90,634,588	7,918,034	8,644,930	8,432,475	1,407,110	10,081,730	9,543,549	539,181	1,428,511
641	Water Capital Facility Fee	26,197	1,911	54,561	0	41,000	0	3,896,569	44,000	0	44,000	3,940,569
643	BIA Water Capital Project	(859)	0	1,848	0	2,940	0	2,340,445	1,500	0	3,000	2,343,945
649	BIA Water Debt Service	2,777,614	1,718,511	264,606	1,479,389	1,877,145	1,804,066	0	1,895,917	1,895,917	0	0
	Water Sub-total	11,791,436	10,055,061	108,045,203	9,397,423	10,565,915	10,236,541	30,304,124	12,023,147	11,439,466	583,681	20,892,025
680	Wastewater Operations	3,156,366	2,814,621	3,204,626	3,205,050	3,122,104	3,179,914	1,772,049	3,386,900	3,388,525	1,629	1,770,424
681	Wastewater Capital Facility Fee	38,943	0	72,446	0	38,000	0	10,128,716	84,000	0	86,000	10,614,716
683	BIA Wastewater Capital Project	1,719	0	4,439	0	1,300	0	1,277,223	4,500	0	4,200	3,281,223
685	State Revolving Loans	302,567	289,767	302,863	299,050	302,000	292,389	770,582	304,289	304,289	0	770,582
689	BIA Wastewater Debt Service	398,160	398,114	287,584	368,305	383,508	383,088	0	386,994	386,994	0	0
692	Wastewater Sub-total	3,975,755	3,512,502	3,882,068	3,872,405	3,817,912	3,855,481	20,346,668	4,177,683	4,086,809	9,079	16,416,936
693	Wastewater Treatment	349,153	0	397,710	0	362,500	0	5,431,866	228,014	0	2,203,852	5,659,880
	Wastewater Sub-total	349,153	0	397,710	0	362,500	0	5,431,866	228,014	0	2,203,852	5,659,880
	Running Utility Authority Sub-total	15,966,344	13,567,563	15,035,253	13,269,828	14,816,327	14,106,022	41,952,658	16,432,000	15,729,275	703,180	43,964,718
Enterprise Funds												
600	Sewer	758,390	678,467	182,295	301,871	278,950	246,430	199,712	167,650	158,023	130,403	169,319
610	Traffic Operations	1,986,776	1,668,149	1,984,126	1,738,426	1,775,430	1,797,136	476,126	2,402,189	2,671,177	3,316,012	855,118
690	Refuse	3,416,383	3,118,931	3,532,719	3,396,720	3,294,000	3,278,840	1,177,624	3,621,014	3,473,873	1,47,041	1,329,145
	Refuse, Refuse & Refuse Sub-total	5,675,459	4,805,526	5,699,564	5,496,916	5,266,380	5,173,006	1,465,446	6,100,853	5,743,893	447,650	2,299,121
670	Electric Operations	30,105,660	28,481,652	33,833,325	30,358,396	30,773,000	30,191,630	16,028,364	31,191,364	28,595,636	2,599,628	1,650,761
672	Rate Stability	30,267	0	25,360	0	16,000	0	6,137,036	0	0	0	6,137,036
673	Electric Improvements	46,776	33,044	25,757	21,968	15,150	15,150	4,190,541	0	0	0	4,192,541
674	Electric Revenue Bond Project	665	297,028	31,426	31,426	3,000	3,000	1,109,693	0	0	0	1,109,693
675	Public Benefits Fund	736,587	995,682	768,699	860,641	784,250	784,250	877,119	287,720	792,151	107	877,226
678	Electric Revenue Bond Debt Service	2,551,940	2,505,488	711,676	2,386,303	2,421,190	2,421,190	0	2,426,369	2,426,369	0	0
	Electric Sub-total	33,462,320	31,567,205	35,360,072	31,324,973	34,008,440	34,008,440	36,615,153	34,409,483	34,804,749	2,199,725	39,214,009
	Enterprise Funds Sub-total	59,535,959	56,854,634	66,038,892	60,899,839	69,252,619	69,252,619	78,965,611	40,595,316	39,547,931	3,947,185	81,514,199
Internal Service Funds												
700	Facility Management	2,706,204	1,917,176	1,543,477	2,136,003	1,843,030	2,360,713	812,631	2,468,141	2,436,363	39,798	85,200
702	Fleet Maintenance	1,130,823	1,112,411	1,032,134	1,178,386	1,308,847	1,368,797	146,994	1,295,136	1,422,522	1,127,360	219,428
703	Information Systems Services	450,211	432,400	489,837	508,305	760,046	772,686	240,268	571,001	571,001	131,733	702,734
704	Utility Billing Administration	1,827,073	1,802,761	2,386,100	2,121,504	2,386,100	2,374,113	255,421	2,269,508	2,210,002	48,506	25,437
	Internal Service Funds Sub-total	6,014,311	5,264,748	5,461,448	5,944,298	6,398,023	6,876,306	1,454,624	6,544,786	6,640,896	1,122,171	1,514,784
Successor Agency Funds												
805	Redevelopment Obligation Retirement Fund	15,422,234	1,713,801	3,758,968	3,875,322	4,086,472	4,086,472	825	2,975,619	2,449,240	526,379	5,271,156
810	Successor Housing Agency	305,520	3,000	4,731	3,005	868,715	3,713	1,192,110	3,825	3,825	0	1,192,110
830	Debt Service Fund	10,311,084	3,118,232	3,891,451	2,484,486	3,867,557	3,795,722	1,029,057	2,199,248	2,199,248	0	1,029,057
850	Successor Agency	(6,013)	1,523,131	202	11,842	0	0	57,682	0	0	0	57,682
855	2007 TABS Bond Proceeds	977	8,502,761	3,662	1,489,432	4,313	0	12,387,500	0	0	0	12,387,500
856	2007 TABS Bond Proceeds	30,864	293,172	17,866	81,880	13,774	0	161,307	0	0	0	161,307
857	2007 TABS Bond Proceeds Low/Mod	21,095	534,529	487	0	0	0	102,467	0	0	0	102,467
	Successor Agency Funds Sub-total	25,813,683	15,839,957	7,672,741	8,052,726	8,969,221	7,886,907	13,598	5,178,692	4,652,321	526,371	519,475
	GRAND TOTAL ALL FUNDS	86,111,614	87,486,285	80,176,461	85,173,839	88,270,231	87,544,259	107,955,967	86,176,065	86,648,802	1,572,263	109,576,230

Budget Fiscal Year 2019-2020

CITY OF BANNING Fund Summary Status Fiscal Year 2019-2020 Projections						
		(1)	(2)	(3)	(4)	(5)
		July 1, 2019	FY 2019-20	FY 2019-20	FY 2019-20	July 1, 2020
Fund	Fund Name	Available Resources	Adjusted Revenue	Adjusted Expenditures	Projected YTD Gain (Loss) (Column 2-3)	Projected Balance (Column 1-4)
Governmental Funds						
001	General	7,019,694	16,033,603	19,777,737	(3,744,134)	3,275,560
Governmental Funds Sub-total		7,019,694	16,033,603	19,777,737	(3,744,134)	3,275,560
Special Revenue Funds						
002	Developer Deposit	68,142	0	0	0	68,142
003	Riverside County MOU	(643,530)	0	513,418	(513,418)	(1,156,948)
005	Successor Agency Administration	793,773	250,000	16,190	233,810	1,027,583
100	Gas Tax Street	(349,479)	928,432	1,335,616	(407,184)	(756,663)
101	Measure A Street	2,586,748	604,750	0	604,750	3,191,498
102	RMRA (SB1) Gas Tax	614,959	521,076	0	521,076	1,136,035
103	SB300 Street Improvement	72,347	0	0	0	72,347
104	Article 3 - Sidewalk Construction	0	0	0	0	0
110	Community Development Block Grant (COBG)	1	0	0	0	1
111	Landscape Maintenance Assessment Dist #1	324,641	141,382	162,450	(21,068)	303,573
132	Air Quality Improvement	134,435	39,800	3,000	36,800	171,235
140	Asset Forfeiture	(22,348)	0	0	0	(22,348)
148	Supplemental Law Enforcement	238,557	100,000	100,000	0	238,557
150	State Park Bond Act	951	0	0	0	951
190	Housing Authority	20	0	0	0	20
200	Special Donations	25,568	8,000	8,000	0	25,568
201	Senior Center Activities	39,115	8,150	9,380	(1,230)	37,885
202	Animal Control Reserve	4,989	0	0	0	4,989
203	Police Volunteer	(1,136)	0	1,500	(1,500)	(2,636)
300	City Hal COP Debt Service	5,636	437,000	437,000	0	5,636
360	Sun Lakes CFD 86-1	35,566	125	0	125	35,691
365	Wilson Street Assessment 91-1 Debt	53,928	255	0	255	54,183
370	Area Police Computer	62,131	51,642	51,642	0	62,131
375	Fair Oaks 2004-1 Debt Service	271,464	199,000	199,000	0	271,464
376	Cameo Homes	6,727	170	0	170	6,897
Special Revenue Funds Sub-total		4,323,204	3,289,783	2,837,196	452,587	4,775,791

Budget Fiscal Year 2019-2020 (Cont.)

CITY OF BANNING Fund Summary Status Fiscal Year 2019-2020 Projections					
	(1) July 1, 2019	(2) FY 2019-20	(3) FY 2019-20	(4) FY 2019-20	(5) July 1, 2020
Fund	Available Resources	Adjusted Revenue	Adjusted Expenditures	Projected YTD Gain (Loss) (Column 2-3)	Projected Balance (Column 1-4)
Capital Improvement Funds					
400 Police Facilities Development	20,551	0	0	0	20,551
410 Fire Facility Development	978,735	0	0	0	978,735
420 Traffic Control Facility	460,263	1,750	0	1,750	462,013
421 Ramsey/Highland Home Traffic Signal	81,960	310	0	310	82,270
430 General Facilities	419,665	0	0	0	419,665
441 Sunset Grade Separation	(771,497)	0	0	0	(771,497)
444 Wilson Median	383,563	1,450	0	1,450	385,013
451 Park Development	129,863	0	0	0	129,863
470 Capital Improvement	641,662	0	0	0	641,662
480 BEA Capital Project Fund	7,750,256	0	0	0	7,750,256
481 BEA L/M Capital Project Fund	536,659	0	0	0	536,659
Capital Improvement Funds Sub-total	10,631,680	3,510	0	3,510	10,635,190
Banning Utility Authority Funds					
660 Water Operations	14,586,511	10,570,147	9,865,143	705,005	15,291,515
661 Water Capital Facility Fee	3,940,569	45,000	0	45,000	3,985,569
663 BUA Water Capital Project	2,363,945	3,750	0	3,750	2,367,695
669 BUA Water Debt Service	0	1,989,318	1,989,318	0	0
Water Sub-total	20,891,025	12,608,215	11,854,461	753,755	21,644,780
680 Wastewater Operations	1,770,424	3,567,979	3,444,992	122,987	1,893,411
681 Wastewater Capital Facility Fee	10,614,736	86,860	0	86,860	10,701,596
683 BUA Wastewater Capital Project	3,281,233	4,000	0	4,000	3,285,233
685 State Revolving Loan	770,582	304,289	304,289	0	770,582
689 BUA Wastewater Debt Service	0	393,966	393,966	0	0
Wastewater Sub-total	16,436,976	4,357,094	4,143,247	213,847	16,650,823
662 Irrigation Water	976,893	5,100	0	5,100	981,993
682 Wastewater Tertiary	5,659,880	234,496	0	234,496	5,894,376
Reclaimed Water Sub-total	6,636,773	239,596	0	239,596	6,876,369
Banning Utility Authority Sub-total	43,964,774	17,204,906	15,997,708	1,207,198	45,171,972

Budget Fiscal Year 2019-2020 (Cont.)

CITY OF BANNING Fund Summary Status Fiscal Year 2019-2020 Projections					
	(1) July 1, 2019	(2) FY 2019-20	(3) FY 2019-20	(4) FY 2019-20	(5) July 1, 2020
Fund	Available Resources	Adjusted Revenue	Adjusted Expenditures	Projected YTD Gain (Loss) (Column 2-3)	Projected Balance (Column 1-4)
Enterprise Funds					
600 Airport	169,329	174,150	191,751	(17,601)	151,728
610 Transit Operations	805,138	2,014,057	2,052,148	(48,091)	757,047
690 Refuse	1,324,645	3,711,539	3,572,607	138,932	1,463,577
Airport, Transit & Refuse Sub-total	2,299,111	5,899,746	5,826,506	73,240	2,372,351
670 Electric Operations	16,607,992	30,796,761	29,339,852	1,456,909	18,064,901
672 Rate Stability	6,327,636	0	0	0	6,327,636
673 Electric Improvement	4,192,541	0	25,000	(25,000)	4,167,541
674 Electric Revenue Bond Project	11,209,693	0	0	0	11,209,693
675 Public Benefit Fund	877,226	773,000	773,027	(27)	877,199
678 Electric Revenue Bond Debt Service	0	2,427,219	2,427,219	0	0
Electric Sub-total	39,215,088	33,996,980	32,565,098	1,431,882	40,646,970
Enterprise Funds Sub-total	41,514,199	39,896,726	38,391,604	1,505,122	43,019,321
Internal Service Funds					
700 Risk Management Fund	852,010	2,596,189	2,538,348	\$7,841	909,851
702 Fleet Maintenance	219,428	1,333,151	1,463,186	(130,035)	89,393
703 Information Systems Services	208,409	549,747	585,303	(35,556)	172,853
761 Utility Billing Administration	254,937	2,309,906	2,310,552	(646)	254,291
Internal Service Funds Sub-total	1,534,784	6,788,993	6,897,389	(108,396)	1,426,389
Successor Agency Funds					
805 Redevelopment Obligation Retirement Fund	527,196	2,975,619	2,445,629	529,990	1,057,186
810 Successor Housing Agency	1,352,110	3,939	3,939	0	1,352,110
830 Debt Service Fund	1,059,057	2,195,629	2,195,629	0	1,059,057
850 Successor Agency	57,652	0	0	0	57,652
855 2007 TABS Bond Proceeds	(2,397,500)	0	0	0	(2,397,500)
856 2003 TABS Bond Proceeds	(161,307)	0	0	0	(161,307)
857 2003 TABS Bond Proceeds Low/Mod	102,667	0	0	0	102,667
Successor Agency Funds Sub-total	539,875	5,175,187	4,645,197	529,990	1,069,865
GRAND TOTAL ALL FUNDS	109,528,210	88,392,707	88,546,830	(154,123)	109,374,087



Discussion & Questions??

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

05/22/18
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Moyer on May 22, 2018, at 4:12 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Council Member Andrade
Council Member Franklin
Council Member Peterson
Council Member Welch
Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Rochelle Clayton, Interim City Manager
Kevin Ennis, City Attorney
Sonja De La Fuente, Deputy City Clerk

CLOSED SESSION

Mayor Moyer opened the closed session items for public comments. Seeing none, closed public comment.

City Attorney Kevin Ennis listed the items on the closed session agenda, which included:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of Subdivision (d) of Section 54956.9) Name of Case: City of Banning v. Go Green Calming Solutions, et al., Case No. RIC 1806731.
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) pf subdivision (d) of Section 54956.9) Fields v. City of Banning, Riverside County Superior Court Case No. RIC 1102234 and Court of Appeal Case No. E057277.
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one case)
4. PUBLIC EMPLOYEE APPOINTMENT: City Manager – Pursuant to Government Code Section 54957.

The Meeting convened to closed session at 4:13 p.m. and reconvened to open session at 5:05 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:05 p.m.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

05/22/18
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on May 22, 2018, at 5:01 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Council Member Andrade
Council Member Franklin
Council Member Peterson
Council Member Welch
Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Rochelle Clayton, Interim City Manager
Kevin Ennis, City Attorney
Tim Chavez, Fire Battalion Chief
Robert Fisher, Interim Police Chief
Heidi Meraz, Community Services Director
Patty Nevins, Community Development Director
Art Vela, Public Works Director/City Engineer
Suzanne Cook, Deputy Finance Director
Robert Meteau, Deputy Human Resources Director
Michelle Devoux, Fire Marshal
Sonja De La Fuente, Deputy City Clerk
Laurie Sampson, Executive Assistant
Leila Lopez, Office Specialist

The Invocation was given by Banning Police Chaplain Merle Malland. Council Member Welch led the audience in the Pledge of Allegiance to the Flag.

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

BOARD MEMBERS PRESENT: Board Member Andrade
Board Member Franklin
Board Member Peterson
Board Member Welch
Chairman Moyer

BOARD MEMBERS ABSENT: None

PUBLIC HEARING

1. Proposed Water and Wastewater Rate Increases in Accordance with Proposition 218

Interim City Manager Clayton presented the Staff Report as contained in the Agenda.

Chairman Moyer opened the Public Hearing.

Jeremiah Price spoke against a rate increase, and asked the Council to keep in mind that people live here because they can't afford anywhere else.

Gary Hironimus spoke against a rate increase, as he believes the City would be in a different situation if \$14 million of water bond money wasn't used to help build the Police station in 2005. He asked the Council to work on a plan to start paying the money back.

John Hagan spoke against a rate increase and suggested the Prop. 2108 mailer was faulty and believes that is why only 300 oppositions were submitted.

Jerry Westholder spoke against a rate increase and suggested the Prop. 2108 mailer was faulty and sent irresponsibly, as it was not mailed in Spanish.

Inge Schuler spoke against a rate increase and does not believe the Prop. 218 mailing was handled well or that the public was properly informed.

Richard Rutherford spoke against a rate increase, as most people in Banning are poor. He indicated that he did not receive a notice and believes it should be nullified and resent in English and Spanish. He also recommended considering that most of Banning's constituents are poor.

Bernadine Edmondson spoke against a rate increase. She suggested that most people don't pay attention to their bills, but noticed there has been a daily charge recently and it added a little more than \$4 to her bill, which may not seem like a lot, but it adds up.

Ellen Carr spoke against a rate increase, as there are a lot of people on strictly Social Security and does not believe they can afford this increase. She indicated that most residents don't make as much money as the City's employees and she asked for someone to explain what "other pay" is on the report she saw.

Glen Stull sympathized with the predicament the Council is in. With the recent squeeze on local governments because of the State passing things like the recent gas tax, everything is going up. He believes increased energy prices are a reflection of what is going on in Sacramento.

Tim Smith spoke against a rate increase and would like the City to repay the \$14 million used to build the Police station. He believes if the water rates are raised, citizens will use less water.

Board Member Peterson expressed his discontent with the proposed increases. He reminded everyone that in 2010 rates were increased 51%. He read from an October 2010 article in the Record Gazette related to the increase then and provided some history in regard to how money was previously spent. He explained that he does not support the rate increase, as he doesn't think the 3% will make a difference. He suggested selling some assets and maybe selling the Police station building and leasing it back.

Board Member Welch indicated the City is currently in an unfortunate situation. He advised that the City of Banning currently has the fourth lowest water rates in this area of California. He does not believe the one action in the past caused the state the City is in today. He believes if the City is going to move forward, the increase is probably necessary.

Board Member Andrade explained that she understands how people feel, as she is in the same predicament. She does believe that allocating the money to build a police station may have set the City back, but questions why nothing has been done to rectify the situation since then. She recommended everyone pull together and move forward.

Board Member Franklin indicated the cost of operations and maintenance of systems is covered by the rate payers. She reminded everyone the population has not increased yet and 200 additional houses would have helped the situation. She understands residents do not want large increases and that is why the incremental increases were recommended. She recommended being more open to allowing more people into the City as a part of moving forward.

Chairman Moyer does not want a rate increase, but supports the increase because it is the bare minimum agreed on by the Finance Committee. He outlined how the number was settled on by the Committee.

Motion Peterson to reject the Prop. 218 Notice based on it not being mailed out properly. Motion died due to the lack of a second.

Council Member Franklin asked the City Attorney if the Prop. 218 Notice was sent out properly. City Attorney Ennis indicated the Notice went out at least 45 days in advance, transmitted to every property owner listed on the last Assessor roll and every customer of the Utility. The law does not require the notices be sent out in multiple languages. It is considered best practice to not include it in the utility bill, as it is thought to be more identifiable as a separate item, rather than a utility bill insert. At this point he has not heard sufficient reason why the protest or the notice itself was in violation of Prop. 218.

The Deputy City Clerk announced the final count of received and verified oppositions to the proposed water and wastewater rate increase is 312 and the final count of the received and verified oppositions to only the proposed water rate increase is 13.

Seeing no further comments, Chairman Moyer closed the Public Hearing.

The Mayor recessed the scheduled meeting of the Banning Utility Authority and reconvened the Regular Meeting of the Banning City Council..

REPORT ON CLOSED SESSION

The City Attorney indicated four items were discussed in Closed Session. 1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of Subdivision (d) of Section 54956.9) Name of Case: City of Banning v. Go Green Calming Solutions, et al., Case No. RIC 1806731. A status report was provided with no final or reportable action. 2) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) pf subdivision (d) of Section 54956.9) Fields v. City of Banning, Riverside County Superior Court Case No. RIC 1102234 and Court of Appeal Case No. E057277. The City Council, by a vote of 4-1, with Council Member Andrade voting against, approved a Settlement Agreement. 3) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one case). A status report was provided with no final or reportable action. 4) PUBLIC EMPLOYEE APPOINTMENT: City Manager – Pursuant to Government Code Section 54957. A report was provided and a special meeting was set for further discussion of the item.

PUBLIC COMMENTS / CORRESPONDENCE / ANNOUNCEMENTS & REPORTS

PUBLIC COMMENTS

Ellen Carr with Tender Loving Critters advised the public that when they have a pet microchipped to keep the registration up to date because if they don't there is no way to reunite a lost pet with their owner.

Val Westholder indicated she has lost trust in Council Members Welch and Franklin. She still is not sure the Prop. 218 notices were sent properly, as she received two for her home and two for her church. She feels more police officers are needed. For example, she needed a copy of a police report due to a recent theft at her church and was told there are only three police officers and they are behind on reporting. She believes the moving

John Hagan urged the public to attend the June 6th Planning Commission Meeting at 6:30 p.m. regarding the proposed cannabis growing ordinance. He feels the Council is wasting the City's time considering this.

Jeremiah Price believes in the medical benefits of cannabis and suggested the Council look at Palm Springs Safe Access for a good example of a clean and reputable dispensary.

Jeanne Rossiter asked the Council to consider adopting a Resolution or file an amicus brief to opt out of Senate Bill (SB) 54. She advised 41 cities and 10 counties have opted out of SB 54. She indicated the City risks losing any federal funding if they don't opt out.

Mike Rossiter, US Navy and Vietnam Veteran, urged the City Council to opt out of SB 54. He reminded everyone that the public servants have taken an oath to support and defend the Constitution against all enemies, foreign and domestic.

Arvid Anderson urged the City to opt out of SB 54.

Colleen Wallace advised that she doesn't agree with everyone talking about people and urged everyone to instead focus on the future of Banning for the children.

Russell Roof expressed his opposition of SB 54 and requested the Council to do the same at the next meeting.

Glenn Stall urged the Council to opt out of SB 54, as he feels it endangers the citizens.

Jerry Westholder believes there is an indigent problem because of the passage of AB 109. He advised these indigents are living under a bridge on Wilson and causing problems at his church.

Teri Smith urged the City to opt out of SB 54. Her fiancé was a police officer and murdered by an illegal immigrant and a member of MS13. He has been on death row since 1992. She would like it placed on a future agenda to discuss opting out.

Don Smith expressed his concern with the homeless. He does not believe Council is responsible for the issue, but feels there should be a study session to brainstorm possible solutions.

Seeing no further comments, the Mayor closed Public Comment.

The Mayor recessed the meeting at 6:52 p.m. and reconvened at 7:01 p.m.

CORRESPONDENCE

There was no correspondence received.

ANNOUNCEMENTS & REPORTS

Council Member Andrade reported on the following:

- The 5K Run/Walk on May 19th had a good turnout with 89 registered participants and approximately 200 attendees. She thanked Council Member Franklin, Community Services Director Meraz and staff for a successful event.

Council Member Franklin reported on the following:

- She also attended the 5K Run/Walk on May 19th and felt it was a successful event. She thanked the Community Services Director, staff, and all that participated.
- The Water Alliance will meet at City Hall on May 23rd at 5:00 p.m.
- There will be a free Community Emergency Response Team (CERT) class offered to students on June 5, 6, and 7 at Banning High School from 9:00 a.m. until 3:00 p.m.

Mayor Moyer reported on the following:

- He congratulated Banning High School on their achievement on outranking Beaumont High School in the National Rankings according to US News and World Report and thanked Banning High School Principal Matt Valdivia.
- He thanked the Economic Development Committee for recommending a program, which was reviewed and approved by the Finance Committee as well, to provide Housing Authority funds to residents for home rehabilitation and down payment assistance.

Council Member Welch had nothing to report.

Council Member Peterson had nothing to report.

REPORT BY CITY ATTORNEY

City Attorney Ennis did not have anything to report.

REPORT BY CITY MANAGER

Interim City Manager Clayton congratulated the City of Banning Wastewater Division for receiving the statewide 1st Place Award for Small Collections System from the California Water Environmental Association. They were recognized for excelling in areas of regulatory compliance, maintenance programs, safety program and records, training program, emergency program and procedures, and administrative procedures.

CONSENT ITEMS

1. Minutes – Regular Meeting – 5/8/2018 (Workshop)

Recommendation: Approve the Minutes from May 8, 2018 Special Meeting of the Banning City Council (Workshop).

2. Minutes – Special Meeting – 5/8/2018 (Closed Session)

Recommendation: Approve the Minutes from the May 8, 2018 Special Meeting of the Banning City Council (Closed Session).

3. Minutes – Special Meeting – 5/8/2018

Recommendation: Approve the Minutes from the May 8, 2018 Regular Meeting of the Banning City Council.

4. Approval and Ratification of Accounts Payable and Payroll Warrants for April 2018

Recommendation: Approve and Ratify the Accounts Payable and Payroll Warrants for April 2018.

5. Public Works Capital Improvement Project Status List

Recommendation: Receive and file list of Public Works Capital Improvement Project Status.

6. Ordinance 1520, Amending Existing Sections of Chapter 12.52 of the Banning Municipal Code that Established a Local Development Mitigation Fee for the Funding and Preservation of Natural Ecosystems in Accordance with the Western County Multiple Species Habitat Conservation Plan to Bring those Sections into Conformance with the Updated Standards and Provisions

Recommendation: Ordinance 1520 pass its 2nd reading.

7. Ordinance 1521, Amending Section 8.020.070 of the Banning Municipal Code to Establish Additional Penalties for Violating the Citywide Prohibition of Fireworks

Recommendation: Ordinance 1521 pass its 2nd reading.

8. Resolution 2018-60, Accepting the Grant of Right of Way from the Bureau of Indian Affairs on Behalf of the Morongo Band of Mission Indians for the Alignment and Widening of the Intersection of Hathaway Street and Wilson Street

Recommendation: Adopt Resolution 2018-60.

9. Bulky Item Community Clean-Up Event Update

Recommendation: Receive and file update.

10. Resolution 2018-66, Opposing SB 1302 Removing the Ability for Local Jurisdiction to Decide if Cannabis Deliveries Should be Allowed

Recommendation: Adopt Resolution 2018-66.

The Mayor opened Consent Items 1 through 10 for public comment. Seeing none, closed public comment.

Motion Peterson/Andrade to approve Consent Items 1 through 10. Motion carried, 5-0.

REPORTS OF OFFICERS

1. Resolution 2018-58, Approving a Three (3) Year Agreement with Riverside County Fire Department

Tim Chavez, Battalion Chief for the City of Banning through Riverside County Fire Department and CalFire, presented the Staff Report as contained in the Agenda packet along with a PowerPoint presentation (see Exhibit "A").

There was discussion amongst the Council regarding a three-year vs. a one-year contract. Mayor Moyer advised that the Finance Committee has discussed this item at length. Chief Chavez reminded the Council the cost is an estimate and the billing almost always comes in lower. Interim City Manager clarified the termination timeline requirements.

Council Member Andrade is concerned with the amount of the increase and feels the City needs to look into alternatives. Interim City Manager Clayton advised she will bring forward options to the Finance Committee.

Motion Peterson/Welch to table for now and refer back to the Finance Committee.

Steve Beach, Division Chief for Riverside County Fire Department advised Council that if the contract renewal is not completed and ratified by July 1st SB 239 kicks in and that will require any expired fire contracts to be reviewed by LAFCO.

The Mayor opened the item for public comment.

Don Smith provided some history regarding the transition about 20 years ago from the City having its own fire department to the County providing fire services and how smoothly it went. He recommended comparing apples to apples when researching and to make sure the service level is the same.

Seeing no further comments, the Mayor closed public comment.

Motion carried 5-0.

2. Report from Grand Jury

Interim City Manager Clayton presented the Staff Report as contained in the Agenda packet.

Council Member Peterson explained the definition and duties of a Grand Jury and provided some history regarding Grand Jury investigations related to the City of Banning. He asked for Council Member Welch's resignation and advised that if he didn't resign he will ask that a censure be placed on the next agenda as outlined in section 10.5 of the Manual of Procedural Guidelines for the Conduct of City Council and requested he provide his intent and answer to the Mayor.

Council Member Welch disputed accusations advised that he will not resign from the City Council.

Council Member Franklin disputed accusations made by Council Member Peterson and recommended Council focus on the agenda focusing on the Grand Jury Report.

Council Member Welch provided some history related to the City of Banning and the Banning Pass Area Chamber of Commerce.

Council Member Andrade would like to see the accusations stopped, recommended implementing a policy regarding agreements as suggested by the previous Grand Jury report, and she would like to see it on the next agenda. She would like the District Attorney to look into all of the sitting Council Members as Mr. Ellis recommended, but until then she recommended stopping allegations based on hearsay.

Mayor Moyer clarified that the current sales tax sharing agreement is for 15 years. He pointed out that the Grand Jury talked to three of the five Council Members and would have liked them to interview all of them. Another item he would like added to the response is the fact that they talked to two City Managers regarding sales tax sharing, the Council reviewed 11 cities and would like the data the City used included in the City's response, as he felt it should have been considered when the Grand Jury conducted their investigation.

Council Member Welch apologized to the residents for having to go through situations such as this and that it can't be handled in a respectful manner.

Council Member Peterson referred the public to view the tape from the April 17, 2017 City Council Meeting.

The Mayor opened the item for public comment.

Don Smith apologized to Council Member Welch on behalf of all of the Citizens of Banning that questioned his service to the Country and thanked him for his service. He agreed with Council Member Andrade that the Council should receive and file the Grand Jury Report and direct staff to prepare a response rather than pass blame. He believes the Chamber of Commerce is an integral part of the City and the City and Chamber should work together going forward and help local businesses. He pointed out a mistake in the Grand Jury Report that the original tax sharing agreement with Diamond Hills was done in 1994. He also explained that the Grand Jury serves an important function in determining if the Government is doing a good job and where they may not be succeeding. They are not experts and will make mistakes, but are trying to give ideas on what problems are and how to fix them.

David Ellis shared some instances where he believes Council Member Welch and Council Member Franklin have requested certain things from staff and not through the City Manager. He reminded the Council they are to go through the City Manager. He then told Council Member Welch and Council Member Franklin he would like them to resign, as he does not trust them.

Nick Partland, new resident of Banning attended the 5K and is proud of the event, as it brought the community together. He would like the people to come together to work on solutions. He would like people to put the past behind us and work together on the future.

Seeing no further comments, the Mayor closed public comment.

Motion Andrade/Franklin to receive and file the Grand Jury Report, direct staff to prepare a response to the report, and the Council to follow the policy to only provide direction to the City Manager. Motion carried, 5-0.

3. Resolution 2018-52, Approving an Agreement with the County of Riverside Department of Animal Services to Provide Basic Animal Shelter Services, Field Operations, and Licensing Services for Fiscal Year 2018-2019 in an Amount Not to Exceed \$204,372

Interim Police Chief Fisher presented the Staff Report as contained in the Agenda packet along with a PowerPoint presentation (see Exhibit "B").

Council Member Peterson asked if people get license renewals

Council Member Andrade asked if it would be cheaper to have our own Animal Control Officer and delivers them to the holding facility. Also, she would like to know how much it would cost to update the City's old facility.

Council Member Franklin indicated there was a Committee formed to review all of these questions and it was determined the best option would be to go with the County.

Mayor Moyer opened the item for public comment.

Ellen Carr with Tender Loving Critters feels the County facility and staff are a good option. She agrees that it would be nice to have a local facility. Her only concern is the cats being held in the truck all day.

David Ellis advised that he is willing to talk to an individual he knows about possibly leasing the existing facility with certain conditions if the City is interested in exploring the option.

Don Smith attended several of the community meetings regarding animal control and explained that when the committee ran calculations to if the City could provide the services the County is able to provide and it was determined the City could not provide all of the services at that low of a price because it is too small of an operation.

Seeing no further comments, the Mayor closed public comment.

Council Member Andrade asked if there would be an Animal Control Officer assigned to the City of Banning and if an animal is picked up in the morning would it be held all day or delivered to the shelter.

Council Member Franklin asked if an Animal Control Officer would be hired specifically for Banning and if the hours and work days would be negotiable, as she would like an officer to be available some weekends.

Frank Corvino, Deputy Director with the Riverside County Department of Animal Services, addressed the Council to advise that the contract cost is an all-inclusive cost, which includes the Animal Control Officer, the truck, the gas, the facilities, as well as special licenses held by the County. He advised that the Department would be willing to discuss the hours of the Animal Control Officer.

Motion Peterson/Franklin to adopt Resolution 2018-52; approving an agreement with the County of Riverside Department of Animal Services to provide basic animal shelter services, field operations, and licensing services from July 1, 2018 through June 30, 2019, and authorizing the Interim City Manager to execute the agreement Motion carried, 5-0.

4. Ordinance 1522, Amending Title 6 of the Banning Municipal Code to Regulate and Control the Keeping of Animals

Interim City Manager Clayton presented the Staff Report as contained in the Agenda packet.

Council Member Peterson asked if this would remove the City of Beaumont's Animal Control code and replace with the County's. Interim City Manager Clayton confirmed that it would.

The Mayor opened the item for public comment. Seeing none, closed public comment.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1522.

The Deputy City Clerk read the title of Ordinance 1522.

Motion Welch/Franklin to waive further reading of Ordinance 1522. Motion carried, 5-0.

Motion Welch/Franklin that Ordinance 1522 pass its first reading. Motion carried, 5-0.

5. Resolution 2018-48, Awarding a Professional Services Agreement to Albert A. Webb Associates for Active Transportation Plan Cycle 2 Design Services

Public Works Director Art Vela presented the Staff Report as contained in the Agenda packet.

Mayor Moyer asked why the price was not considered.

Director Vela explained that the Local Transportation Assistance has very stringent guidelines. The fees are submitted in a sealed envelope and staff has not even seen them yet. The proposals were ranked then staff negotiated the cost with the highest ranking firm based on qualifications.

Mayor Moyer opened the item for public comment.

Marvin Norman, Executive Director of the Inland Empire Biking Alliance, expressed his support of this project and encouraged the City to apply again as the next cycle has opened and the ATP is going to a two-year cycle. He shared that

Seeing no further comments, the Mayor closed public comment.

Motion Andrade/Welch to adopt Resolution 2018-48, 1) awarding a Professional Services Agreement for Active Transportation Plan (ATP) Cycle 2 Design Services to Albert A. Webb Associates in the amount of \$127,696 and approving a 10% contingency for a total project budget of \$140,466, 2) authorizing the Interim City Manager or her designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement and to approve change orders within the 10% contingency, and 3) authorizing the Interim City Manager or her designee to execute the Professional Services Agreement with Albert A. Webb Associates in the amount of \$127,696. Motion carried, 5-0.

6. Resolution 2018-54, Approving Amendment No. 3 to the Contract Services Agreement with Merchants Building Maintenance, LLC for Custodial Services

Public Works Director Art Vela presented the Staff Report as contained in the Agenda packet.

Council Member Peterson asked if the custodians could check and clean under the desks

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Welch/Peterson to adopt Resolution 2018-54; approving Amendment No. 3 to the Contract Services Agreement with Merchants Building Maintenance, LLC, for the not to exceed total of \$70,693 for Fiscal Year 2018/2019, adding quarterly carpet and window cleaning at the Community and Senior Center to the scope of work, and extending the term of the agreement to June 30, 2019. Motion carried, 5-0.

7. Resolution 2018-49, Approving Amendment No. 8 to the Agreement for Contractual Services with Romo Planning Group

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Welch/Peterson to adopt Resolution 2018-49; approving a one year extension to an existing Agreement for Contractual Services between the City of Banning and Romo Planning Group to provide temporary planning services through June 30, 2019, and amending the agreement to include additional compensation for additional services in an amount not to exceed \$199,680. Motion carried, 5-0.

8. Planning Commissioner Resignation & Recruitment

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet.

The Mayor opened the item for public comment. Seeing none, closed public comment.

The Deputy City Clerk to read the resignation letter received from Mr. Ellis (see Exhibit "C").

Council Member Andrade expressed her disappointment in Mr. Ellis not completing his term on the Planning Commission.

There was a consensus of the Council to post a special notice to fill the vacancy until January 2019.

The Mayor recessed the Regular Meeting of the Banning City Council and reconvened a joint meeting of the Banning City Council and the Banning Utility Authority.

REPORTS OF OFFICERS

1. Resolution 2018-39 and Resolution 2018-06 UA, Authorizing the Submittal of an Application for Grant Funds from the Bureau of Reclamation WaterSMART. Water and Energy Efficiency Grants Program for Fiscal Year 2018, Funding Opportunity No. BOR-DO-18-F006

Public Works Director Art Vela presented the Staff Report as contained in the Agenda packet.

Mayor Moyer asked about the AMI portion and if that is included.

Director Vela explained that this does not include the AMI portion. He explained the Electric Department has completed the AMR portion and their next phase is to complete the AMI portion. The Water Utility will be able to use that infrastructure once complete.

Mayor Moyer asked how much more the AMI portion would cost. Electric Utility Director Tom Miller believes it will be about \$250,000.

Council Member Peterson asked if Bond money could be used for this. Interim City Manager Clayton explained that it was not identified as a project when the Bond was issued. Electric Utility Director Miller explained that the money for the AMI portion is in the Electric Reserve Fund.

Mayor Moyer opened the item for public comment.

Don Smith congratulated staff on locating this grant opportunity and wished them success in having it approved. He asked about the status of the third component of the implementation of this program, which would be the computer program. He doesn't want to see the meters installed, the towers put in, and no computer system for them to communicate with.

Interim City Manager Clayton explained the Customer Information System (CIS) is a critical component and it will need to be implemented and is being looked at by the consultant now.

Seeing no further comments, the Mayor closed public comment.

Motion Andrade/Welch to adopt Resolution 2018-39, and Resolution 2018-06 UA; 1) authorizing the City to apply for grant funds from the Bureau of Reclamation WaterSMART. Water and Energy Efficiency Grants Program for FY 2018, and provide the required local match, if awarded, and 2) authorize the Interim City Manager or her designee to accept and receive grant funding and make necessary budget adjustments and appropriations. Motion carried, 5-0.

The Mayor recessed the joint meeting of the Banning City Council and the Banning Utility Authority and called to order a joint meeting of the Banning City Council, the City Council sitting in its capacity as the Successor Agency Board, and the Banning Utility Authority.

REPORTS OF OFFICERS

1. Resolution 2018-65 , 2018-02 SA, and 2018-07 UA, Approving Amendment No. 2 to the Professional Services Agreement with Lance, Soll, and Lunghard, LLP CPAs for Financial Auditing Services

Deputy Finance Director Suzanne Cook presented the Staff Report as contained in the Agenda packet. She noted a correction to the City Council Resolution number listed in the Agenda packet. The Utility Authority Resolution number for this item is not 2018-06 UA, it is 2018—07 UA.

Council Member Franklin asked if this audit is different than the Electric Utility audit the Council recently approved. Deputy Director Cook confirmed that it is different. The other audit only covers the Electric Utility. This audit covers the financials citywide.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Welch/Peterson to adopt Resolutions 2018-65, 2018-02 SA, and 2018-07 UA, approving Amendment No. 2 to the Professional Services Agreement with Lance, Soll, and Lunghard, LLP CPAs to exercise the options for the audit periods covering Fiscal Years ended June 30, 2018 and June 30, 2019 and authorize the Interim City Manager to execute the amendment to the contract. Motion carried, 5-0.

The Mayor adjourned the joint meeting and reconvened the Regular City Council Meeting.

ITEMS FOR FUTURE AGENDAS

Council Member Peterson would like to have a discussion about initiating censure proceedings on the next agenda. City Attorney Ennis explained there are specific procedures to follow regarding advanced notice if censure proceedings are ultimately initiated. Mayor Moyer asked for the procedures to be included with the Agenda item.

Council Member Andrade would like policies regarding handshake agreements. Interim City Manager Clayton clarified the item would be discussion on the policy to be developed. Council Member Andrade confirmed.

Council Member Andrade announced there will be a Crisis Leadership meeting on May 24th from 11:30 a.m. – 1:30 p.m. in Yorba Linda.

ADJOURNMENT

By common consent the meeting was adjourned at 9:20 P.M.


Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

These Minutes reflect actions taken by the City Council. The entire discussion of this meeting can be found by visiting the following website: <https://banninglive.viebit.com/player.php?hash=J41nB6MZd49J> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.


Exhibit “A”
to the May 22, 2018, Regular Meeting Minutes






Background


- CAL FIRE
 - Established in 1885
 - Largest Fire Agency in California
 - 7000 employees
 - Cal Fire serves as the County Fire Department for 26 of California's 58 Counties
 - Began as Banning Fire Services in 1998






Background

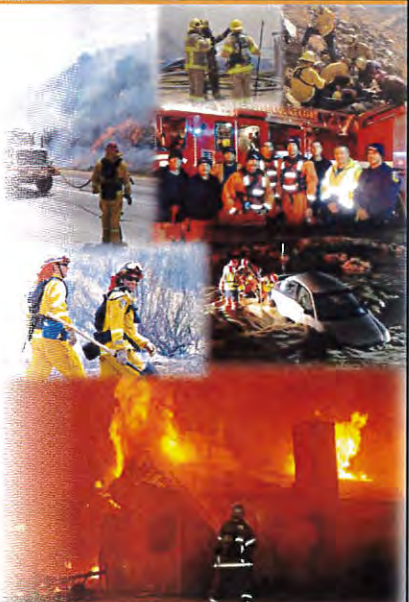
- CAL FIRE/Riverside County Fire Department
 - 1921 – Wildland Agreement
 - 1946 – Establishment of County Fire Department
 - 1978 – First Partner City Contract - City of Beaumont
 - Tasked with enforcing conditions contained within Riverside County Ordinance 787.





Background


- CAL FIRE/Riverside County Fire Department
 - 20 Partner Cities
 - 1 Community Services District
 - 1500 Personnel
 - 325 Emergency Responders on duty daily






A collage of images related to fire services. In the top left is the CAL FIRE logo. The main title 'Background' is centered at the top. The collage includes: firefighters battling a large fire in a field; a group of firefighters in full gear; a fire truck; and a large fire burning in a building.


- 92 Staffed Fire Stations
- 99 Engine Companies
- 6 Paramedic Squads
- 10 Paramedic Ambulances
- 8 Truck Companies
- 3 Conservation Camps
- 3 Bull Dozers
- 1 Water Tender
- 1 Hazardous Materials Team
- 2 Breathing Supports
- 6 US&R Units
- Significant Surge Capacity in all Program Areas



Background


- The CAL FIRE/Riverside County Fire Department seamlessly directs these many resources to any emergency, regardless of partner jurisdiction, utilizing a "boundary drop" concept. This ideology is the basis of the Regionalized, Integrated, Cooperative Fire Protection System recognized as a model across the State.






State Funded Air Program

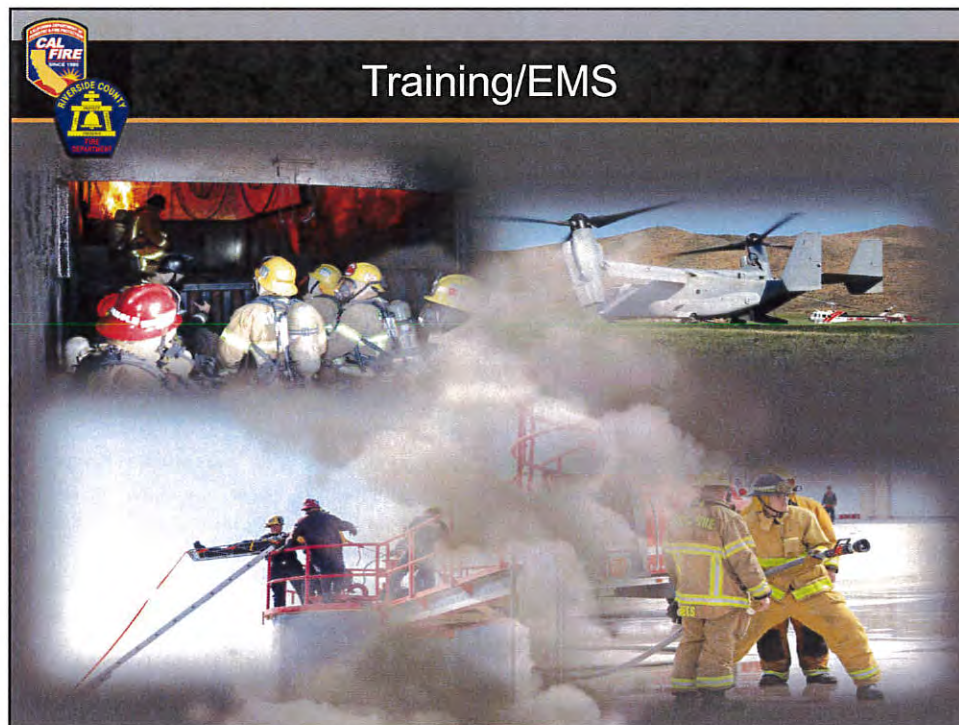
- 1 Air Attack
 - Provides tactical oversight for aerial firefighting operations.
- 2 Air Tankers





1 Helicopter

- Can deliver a 9-person firefighting crew
- Water/Retardant Drops
- Backfiring Operations
- Infra-Red Mapping
- Medical Evacuations
- Hoist Rescue




Training/EMS

In 2017, the Training Bureau conducted:

- 2 Truck Academies
- 5 Tiller Academies
- 12 New Hire Academies
- 5 Engineer Orientation Academies
- 6 Engineer CPT Classes
- 23 Rescue Courses
- 28 CAL FIRE Regional Courses


A collage of three photographs on the right side of the slide. The top photo shows a fire truck with firefighters and a group of people. The middle photo shows a car accident scene with emergency responders. The bottom photo shows a large fire burning in a structure with a firefighter in the foreground.




Training/EMS


The EMS Bureau provides a critical link between the fire department, our area hospitals and the Riverside County EMS Agency. EMS-centric training and Continuous Quality Improvement (CQI) processes are developed based on trends recognized both locally and regionally.

- In 2017, the Training/EMS Bureau provided training to more than 7000 students





Law Enforcement/Prevention



- Fire/Arson Investigations
Cause and Origin Determination
- Sworn Peace Officers
Assist Local PD When Requested
- Juvenile Fire Setter programs focus on children exhibiting unsafe behavior



Law Enforcement/Prevention

In 2017, the Law Enforcement/Prevention Bureau:

- Handled 631 case files
- Devoted more than 3100 investigative hours
- Made 87 arrests, including 59 felony arrests
- Issued 176 citations



Public Education



Public Education Programs are conducted throughout the County and include opportunities for both adults and children. Public Safety Fairs encourage emergency preparedness for families while classroom sessions and muster activities educate children on the importance of fire safety.



Fire Marshal's Office

- **Works Closely with Building and Safety**

In 2017, the Fire Marshal's Office performed 13,120 Plan Reviews.



- **Business Inspections**

In 2017, the Fire Marshal's Office performed 38,417 New License & Fire Safety Inspections



Service Center Warehouse





Fleet



- Inspections/Preventative Maintenance
- County Field Mechanics with State oversight
- Manages the Engine Replacement Program
 - Replacement based on vehicle age and response volume.



Resource Management

Registered Professional Foresters provide

- Consultation on Tree Health
- Fuels Management
- Consultation for CEQA needs when landowners or HOA's are considering fuels management options.

Registered Professional Foresters

- Work with our Conservation crews on projects to ensure plans are cut to expectation
- Belong to working groups in the County and across the State, and are constantly exposed to new issues and treatment options
- Oversee Resource Management Programs including : Archaeology, Climate and Energy, Environmental Protection, FRAP, Forest Practice, Forest Assistance, Urban Forestry and Vegetation Management.





Communications / IT

- Technology devices and applications are supported 24x7
- Systems are standardized throughout the county for all users, streamlining repair procedures and ultimately reducing labor costs
- Bulk purchases reduce costs
- Single technology platforms reduce training requirements



Headquarters Staff

- State and County Administration Staff
 - Chief Officers
 - Payroll
 - 1500 employees
 - Personnel Services
- County Staff
 - Finance
 - PIO
 - Photographers
 - Chaplin's





Emergency Command Center



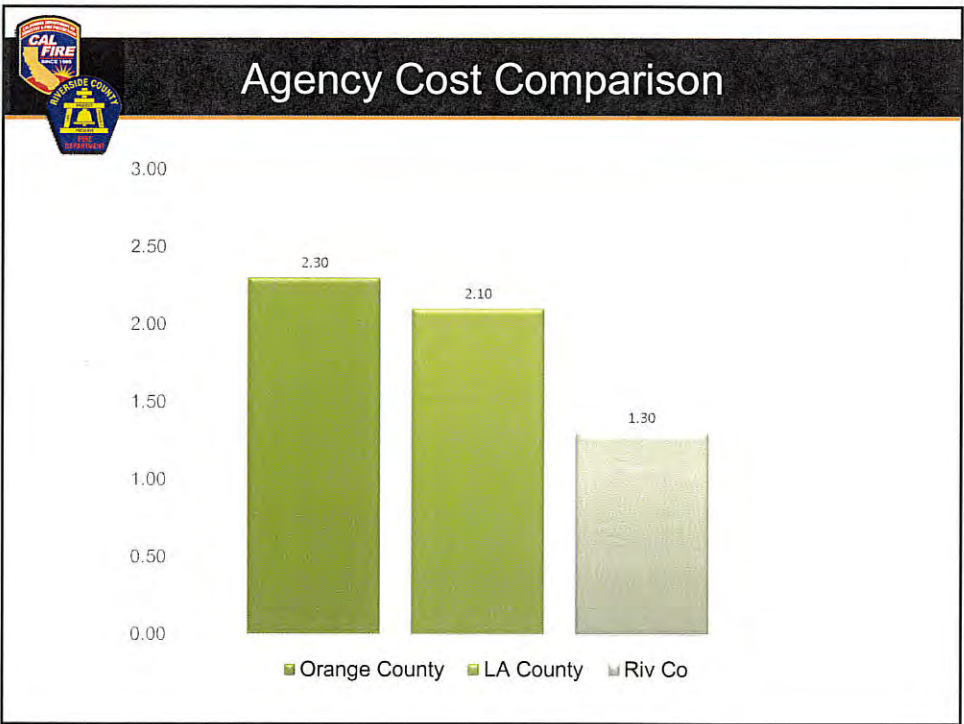
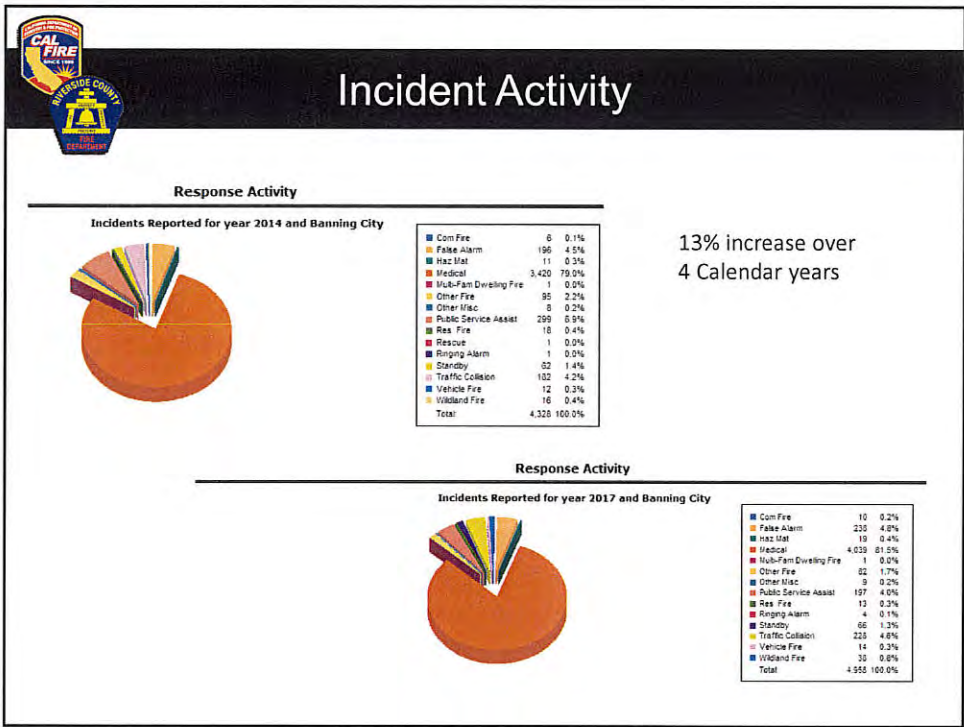
- Dispatched 164,977 calls for service in 2017
- Anticipate to dispatch more than 170,000 calls in 2018
- More than 450 calls for service daily
- Emergency Medical Dispatch (EMD)




Incident Activity


- Riverside County is the fourth most populous county in California and the 11th most populous in the United States.
- Between 2006 and 2017, both the yearly incident activity and the daily response average for Riverside County Fire Department increased by 46.9%.
- With the population of our county continuing to grow steadily, it is anticipated the Riverside County Fire Department's activity will also increase.









Oak Glen Division




Steve Beach



Battalion Chief Mike Smith
Battalion 3



Battalion Chief Andrew Bennett
Oak Glen Conservation Camp



Battalion Chief Tim Chavez
Battalion 3




Exhibit “B”
to the May 22, 2018, Regular Meeting Minutes



Animal Control

Presented by:
Interim Chief of Police
Robert Fisher



Animal Control History

In 2010, the Banning Animal Shelter was closed due to extensive flood damage.



Since July 1, 2010, Banning has contracted with the city of Beaumont to provide Animal Control Field Services.





Current Animal Control Status



Recently, the City of Beaumont decided to discontinue Banning's Animal Control Services contract.

The current contract expires on June 30, 2018.



Option 1 - Renovate Banning Facility



The City Council can choose to completely renovate the Banning Animal Shelter facility, which would potentially cost up to \$1,000,000 plus operating costs.



Option 2 – Riverside County Shelter

The City can also choose to have the Banning Animal Shelter remain closed, and contract for Animal Control with Riverside County's Department of Animal Services.



Option 2 – Located in San Jacinto



The Riverside County Shelter is located at 581 S. Grand Avenue, in the city of San Jacinto.





Option 2 – Services & Costs



Riverside County Shelter
One full-time Officer: \$127,026



Option 2 – Services & Costs



Riverside County Shelter
Animal Care/Shelter Services: \$68,202



Option 2 – Services & Costs



Riverside County Shelter
Operation & Maintenance: \$9,144



Option 2 – Total Services & Costs



Riverside County Shelter - Option 2
Total annual cost for all services: \$204,372



License Processing



Riverside County Shelter
License Processing: \$6/per license.



Riverside County Animal Control Field Services





Field Service Assistance



Riverside County Animal Control will provide Field Service Assistance. A Field Services officer will respond to all calls for field service assistance pursuant to the priority of calls as described.



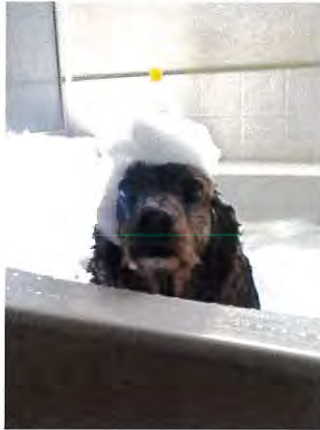
Impoundment

The Field Service officer will impound all animals found at large and collect such impound fees.





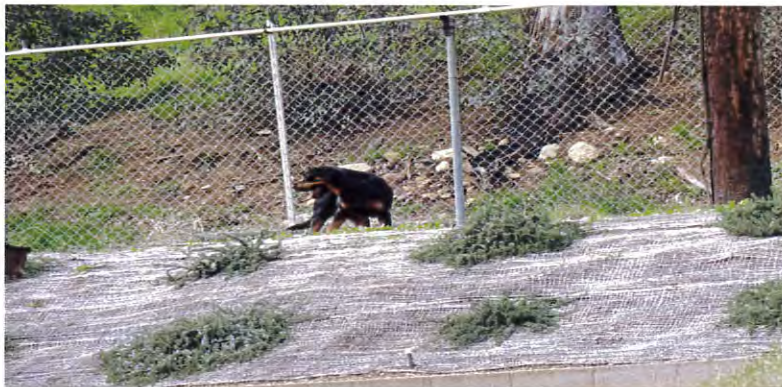
Proper Care and Treatment



Riverside County Animal Shelter and staff will provide proper care and treatment to any stray or abandoned animal.



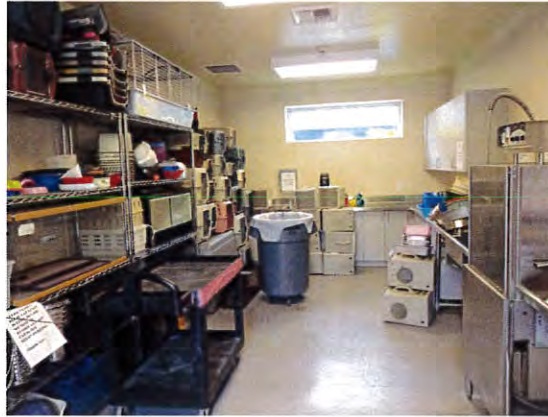
Animal Bites



Riverside County Animal Control will investigate reported bites by animals.



Quarantine



Riverside County Animal Control will quarantine animals, as prescribed by State law.



Stray and Barking Complaints



Riverside County Animal Control will respond to and process stray and barking animal complaints.



Dead Animals



Riverside County Animal Control will attend to and remove dead animals from the public right-of-way.



Return of Impounded Animals



Riverside County Animal Shelter encourages the return of any lost/stray impounded animals.





Overtime Field Service Rate



Riverside County's Over-time Field
Services Assistance rate: \$82 per hour



Recommended Action

Recommended Action:

Staff recommends the
City Council Adopt
Resolution 2018-52,
approving an agreement
with Riverside County
Animal Control.

Amendment to Title 6 of
the Banning Municipal
Code to Regulate and
control the keeping of
Animals.





Questions



Thank You!

Exhibit “C”
to the May 22, 2018, Regular Meeting Minutes



To whom it may concern

As I had indicated in the most recent council meeting, I have submitted my resignation from the Planning Commission. You may ask: why?

I have made the decision to resign because I am going to be running for city council in November to replace Debbie Franklin. For those who have followed the course of events, it was Debbie Franklin who voted to remove me from the Planning Commission in 2016, along with Art Welch and George Moyer. They did so because I had publicly shamed Art Welch. My crime : I publicly cited an article by the Banning Informer which suggested that Welch is under the influence of alcohol during council meetings. So much for free speech in Banning.

Several months after my forced removal from the Commission, a council majority reconsidered their decision, and re-appointed me. The re-appointment was based on my qualifications and track record as a Commissioner, which always put the interests of Banning over those of special interests. The re-appointment was supported by council members Peterson and Andrade as well as Mayor George Moyer.

I feel that the position of Planning Commissioner is much too important for our city than to ever be used as a political tool - in an election or otherwise. But, as we have learned in the past, this is not to say that it won't. It goes without saying that during my campaign, I will be vocal about my disagreement with many decisions Debbie Franklin and others have made on the council.

Knowing first hand how Franklin and Welch operate, I cannot allow them to remove me as a Planning Commissioner yet again, in an attempt to make me look bad with the public and derail my candidacy. It is this circumstance, and this circumstance only, that is the reason for my

resignation.

If you are as tired as I am of the ruthless and draconian ways Franklin & Co. run this city, come November you will have an opportunity to send a clear message by electing me for the city council. I can assure you things will change.

Sincerely,



David Ellis

5/17/2018

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/04/18
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Moyer on June 4, 2018, at 8:30 p.m. at the Banning Civic Center Large Conference Room, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Council Member Andrade
Council Member Franklin
Council Member Peterson
Council Member Welch
Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Roxanne Diaz, City Attorney's Office
Robert Meteau, Deputy Human Resources Director
Sonja De La Fuente, Deputy City Clerk

CLOSED SESSION

Mayor Moyer opened the closed session items for public comments. Seeing none, closed public comment.

The Mayor listed the item on the closed session agenda, which included:

1. PUBLIC EMPLOYEE APPOINTMENT: City Manager – Pursuant to Government Code Section 54957.

The Meeting convened to closed session at 8:31 a.m. and reconvened to open session at 9:36 a.m.

Roxanne Daiz announced the City Council discussed the one and only item on the agenda, and there was no reportable action.

ADJOURNMENT

By common consent the meeting adjourned at 9:36 a.m.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Laurie Sampson, Executive Assistant

MEETING DATE: June 12, 2018

SUBJECT: 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.

ATTACHMENT:

- 1) List of Contracts approved by City Manager

Reviewed and Approved by:



Rochelle Clayton, Interim City Manager

ATTACHMENT 1

List of Contracts

Contracts, Change Orders and Sole Sources Approved Within City Manager Signature Authority (May 1, 2018 - May 31, 2018)

City Manager Approval	Vendor Name	Description of Item/Service	Contact Award Total	Department/Division	Comments
9-May-2018	Arroyo Background Investigations	Renewal #2 - Pre-Employment PD Background Investigations	\$ 19,700.00	City Manager - HR	Exempt from procurement.
22-May-2018	Landscape Dynamics	Amendment #1 - LMD Redesign	\$ 14,152.50	Public Works	Amendment to extend to 8/31/18.
30-May-2018	Golden Bell Products, Inc.	Amendment #1 - Wastewater Roach Control Services	\$ 19,350.00	PW - Water/Wastewater	Amendment #1 - 1st renewal of 5 year contract - Sole Source
31-May-2018	Pro-Craft Construction, Inc.	Plumbing Services	\$ 25,000.00	PW - B/M	New contract
31-May-2018	Corner Keystone Construction Corporation	Nuisance Abatement Services (Board-Ups & Clean-Ups)	\$ 20,000.00	Police Dept.	New contract

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director/Interim ASD

MEETING DATE: June 12, 2018

SUBJECT: Receive and File Cash, Investments and Reserve Report for the Month of February 2018

RECOMMENDATION:

That City Council receive and file Cash, Investment and Reserve Report for **February 28, 2018** in accordance with California Government Code 53646.

CASH AND INVESTMENT SUMMARY:

Description		Prior Month	Current Month
Funds Under Control of the City			
Cash			
	Cash on Hand \$	4,155.00 \$	4,155.00
	Checking and Savings Accounts \$	4,553,024.47 \$	5,845,951.20
Investments			
	LAIF \$	44,300,196.91 \$	44,300,196.91
	Brokerage \$	26,279,253.10 \$	26,286,263.13
Total Funds Under Control of the City	\$	75,136,629.48 \$	76,436,566.24
Funds Under Control of Fiscal Agents			
US Bank			
	Restricted Bond Project Accounts \$	25,133,984.69 \$	25,145,294.97
	Restricted Bond Accounts \$	5,676,546.19 \$	5,676,578.98
Union Bank			
	Restricted Funds \$	1,384,723.10 \$	1,195,607.90
Total Funds Under Control of Fiscal Agents	\$	32,195,253.98 \$	32,017,481.85
Total Funds	\$	107,331,883.46 \$	108,454,048.09

RESTRICTED, ASSIGNED, COMMITTED AND RESERVED SUMMARY:

Description		Current Month
Total Funds		\$ 108,454,048.09
Restricted Funds		\$ 49,370,539.76
Assigned Funds - Specific Purpose		\$ 8,684,911.34
Committed Funds - Specific Purpose		\$ 4,096,473.25
Fund Balance Reserves		\$ 14,902,329.25
Total Restricted, Assigned, Committed and Reserved Funds		\$ 77,054,253.60
Operating Cash - Unrestricted Reserves		\$ 31,399,794.49
Less Accounts held in Investments		\$ 26,286,263.13
Liquid Cash		\$ 5,113,531.36

ATTACHMENTS:

- Cash, Investment and Reserve Report February 2018
- Investment Report February 2018
- LAIF / PMIA Performance Report

If you have any questions, please contact the Finance Department so that additional detailed information can be provided to you.

Approved by:



Rochelle Clayton
Interim City Manager

City of Banning
Cash, Investment & Reserve Balances - February 28, 2018

Cash & Investments		January 2018	February 2018	Reserve Balances	
Institution/Investment Type	Balance	Balance		Description	Balance
Funds Under Control of the City:					
Petty Cash / Cash on Hand	\$ 4,155.00	\$ 4,155.00		RESTRICTED FUNDS	
	\$ 4,155.00	\$ 4,155.00		Restricted Project Funds	\$ 25,145,294.97
Checking and Savings:				Bond Funds Held with Fiscal Agents	\$ 5,676,578.98
Wells Fargo - General Account - XXXXX5798	\$ 4,294,372.84	\$ 5,578,559.13		CASIO - City of Banning 6731036994	\$ 110,855.63
Bank of America - Parking Citations - XXXXXXXX 8776	\$ 40,321.89	\$ 42,136.38		City of Banning - 6736305920 - RPU	\$ 1,084,752.27
Bank of America - Airport Visa - XXXXXXXX 7548	\$ 132,333.11	\$ 139,314.91		Customer Deposit Accounts	\$ 1,429,061.69
Bank of America - CNG Charge Acct XXXXXXXX 5594	\$ 85,996.63	\$ 85,940.78		Capital Facility Fees (Funds 661, 662, & 681)	\$ 15,656,604.15
	\$ 4,553,024.47	\$ 5,845,951.20		Parking Citations	\$ 42,136.38
				Airport	\$ 139,314.91
				CNG	\$ 85,940.78
State of California, Local Agency Investment Fund					\$ 49,370,539.76
City of Banning XX-XX-050	\$ 44,300,196.68	\$ 44,300,196.68			
Successor Agency XX-XX-001	\$ 0.23	\$ 0.23			
	\$ 44,300,196.91	\$ 44,300,196.91			
% of Investments in LAIF (Maximum 40% allowed per Investment Policy)	63%	63%		ASSIGNED FUNDS - SPECIFIC PURPOSE	
US Bank				Workers Compensation - PERMA	\$ 300,000.00
City of Banning Custody Account XXXXX6000				Capital Replacement	\$ 1,500,000.00
Government Agencies				Debt Service Payments	\$ 6,884,911.34
F H L M C 313397RK9 Disc Note Market Value \$11,975,760.00	\$ -	\$ -			\$ 8,684,911.34
Maturity 1/5/2018 Rolled over into CI D 31846V401	\$ -	\$ -			
Federal Home Loan Bks 313385LC8 Disc Note Market Value				COMMITTED FUNDS - SPECIFIC PURPOSE	
\$11,965,080.00 Maturity 8/31/2017	\$ -	\$ -		General Fund - Emergency Contingency 25%	\$ 4,096,473.25
First American Government Oblig Fd CI D 31846V401 Market Value				(minimum req. \$1,500,000)	
#3802 \$12,279,253.10	\$ 12,279,253.10	\$ 12,286,263.13			\$ 4,096,473.25
Federal Home Loan Bks 3130A6K89 Market Value \$1,988,340	\$ 2,000,000.00	\$ 2,000,000.00			
Maturity 10/5/2018	\$ 3,000,000.00	\$ 3,000,000.00			
Federal Home Loan Bks 3130A7G25 Market Value \$2,973,570	\$ 3,000,000.00	\$ 3,000,000.00			
Maturity 3/15/2019	\$ 3,000,000.00	\$ 3,000,000.00			
F H L M C M T N 3134GBJ52 Market Value \$2,966,160 Maturity 9/27/19	\$ 3,000,000.00	\$ 3,000,000.00			
F H L M C M T N 3134GBJ83 Market Value \$2,955,150.00 Maturity 3/27/2020	\$ 3,000,000.00	\$ 3,000,000.00			
F N M A M T N 3136G4PP2 Market Value \$2,942,460 Maturity 10/26/2020	\$ 3,000,000.00	\$ 3,000,000.00			
	\$ 26,279,253.10	\$ 26,286,263.13			
Total Funds Under Control of the City	\$ 75,136,629.48	\$ 76,436,566.24			
Funds Under Control of Fiscal Agents:					
US Bank				AVAILABLE FUND BALANCE RESERVES	
2015 Water Revenue Bonds-BUA Water Projects - 258228005	\$ 3,017,454.91	\$ 3,019,462.31		Electric Rate Stabilization Fund	\$ 6,611,896.60
2005 Wastewater Project Fund Bond - 792143006	\$ 3,276,174.27	\$ 3,276,730.76		Electric Operational Fund	\$ 3,305,948.30
2015 Electric Revenue Bond-Acquisition & Construction Fund - 262685003	\$ 11,195,283.67	\$ 11,202,731.46		BUA Water Fund	\$ 1,215,026.80
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable)				BUA Wastewater Fund	\$ 353,757.20
Unexpended Proceeds Fund - 277166005	\$ 7,645,071.84	\$ 7,646,370.44		Self Insurance Fund	\$ 500,000.00
Restricted Project Funds Available	\$ 25,133,984.69	\$ 25,145,294.97		Designated, Unreserved	
				Mining Tax Collected	\$ 979,274.00
2015 Electric Revenue Bond-Escrow Fund - 277248000/262685001				PEG Reserve	\$ 133,104.35
Wastewater System Improvement Project Fund Bond 1989 Escrow				Litigation Contingency	\$ 179,189.00
Account for AC 94627350- 792145000	\$ 113,658.00	\$ 113,658.00		Gas Tax & Police Reward	\$ 189,325.00
Water System Improvement Project 1989 Escrow Acct AC 94627340	\$ 216,984.00	\$ 216,984.00		CalPERS Liability	\$ 500,000.00
792146000	\$ 2,428,543.76	\$ 2,428,543.76		Compensated Absences	\$ 934,808.00
2015 Electric Revenue Bond-Reserve Fund - 262685002 - Market Value					\$ 14,902,329.25
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Principal Acct- 78958201	\$ 6.37	\$ 7.19			
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Reserve Fund- 78958203	\$ 188,213.56	\$ 188,245.53		Operating Cash	
BUA Wastewater Enterprise Lease Revenue Bonds Series 2005				Balance Available for Daily Operations	\$ 31,399,794.49
Reserve Fund - 7912143004	\$ 523,623.18	\$ 523,623.18		Less Amount held in investments	\$ 26,286,263.13
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable)				Liquid Cash	\$ 5,113,531.36
Reserve Fund- 277166004 Market Value	\$ 2,205,497.50	\$ 2,205,497.50			
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Cost of Issuance - 277166006	\$ -	\$ -			
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Revenue Fund - 277166000	\$ 19.82	\$ 19.82			
Bond Funds Held with Fiscal Agent - Restricted	\$ 5,676,546.19	\$ 5,676,578.98			
Union Bank of California:					
CASIO - City of Banning XXXXX6994	\$ 110,742.63	\$ 110,855.63			
City of Banning - XXXXX5920 - RPU	\$ 1,273,980.47	\$ 1,084,752.27			
Funds Held with Fiscal Agent - Restricted	\$ 1,384,723.10	\$ 1,195,607.90			
Total Funds Under Control of Fiscal Agents	\$ 32,195,253.98	\$ 32,017,481.85			
Grand Total	\$ 107,331,883.46	\$ 108,454,048.09		Grand Total	\$ 108,454,048.09
				UNRESTRICTED RESERVES	\$ 31,399,794.49

I hereby certify that the investment activity for this reporting period conforms with the investment policy adopted by the City of Banning's City Council and the California Government Code Section 53601 (with the exception of funds held in LAIF)

I also certify that there are adequate funds available to meet the City's Budget.

Suzanne Cook

Suzanne Cook
Deputy Finance Director/Interim ASD

Prepared by Suzanne Cook
Administrative Services Department / Finance

City of Banning
Report of Investments
February 2018

Investment Held by <i>State of California, Local Agency Investment Fund</i>	Investment Name	Investment Type	CUSIP Number	Standard & Poors Rating	Moodys Rating	Maturity Date	Par	Market Yield	Market Price	Market Value	Percentage of Investments
<i>US Bank- Broker Piper Jaffray</i>	City of Banning Successor Agency	Pooled Investment	N/A	N/A	N/A	N/A	\$ 44,300,196.68	1.412	99.809	\$ 44,215,739.64	62.8%
		Pooled Investment	N/A	N/A	N/A	N/A	\$ 0.23	0.000		0.23	0.0%
							\$ 44,300,196.91			\$ 44,215,739.87	62.8%
	Government Agencies						\$ -				
	First American Government Oblig Fd Cl D	Cash Equivalent	31846V401	N/A	N/A	N/A	\$ 12,286,263.13	0.830	100.000	\$ 12,286,263.13	17.4%
	Federal Home Loan Bks	US Government Issue	3130AGK89	AA+	Aaa	10/5/2018	\$ 2,000,000.00	1.060	99.417	\$ 1,988,340.00	2.8%
	Federal Home Loan Bks	US Government Issue	3130AGZ5	AA+	Aaa	3/15/2019	\$ 3,000,000.00	1.270	99.119	\$ 2,973,570.00	4.3%
	F H L M C M T N	US Government Issue	3134GBJ52	AA+	Aaa	9/27/2019	\$ 3,000,000.00	1.520	98.872	\$ 2,966,160.00	4.3%
	F H L M C M T N	US Government Issue	3134GBJ83	AA+	Aaa	3/27/2020	\$ 3,000,000.00	1.620	98.505	\$ 2,955,150.00	4.3%
	F N M A M T N	US Government Issue	3136G4PP2	AA+	Aaa	10/26/2020	\$ 3,000,000.00	1.780	98.082	\$ 2,942,460.00	4.3%
Total Investments										\$ 70,327,683.00	100.0%



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
02/27/18	1.43	1.38	166
02/28/18	1.46	1.38	172
03/01/18	1.48	1.38	181
03/02/18	1.48	1.38	182
03/03/18	1.48	1.38	182
03/04/18	1.48	1.39	182
03/05/18	1.48	1.39	179
03/06/18	1.48	1.39	178
03/07/18	1.48	1.39	177
03/08/18	1.49	1.39	176
03/09/18	1.50	1.39	177
03/10/18	1.50	1.39	177
03/11/18	1.50	1.40	177
03/12/18	1.50	1.40	178
03/13/18	1.51	1.40	177
03/14/18	1.51	1.40	176
03/15/18	1.52	1.40	176
03/16/18	1.53	1.40	176
03/17/18	1.53	1.41	176
03/18/18	1.53	1.41	176
03/19/18	1.53	1.41	176
03/20/18	1.54	1.41	175
03/21/18	1.54	1.41	174
03/22/18	1.55	1.41	178
03/23/18	1.56	1.42	180
03/24/18	1.56	1.42	180
03/25/18	1.56	1.42	180
03/26/18	1.56	1.42	176
03/27/18	1.57	1.42	175
03/28/18	1.57	1.42	177
03/29/18	1.58	1.43	179

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

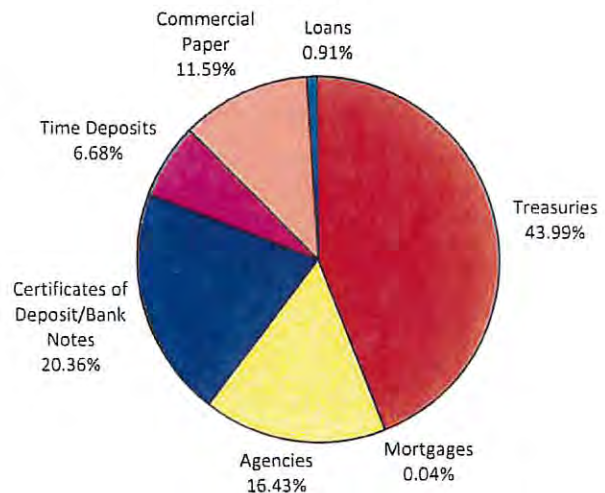
Quarter Ending 12/31/17

Apportionment Rate: 1.20%
 Earnings Ratio: .00003301121703481
 Fair Value Factor: 0.998093529
 Daily: 1.30%
 Quarter to Date: 1.18%
 Average Life: 186

**PMIA Average Monthly
Effective Yields**

Feb 2018 1.412
 Jan 2018 1.350
 Dec 2017 1.239

**Pooled Money Investment Account
Portfolio Composition
02/28/18
\$76.4 billion**



Based on data available as of 4/4/2018

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ORDINANCE NO. 1522

AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA, ADOPTING BY REFERENCE TITLE 6, ANIMALS, OF THE RIVERSIDE COUNTY CODE AS THE CITY'S ANIMAL CONTROL ORDINANCE, AND AMENDING THE BANNING MUNICIPAL CODE

WHEREAS, the City of Banning ("City") approved an Agreement for Animal Services Between the City of Banning and the County of Riverside on May 22, 2018 ("Agreement"), which requires that the City adopt Title 6 of the Riverside County Code of Ordinances in order for the County to provide animal shelter and field services; and

WHEREAS, California Government Code Section 50022.2, et seq. authorizes the adoption by reference of county and State Codes; and

WHEREAS, a duly noticed public hearing, as required by California Government Code Section 50022.3, has been conducted and concluded prior to the adoption of this Ordinance; and

WHEREAS, at least one (1) copy of Title 6 of the Riverside County Code of Ordinances, certified as full, true and correct, has been filed in the office of the City Clerk of the City of Banning in accordance with the provisions of California Government Code Section 50022.6; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:**

SECTION 1. Chapter 6.04 (Animal Code) of Title 6 (Animals) of the Banning Municipal Code is hereby repealed, subject to the savings clause set forth in Section 5 of this Ordinance.

SECTION 2. A new Chapter 6.04 (Animal Code) is hereby added to Title 6 (Animals) of the Banning Municipal Code to read as follows:

"CHAPTER 6.04 -- ANIMAL CODE

Chapter 6.04 - ANIMAL CODE

6.04.010 - Incorporation by reference.

A. Except as otherwise provided in this chapter, the following chapters of that certain document entitled, "Title 6 -- Animals" of the Riverside County Code, and all appendices, tables, and indices thereto, as the same existed on June 12, 2018 (hereafter "County Animal Code"), are hereby adopted by reference and incorporated as if fully set out herein, and the provisions thereof shall be controlling within the limits

of the city, pursuant to the provisions of Section 50022.1 et seq. of the California Government Code:

1. Chapter 6.04. Animals Generally.
2. Chapter 6.05. Crowing Roosters.
3. Chapter 6.06. Mandatory Altering and Licensing of Miniature Pigs.
4. Chapter 6.08. Dogs, Cats and Other Animals.
5. Chapter 6.12. Abandoned, Neglected and Cruelly Treated Animals.
6. Chapter 6.16. Potentially Dangerous and Dangerous Animals.
7. Chapter 6.20. Noisy Animals.
8. Chapter 6.24. Burros.

B. One copy of the County Animal Code, described in this section, has been deposited in the Office of the City Clerk and shall be at all times maintained by the City Clerk for use and examination by the public.

6.04.020 - Definitions; amendments to adopted animal code.

Whenever any of the following names or terms are used in the County Animal Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

A. "Animal services director" means the person or entity designated under this chapter as the animal services director for the City of Banning, including but not limited to any person or entity designated by the County of Riverside as the Riverside County animal services director.

B. "Animal services officer" means any person or entity designated under this chapter as the animal services officer for the city, including, but not limited to, any County animal services employee designated to enforce the animal control regulations of this chapter.

C. "City" means the City of Banning.

D. "County animal control ordinance" or "county ordinance" includes the County Animal Code, Title 6 of the Banning Municipal Code, and any other ordinance of the City of Banning related to animal control and/or animals.

E. "Chief of police" or "police chief" means the chief of police for the City of Banning.

F. "County of Riverside" or "County" or "Riverside County" means the City of Banning, except where the County of Riverside is the correct notation due to circumstances.

G. "Department" means the County of Riverside Department of Animal Services.

H. "Peace officer" or "Riverside County peace officer" includes the Chief of Police of the City of Banning and any other City of Banning peace officer, the Riverside County Sheriff and/or any other deputy sheriff, and any other sworn peace officer as defined under California law.

I. "Planning director" is the director of the community development department for the City of Banning or his/her designee.

J. "Unincorporated area of the County of Riverside" or "unincorporated Riverside County" shall mean and include the area within the corporate boundaries of the City of Banning.

6.04.030 - Roosters, peacocks and flocks prohibited.

Section 6.04.025 is added to the County Animal Code to read as follows:

6.04.025 - Roosters, peacocks and flocks prohibited.

No person, either as owner, agent or employee, shall keep any roosters, peacocks, or pigeons, doves, ducks, or other birds or fowl, domestic or otherwise within the City of Banning except within the zoning districts in which the fowls are permitted by Chapter 17.40 (Animal Keeping Standards) of the Banning Zoning Code.

6.04.040 - Delegation of authority to other municipality; interpretation.

Section 6.04.160 is added to the County Animal Code to read as follows:

6.04.160 - Delegation of authority to other municipality; interpretation.

The City reserves the right to delegate its authority over animal control administration and the enforcement of this Title to a duly-authorized and qualified municipality operating an animal control program or contractor. In the event of such a delegation of authority to a municipality or contractor, the provisions, terms and definitions established by this Title shall, to the extent reasonably possible, be construed in maximal consistency with any agreed, written contractual arrangements between the City of Banning and the municipality providing animal control services or the contractor. If this Title cannot be reasonably construed in consistency with a written contractual arrangement between the City of Banning and a municipality providing animal control services or contractor, then the written contract provisions shall control.

6.04.050 - Violation—Penalties; alternatives.

Section 6.04.170 is hereby added to the County Animal Code to read as follows:

6.04.170 - Violations -- Penalties; alternatives.

In the discretion of the Enforcement Officer (as that term is defined in Section 1.20.020 of the Banning Municipal Code), any person violating the provisions of any chapter contained in this Title 6 shall be issued an Administrative Citation pursuant to Banning Municipal Code Chapter 1.20, or shall be guilty of criminal penalties as provided under Banning Municipal Code Chapter 1.28. Each such violation shall be deemed a separate offense.

6.04.060 - Mandatory dog licensing and vaccination; amendments.

Subsection Q is hereby added to Section 6.08.020 of the County Animal Code to read in its entirety as follows:

Q. Notwithstanding any other provision of this Section 6.08.020, no license fee shall be required from the holder of a "lifetime" license for a dog in accordance with the following provisions:

1. As used in this Subsection, a "lifetime" license shall only refer to the waiver of licensing fees required pursuant to Subsection F. Certificates of vaccinations as required by this Chapter shall be the determining factor if a license is valid as defined in this Chapter.

2. An owner of a dog is only exempt from payment of licensing fees under this Subsection Q if he/she possesses a "lifetime" license that was previously issued for the dog by the City of Beaumont on behalf of the City of Banning prior to the effective date of this Subsection.

3. If a dog owner possesses a "lifetime" license for his/her dog as of the effective date of this Subsection, but subsequently does not provide an updated rabies vaccination certificate within 30 days of its expiration or any future certificate expiration date, the owner's "lifetime" license will expire, and the owner will need to reapply for that license including payment of all applicable license fees pursuant to Subsection F.

4. The fees for a "lifetime" license shall be issued a pro-rata credit pursuant to Subsection K during only the first year of issuance.

6.04.070 – Entry into or upon kennels and catteries.

Section 6.08.055 is hereby added to read as follows:

6.08.055 - Entry into or upon kennels and catteries.

Notwithstanding any other provision of this Title, the Animal Services Officer is hereby authorized to enter upon and inspect the premises of any kennel or cattery located in the City for the purpose of determining whether such kennel or cattery is in compliance with the provisions of this Title and the requirements set forth in Title 17 (Zoning) of the Banning Municipal Code, including but expressly not limited to Chapter 17.40 (Animal Keeping Standards).

6.04.080 -- Duties and powers of officers; amendments.

Subsection (1) of Section 6.08.080 of the County Animal Code is amended in its entirety to read as follows

6.08.080 - Duties and powers of officers.

1. It shall be the duty of all peace officers of the City of Banning and the County of Riverside, to cooperate with and assist the animal services director in the enforcement of the provisions of this chapter, and in the enforcement of California State law relating to the regulation, care and/or keeping of animals, and such peace officers and the animal services director/designee shall be empowered to:

a. Receive, take up and impound any dog or other animal found running at large in violation of this chapter, any other ordinance or of any law of the State of California.

b. Issue a warning notice for, citation for, or investigate any violation of any provision of any county ordinance or California law regarding the care or keeping of animals.

c. Investigate whether a dog is licensed in compliance with the requirements of this chapter.

d. Seize and impound any animal as authorized by this chapter or any other ordinance or state law. When the animal to be taken or seized is located inside a private residence or in its curtilage, a judicial order directing seizure of the animal shall, absent exigent circumstances, be obtained prior to seizure.

e. Regularly and adequately feed, water and otherwise care for any animals impounded under the provisions of this chapter, other ordinance or state law or to provide for such feeding and/or watering and care.

f. Follow the provisions of the Riverside County Ordinance No. 716 in humanely destroying or giving emergency care to sick or injured animals.

All other provisions of Section 6.08.080 remain unchanged.

6.04.090 - Altered and Unaltered Animals.

Subsection (E)(1) of Section 6.08.120 - Altered and Unaltered Animals of the County Animal Code, is amended to read as follows:

1. An administrative citation, infraction, or other such authorized penalty may be issued to an owner or custodian of an unaltered dog or cat for a violation of this section only when the owner or custodian is concurrently cited for another violation under state or local law pertaining to the obligations of a person owning or possessing a dog or cat.

All other provisions of Section 6.08.120 remain unchanged.

6.04.100 - Failure to quarantine; amendments.

Subsection B of Section 6.08.200 of the County Animal Code is amended in its entirety to read as follows:

- B. Persons who violate a home quarantine, fail to produce an animal for quarantine upon demand, or in any other way interfere with rabies investigation, shall, in the discretion of the Animal Services Officer, be administratively cited under Chapter 1.20 of the Banning Municipal Code, or shall be guilty of a misdemeanor as provided under Banning Municipal Code Chapter 1.28, and/or pursuant to Section 121710 of the California Health and/or Safety Code and Section 9701 of the California Food and Agriculture Code, which is punishable by imprisonment in the County Jail for a period not to exceed one year, or by a fine of not less than one hundred dollars (\$100.00), nor more than one thousand dollars (\$1,000.00) per day of violation, or both fine and imprisonment.

6.04.110 -- Recoupment of enforcement costs; amendments.

The preface of Section 6.08.210 and Subsection (A) of Section 6.08.210 of the County Animal Code are hereby amended in their entirety to read as follows:

6.08.210 - Recoupment of enforcement costs.

The intent of this section is to authorize the recoupment of administrative costs reasonably related to the enforcement of this Ordinance. In furtherance of this intent the County and City of Banning shall be entitled to recover costs of enforcement, including costs of staff time, by complying with the following procedure:

- A. Records of costs. The department of animal services shall maintain records of all administrative costs, incurred by the department and all other responsible county departments and the City of Banning, in the processing of the violation or violations and the enforcement of this chapter and other

applicable ordinances and may recover such costs from the violator and/or property owner or property occupier as provided herein.

All other provisions of Section 6.08.210 remain unchanged.

6.04.120 -- Public nuisance, amendments.

Subsection (A) of Section 6.08.230 of the County Animal Code is hereby amended in its entirety to read as follows:

6.08.230 - Public nuisance.

A. The possession or maintenance of any dog, cat or other identified animal or the allowing of any dog, cat or other identified animal to be in violation of this chapter, Ordinance No. 771 or any other county ordinance or state law, is hereby declared to be a public nuisance. The animal services director and any Riverside County peace officer are hereby directed and empowered to abate any such public nuisance independently of any criminal prosecution or the results of thereof, by any means reasonably necessary to accomplish said abatement including but not limited to the destruction of the dog, cat or other identified animal involved, or by the imposition of specific reasonable conditions and restrictions for the maintenance of such dog, cat or other identified animal. Failure to comply with such conditions and restrictions is a misdemeanor. The owner of such dog, cat or other identified animal shall reimburse to the County of Riverside and City of Banning for all costs incurred in enforcing compliance with the provisions of this Section 6.08.230. The County of Riverside, by and through the animal services director, and/or the City of Banning, by and through the Chief of Police, may also commence and maintain such proceedings in a court of competent jurisdiction as are appropriate under the laws and regulations of the State of California for the abatement and redress of public nuisances.

All other provisions of Section 6.08.230 remain unchanged.

6.04.130 - Abandonment; prohibition.

Section 6.12.015 is added to the County Animal Code to read as follows:

6.12.015 - Abandonment; prohibition.

It is unlawful for any person to knowingly abandon any animal within the City. Any person violating this Section shall bear full costs and expenses incurred by the City, the Department or any other officer or agency designated by the City in the care of said abandoned animal and the person shall reimburse all costs therefore to the agency that incurred said costs as determined by the Animal Services Officer. Abandonment shall include the owner's failure to redeem animals seized or impounded after proper notification of the seizure or impoundment has been issued.

6.04.140 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.05 by Reference.

The penalty clauses of Chapter 6.05 (Crowing Roosters) of the County Animal Code, as set forth in Sections 6.05.030 and 6.05.040, are hereby adopted by reference and set forth below.

6.05.030 - Violation—Penalty.

Any person violating any of the provisions of this chapter shall be guilty of an infraction, and upon conviction thereof shall be punished by: (1) a fine not exceeding fifty dollars (\$50.00) for the first violation; (2) a fine not exceeding one hundred dollars (\$100.00) for the second violation within one year; (3) a fine not exceeding two hundred fifty dollars (\$250.00) for each additional violation within one year. Each day a violation is committed or permitted to continue shall constitute a separate offense.

Notwithstanding the foregoing, a first or any subsequent violation of the ordinance codified in this chapter may be charged and prosecuted as a misdemeanor.

6.05.040 - Remedies and penalties in Ordinance 630.

The additional remedies, penalties and procedures for violation of this Ordinance and for recovery of costs related to enforcement provided for in Ordinance 630 are incorporated by this reference.

6.04.150 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.06 by Reference.

The penalty clauses of Chapter 6.06 (Mandatory Altering and Licensing of Miniature Pigs) of the County Animal Code, as set forth in Sections 6.06.020 and 6.06.030, are hereby adopted by reference and set forth below.

6.06.020 - Violation—Penalty.

Any person violating any of the provisions of this chapter shall be guilty of an infraction, and upon conviction thereof shall be punished by: (1) a fine not exceeding fifty dollars (\$50.00) for the first violation; (2) a fine not exceeding one hundred dollars (\$100.00) for the second violation within one year; (3) a fine not exceeding two hundred and fifty dollars (\$250.00) for each additional violation within one year. Each day a violation is committed or permitted to continue shall constitute a separate offense.

Notwithstanding the foregoing, a first and any subsequent violation of the ordinance codified in this chapter may be charged and prosecuted as a misdemeanor.

6.06.030 - Remedies and penalties in Ordinance 630.

The additional remedies, penalties and procedures for violation of this Ordinance and for recovery of costs related to enforcement provided for in Ordinance 630 are incorporated by this reference.

6.04.160 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.08 by Reference.

The penalty clauses of Chapter 6.08 (Dogs, Cats and Other Animals) of the County Animal Code, as set forth in Sections 6.08.110(A)(1) and (2), 6.08.120(E), 6.08.125(H), 6.08.130(C), 6.08.200 and 6.08.220, are hereby adopted by reference and set forth below.

6.08.110 - Impounded dogs and cats and service fees.

A. An impounded dog or cat may be redeemed upon payment of the following fees:

(1) The director shall charge and collect from each person redeeming an unaltered impounded animal a state mandated unaltered animal fine of thirty-five dollars (\$35.00) for the first offense, fifty dollars (\$50.00) for the second offense, and one hundred dollars (\$100.00) for the third offense, plus the actual costs of transporting the animal to impound, the actual costs of veterinary and related services rendered to the animal while impounded, the actual costs of sale incurred, and the actual costs of any extraordinary measures required in or for the handling and maintenance of the animal while impounded.

(2) The director shall charge and collect from each person redeeming an altered or unaltered impounded animal an impounding fee of fifty dollars (\$50.00) for the first offense, one hundred dollars (\$100.00) for the second offense, and one hundred fifty dollars (\$150.00) for the third offense, plus the actual costs of transporting the animal to impound, the actual costs of veterinary and related services rendered to the animal while impounded, the actual costs of sale incurred, boarding fees, and the actual costs of extraordinary measures required in or for the handling and maintenance of the animal while impounded.

Subsection (E) of 6.08.120 - Altered and unaltered animals.

E. Penalties. Penalties issued for failure to spay or neuter a dog or cat shall be enforced as set forth below:

1. An administrative citation, infraction, or other such authorized penalty may be issued to an owner or custodian of an unaltered dog or cat for a violation of this section only when the owner or custodian is concurrently cited for another violation under state or local law pertaining to the obligations of a person owning or possessing a dog or cat. Examples of such state law or local

ordinance violations include, but are not limited to, the following: failure to possess a current canine rabies vaccination of the subject dog; dog or cat at large; failure to license a dog; leash law violations; kennel or cattery permit violations; tethering violations; unhealthy or unsanitary conditions; failure to provide adequate care for the subject dog or cat in violation of the Penal Code; rabies quarantine violations for the subject dog; operating a business without a license and/or lack of State Tax ID Number; fighting dog activity in violation of Penal Code Section 597.5; animals left unattended in motor vehicles; potentially dangerous, dangerous or vicious animals; and noisy animals.

2. Should the owner or custodian of an unaltered dog or cat be found in violation of a state or local law, as stated above, in subsection 1., the owner or custodian shall be required to spay or neuter the unaltered animal in accordance with this section.

Subsection (H) of 6.08.125 - Requiring the mandatory spaying and neutering of pit bull breeds.

H. Violations and penalties. Any person violating any provision of this section shall be deemed guilty of an infraction or misdemeanor and subject to the same criminal, civil and administrative fines, penalties and costs, including all rights to appeal, as enumerated Riverside County Ordinance ("RCO") No. 630, including any amendments to RCO No. 630 that may occur from time to time.

Subsection (C) of 6.08.130 - Mandatory microchipping of dogs and cats.

C. Transfer, sale of dogs and cats.

1. An owner or custodian who offers any dog, over the age of four months, for sale, trade, or adoption must provide the microchip identification number and the valid dog license number with the offer of sale, trade or adoption. The license and microchip numbers must appear on a document transferring the dog to the new owner. The owner or custodian shall also advise the department of the name and address of the new owner or custodian in accordance with subdivision (a) of this section. An owner or custodian offers any dog, over the age of four months, for sale, trade, or adoption and fails to provide the department with the name and address of the new owner is in violation of this Ordinance and shall be subject to the penalties set forth herein.

2. An owner or custodian who offers any cat, over the age of four months, for sale, trade, or adoption must provide the microchip identification number and the valid dog license number with the offer of sale, trade or adoption. The microchip numbers must appear on a document transferring the cat to the new owner. The owner or custodian shall also advise the department of the name and address of the new owner or custodian in accordance with subdivision (a) of this section. An owner or custodian offers any cat, over the

age of four months, for sale, trade, or adoption and fails to provide the department with the name and address of the new owner is in violation of this chapter and shall be subject to the penalties set forth herein.

3. When a puppy or kitten under the age of four months implanted with microchip identification is sold or otherwise transferred to another person, the owner or custodian shall advise the department of the name and address of the new owner or custodian, and the microchip number of the puppy or kitten within ten (10) days after the transfer. If it is discovered that an owner or custodian has failed to provide the department with the name and address of the new owner and the microchip number of the puppy or kitten, the owner or custodian shall be subject to the penalties set forth in this chapter.

6.08.200 - Violation.

In addition to the remedies and penalties contained in this chapter, any person violating any provision of county animal control ordinances shall be guilty of an infraction, unless otherwise stated in such county animal control ordinances, and upon conviction thereof shall be punished by: (1) a fine not to exceed one hundred dollars (\$100.00) for the first violation; (2) a fine not to exceed two hundred dollars (\$200.00) for the second violation within one year; (3) a fine not to exceed five hundred dollars (\$500.00) for each additional violation within one year. Each day a violation is committed or permitted to continue shall constitute a separate offense.

A. Persons receiving a citation for any infraction resulting from a violation of this chapter, may choose to clear the citation within ten (10) business days, thereby avoiding a visit to court and a potentially higher court fine, by demonstrating their compliance to the animal services director through their written, signed agreement and paying an administrative fee of sixty dollars (\$60.00) to department. B. Persons who violate a home quarantine, fail to produce an animal for quarantine upon demand, or in any other way interfere with rabies investigation, shall be guilty of a misdemeanor, pursuant to Section 121710 of the California Health and Safety Code and Section 9701 of the California Food and Agriculture Code, which is punishable by imprisonment in the county jail for a period not to exceed one year, or by a fine of not less than one hundred dollars (\$100.00), nor more than one thousand dollars (\$1,000.00) per day of violation, or both fine and imprisonment.

Subsection (D) of 6.08.220 - Administrative citations and penalties.

In addition to the remedies and penalties contained in this chapter, and in accordance with Government Code Section 53069.4, an administrative citation may be issued for any violation of county animal control ordinances. The following procedures shall govern the imposition, enforcement, collection and administrative review of administrative citations and penalties.....

....

D. Administrative penalties.

1. The penalties assessed for each violation of a county animal control ordinance shall not exceed the following amounts:

- i. One hundred dollars (\$100.00) for a first violation;
- ii. Two hundred dollars (\$200.00) for a second violation of the same administrative abatement order within one year;
- iii. Five hundred dollars (\$500.00) for each additional violation of the administrative abatement order within one year.

2. If the violation is not corrected, additional administrative citations may be issued for the same violation. The amount of penalty shall increase at the rate specified above.

3. Payment of the penalty shall not excuse the failure to correct the violation nor shall it bar further enforcement action.

4. The penalties assessed shall be payable to the County of Riverside Department of Animal Services.

5. Where the violation would otherwise be an infraction, the administrative penalty shall not exceed the maximum fine or infraction amount.

The procedures for the imposition, enforcement, collection and administrative review of administrative citations and penalties are set forth in Section 6.08.220(A) through (C), (E) and (F), which are further incorporated in their entirety by reference above.

6.04.170 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.12 by Reference.

The penalty clauses of Chapter 6.12 (Abandoned, Neglected, and Cruelly Treated Animas) of the County Animal Code, as set forth in Sections 6.12.120, 6.12.130 and 6.12.140, are hereby adopted by reference and set forth below.

6.12.120 - Violation—Penalty.

Every owner, driver or keeper of any animal who permits the animal to be in any building, enclosure, lane, street, square or lot within the unincorporated area of Riverside County, without proper care or attention shall be guilty of an infraction or misdemeanor as hereinafter specified. Such individual shall be deemed guilty of a separate offense of each and every day or portion thereof during which any violation of any of the provisions of this chapter is committed, continued or permitted. Any individual convicted of a violation of this chapter shall be: (1)

guilty of an infraction offense and punished by a fine not exceeding one hundred dollars (\$100.00) for a first violation; (2) guilty of an infraction offense and punished by a fine not exceeding two hundred dollars (\$200.00) for a second violation. The third and any additional violations shall constitute a misdemeanor offense and shall be punishable by a fine not exceeding one thousand dollars (\$1,000.00) or six months in jail, or both. Notwithstanding the above, a first offense may be charged and prosecuted as a misdemeanor. Payment of any penalty herein shall not relieve an individual from the responsibility for correcting the violation.

6.12.130 - Violation—Animal(s) to be forfeited.

Upon the conviction of a person charged with a violation of this chapter, all animals lawfully seized and impounded with respect to the violation shall be adjudged by the court to be forfeited and shall thereupon be transferred to the impounding officer for proper disposition. A person convicted of a violation of this chapter shall be personally liable to the seizing agency for all costs of impoundment from the time of seizure to the time of proper disposition. This chapter shall not prohibit the seizure or impoundment of animals as evidence as provided for under any other provision of law.

6.12.140 - Chapter provisions not exclusive.

This chapter is not intended, nor shall it be construed in any way, to affect Sections 31101 or 31752 of the Food and Agriculture Code.

6.04.180 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.16 by Reference.

The penalty clauses of Chapter 6.16 (Potentially Dangerous and Dangerous Animals) of the County Animal Code, as set forth in Section 6.16.100, are hereby adopted by reference and set forth below.

6.16.100 - Remedies and penalties in Ordinance 630.

The additional remedies, penalties and procedures for violation of this Ordinance and for recovery of costs related to enforcement provided for in Ordinance 630 are incorporated herein by this reference.

6.04.190 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.20 by Reference.

The penalty clauses of Chapter 6.20 (Noisy Animals) of the County Animal Code, as set forth in Sections 6.20.130, 6.20.140, 6.20.150 and 6.20.160, are hereby adopted by reference and set forth below.

6.20.130 - Failure to comply with administrative order.

It is unlawful for any responsible party to fail, neglect or refuse to comply with an administrative abatement order of the administrative hearing officer within the time specified in said order. Should any party subject to the administrative abatement order fail to comply with the order, in whole or in any part thereof, that party or those parties may be subject to administrative remedies to enforce the administrative abatement order as set forth in this chapter, including administrative citations and penalties, and any other lawful means necessary to gain compliance, including a civil action.

6.20.140 - Civil action.

In the event any person shall fail, neglect or refuse to comply with an administrative abatement order of the administrative hearing officer within the time specified in said order and the public nuisance continues to exist, a civil action may be commenced to obtain the abatement of the noisy animal public nuisance.

Subsection (d) of 6.20.150 - Administrative citations and penalties.

In addition to the remedies and penalties contained in this chapter, and in accordance with Government Code section 53069.4, an administrative citation may be issued for failure to comply with an administrative abatement order of the administrative hearing officer. The following procedures shall govern the imposition, enforcement, collection and administrative review of administrative citations and penalties.

.....

d. Administrative penalties.

1. The penalties assessed for each violation of the administrative abatement order issued by the administrative hearing officer shall not exceed the following amounts:

- i. One hundred dollars (\$100.00) for a first violation;
- ii. Two hundred dollars (\$200.00) for a second violation of the same administrative abatement order within one year;
- iii. Five hundred dollars (\$500.00) for each additional violation of the administrative abatement order within one year.

2. If the violation is not corrected, additional administrative citations may be issued for the same violation. The amount of the penalty shall increase at the rate specified above.

3. Payment of the penalty shall not excuse the failure to correct the violation nor shall it bar further enforcement action.

4. The penalties assessed shall be payable to the County of Riverside, Department of Animal Services.

The procedures for the imposition, enforcement, collection and administrative review of administrative citations and penalties are set forth in Section 6.20.150(a) through (c), (e) and (f), which are further incorporated in their entirety by reference above.

6.20.160 - Not exclusive remedy.

The provisions of this chapter are to be construed as an added remedy of abatement of the nuisance hereby declared and not in conflict with or derogation of any other actions or proceedings or remedies otherwise provided by law.

6.04.200 - Incorporation of County Animal Code Penalty Clauses of Chapter 6.24 by Reference.

The penalty clauses of Chapter 6.24 (Burros) of the County Animal Code, as set forth in Section 6.24.090, are hereby adopted by reference and set forth below.

6.24.090 - Violation.

A. An administrative citation, infraction, or other such authorized penalty may be issued to any person in violation of this chapter.

B. An infraction is punishable by:

1. A fine not to exceed one hundred dollars (\$100.00) for the first violation;

2. A fine not to exceed two hundred dollars (\$200.00) for the second violation within one year;

3. A fine not to exceed five hundred dollars (\$500.00) for each additional violation within one year.

C. The administrative penalties assessed for each violation of a county animal control ordinance shall not exceed the following amounts.

1. One hundred dollars (\$100.00) for a first violation;

2. Two hundred dollars (\$200.00) for a second violation of the same administrative abatement order within one year;

3. Five hundred dollars (\$500.00) for each additional violation of the administrative abatement order within one year.

D. Each such person shall be guilty of a separate offense for each and every incident in which any violation of any provision of the chapter of the county is committed, continued or permitted by any such person, and such person shall be punishable accordingly.

E. Where the violation would otherwise be an infraction, the administrative penalty shall not exceed the maximum fine or infraction amount.

F. The penalties assessed shall be payable to the county department of animal services.

G. A citation is to issue and be processed in compliance with Section 6.08.220.

SECTION 3. RESERVATION OF RIGHTS.

Notwithstanding any other provision of this Ordinance to the contrary, the City of Banning reserves the right to establish and set any licensing fees and other fees by resolution from time to time, and to establish any procedures, methods and remedies as may be appropriate to enforce the provisions of this Ordinance.

SECTION 4. CEQA

The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this Ordinance may have a significant effect on the environment. The Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15061(b) (3) of Title 14 of the California Code of Regulations.

SECTION 5. SAVINGS CLAUSE

Neither the adoption of this Ordinance nor the repeal or amendment by this Ordinance of any ordinance or part or portion of any ordinance previously in effect in the City or within the territory comprising the City, shall in any manner affect the prosecution for the violation of any ordinance, which violation was committed prior to the effective date of this Ordinance, nor be construed as a waiver of any license, fee or penalty or the penal provisions applicable to any violation of such ordinances.

SECTION 6. SEVERABILITY

If any section, subsection, clause or phrase or portion of this code is for any reason declared to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of all other provisions of this ordinance. The Mayor and City Council hereby declare that it would have passed the ordinance codified in this chapter; and each section, subsection, sentence,

clause and phrase or portion thereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases or portions thereof be declared invalid or unconstitutional.

SECTION 7. PUBLICATION, EFFECTIVE DATE

The City Clerk shall certify to the passage and adoption of this Ordinance, and shall make a minute of the passage and adoption thereof in the records and the proceedings of the City Council at which time the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) calendar days after its final passage, the City Clerk shall cause a summary of this Ordinance to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California. The City Clerk shall cause the Ordinance to be printed, published, and circulated.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon, APC

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Ordinance No. 1522 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 22nd day of May, 2018, and was duly adopted at a regular meeting of said City Council on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Public Works Director
Kevin Sin, Senior Civil Engineer

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-74, Approving Amendment No. 1 to the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District for Street Repairs along Hargrave Street

RECOMMENDATION:

Adopt Resolution 2018-74 as follows:

1. Authorizing the Mayor to sign Amendment No. 1 to the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District for additional paving on Hargrave Street.
2. Authorizing the Interim City Manager or her designee to make necessary budget adjustments, appropriations and transfers related to the Amendment No. 1 in an amount of \$35,592.

JUSTIFICATION:

The Cooperative Agreement between the Riverside Flood Control and Conservation District ("District") and the City of Banning was to grant the District the necessary rights to construct, inspect, operate and maintain the project. The Amendment is necessary to pay the District for the construction of additional paving on Hargrave Street as reviewed and approved by City staff.

BACKGROUND:

On July 14, 2015, the City adopted Resolution 2015-69, approving the Cooperative Agreement with the District for the construction of Banning Master Drainage Plan Line D-2, Stage 1 and 2 project ("Project").

The Cooperative Agreement between the District and the City of Banning grants the District the necessary rights to construct, inspect, operate and maintain the Project; identifies facilities to be maintained by the District and which facilities are to be maintained by the City.

The project consisted of the construction of 5,300 lineal feet of an underground storm drain system along Hargrave Street from Ramsey Street to Indian School Lane, 700 lineal feet of an underground storm drain system located on Theodore Street between Florida Street and Hargrave Street, construction of related appurtenances such as connector pipes and catch basins and street repairs.

The Project's paving limits included only those sections where the existing street was disturbed during the excavation process or damaged during construction. During a site visit it was identified that a narrow section of existing asphalt would remain along Hargrave Street between Hoffer Street and Indian School Lane. City staff requested from the District a proposal to construct a grind and overlay on the narrow strip as well as to repair segments of curb and gutter and sidewalk. City staff reviewed the cost for the additional repairs and found them to be competitive and consistent with the District's contract unit prices.

The construction of the Banning Master Drainage Plan Line D-2, Stage 1 and 2, including the additional repairs requested by the City was completed by the District in February of 2018.

FISCAL IMPACT:

The final cost of the additional repairs and amount payable to the District is \$35,592.

Pavement rehabilitation along Hargrave Street between Hoffer Street and Indian School Lane was anticipated and included in the City's 2017/2018 SB-1 Project List in an amount of \$55,000, therefore SB-1 funds will be utilized to pay for the additional street repairs completed as part of the District's Project.

ALTERNATIVE:

The City Council may choose not to adopt Resolution No. 2018-74, which would result in the City not being able to pay the District for the additional paving on Hargrave Street.

ATTACHMENTS:

1. Resolution No. 2018-74
2. Amendment No. 1 to Cooperative Agreement with the District

Approved by:

A handwritten signature in blue ink, appearing to read 'R. Clayton', is written over a horizontal line.

Rochelle Clayton,
Interim City Manager

ATTACHMENT 1

Resolution 2018-74

RESOLUTION 2018-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING AMENDMENT NO. 1 TO THE COOPERATIVE AGREEMENT WITH THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR STREET REPAIRS ALONG HARGRAVE STREET

WHEREAS, on July 14, 2015, the City Council adopted Resolution 2015-69, approving a Cooperative Agreement with the Riverside Flood Control and Water Conservation District ("District") for Banning Master Drainage Plan Line D-2 Stage 1 and 2 project ("Project"); and

WHEREAS, the Cooperative Agreement between the District and the City of Banning grants the District the necessary rights to construct, inspect, operate and maintain the project; identifies facilities to be maintained by the District and which facilities are to be maintained by the City; and

WHEREAS, City staff requested that additional street repairs including additional paving and repairs to curb and gutter and sidewalk be constructed; and

WHEREAS, the additional repairs completed by the District were done so at a cost of \$35,592; and

WHEREAS, the District has completed the construction of the Project including the additional repairs.

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

SECTION 1. Authorizing the Mayor to sign Amendment No. 1 to the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District for the additional street repairs along Hargrave Street.

SECTION 2. The Interim City Manager or her designee is authorized to make necessary budget adjustments, appropriations and transfers related to the Amendment No.1 in an amount of \$35,592.

PASSED, APPROVED and ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk

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

Kevin G. Ennis, Esq., City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2018-74 was duly adopted by the City Council of the City of Banning at a Regular Meeting thereof held on the 12th of June, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning
Banning, California

ATTACHMENT 2

Amendment No. 1 to Cooperative Agreement with the District

AMENDMENT NO. 1 TO COOPERATIVE AGREEMENT
 Banning Master Drainage Plan Line D-2, Stages 1 and 2 and
 Banning Master Drainage Plan Lateral D-2A, Stage 1
 Project Nos. 5-0-00169 and 5-0-00172

The Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), and the City of Banning, a municipal corporation of the State of California ("CITY"), hereby enter into this Amendment No. 1 to Cooperative Agreement ("Amendment") and agree as follows:

RECITALS

A. On September 1, 2015 (DISTRICT's Board Agenda Item No. 11-5), DISTRICT and CITY entered into a certain Cooperative Agreement, hereinafter called "AGREEMENT", which set forth the terms and conditions whereby DISTRICT would design and construct the Banning Master Drainage Plan Line D-2, Stages 1 and 2 and Banning Master Drainage Plan Lateral D-2A project, altogether hereinafter called "PROJECT", in order to provide necessary flood control and drainage to the adjacent area; and

B. During PROJECT construction, DISTRICT and CITY determined that certain portions of Hargrave Street within PROJECT's boundary were in need of repairs. These repairs included surface asphalt, sidewalk, and concrete curb and gutter along Hargrave Street within CITY streets rights of way ("STREET BETTERMENTS"), which were constructed as part of PROJECT construction. DISTRICT agreed to include STREET BETTERMENTS as part of its public works construction contract and CITY is willing to reimburse DISTRICT for the costs associated with STREET BETTERMENTS; and

NOW, therefore, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties hereto mutually agree to amend AGREEMENT as follows, effective upon approval of this Amendment by DISTRICT'S Board of Supervisors:

1. Paragraph I in RECITALS of AGREEMENT is added to read:

"During PROJECT construction, DISTRICT and CITY determined that certain portions of Hargrave Street within PROJECT boundary were in need of repairs. These repairs included surface asphalt, sidewalk, and concrete curb and gutter along Hargrave Street within CITY streets rights of way ("STREET BETTERMENTS"), as

2. Paragraph J in the RECITALS of AGREEMENT is added to read:

"DISTRICT included STREET BETTERMENTS as part of its public works construction contract; and"

3. Paragraph K in the RECITALS of AGREEMENT is added to read:

"CITY is willing to reimburse DISTRICT for all construction costs related to STREET BETTERMENTS, including street paving contract change orders. CITY's contribution for STREET BETTERMENTS shall not exceed a total of thirty-five thousand five hundred ninety-two dollars (\$35,592); and"

4. Section 1.15 is added to read:

"Keep an accurate accounting of all STREET BETTERMENTS construction costs and include the final accounting when invoicing CITY.

5. Section 1.16 is added to read:

"Within thirty (30) days of final execution of this Amendment by both parties, submit an invoice to CITY in an amount equal to one hundred percent (100%) of the actual

construction costs related to STREET BETTERMENTS, including street paving contract change orders. Invoice shall not exceed a total of thirty-five thousand five hundred ninety-two dollars (\$35,592)."

6. Section II. 10. is added to read:

"Pay DISTRICT, within thirty (30) days after receipt of DISTRICT's appropriate invoice, for the actual construction costs related to STREET BETTERMENTS, including street paving contract change orders, as set forth in Section 1.16. CITY's payment for STREET BETTERMENTS shall not exceed a total of thirty-five thousand five hundred ninety-two dollars (\$35,592)."

Except to the extent specifically deleted, added to or amended herein, all of the terms, covenants and conditions of said AGREEMENT executed on September 1, 2015 shall remain in full force and effect between the parties hereto.

//

//

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT**

By _____
JASON E. UHLEY
General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and
Water Conservation District Board of
Supervisors

APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER-IHEM
Clerk of the Board

By _____
KRISTINE BELL-VALDEZ
Supervising Deputy County Counsel

Amendment No. 1 to Cooperative Agreement:
Banning MDP Line D-2, Stage 1 and 2; Lateral D-2A, Stage 1
Project Nos. 5-0-00169 and 5-0-00172
05/10/18
RKM:blm

CITY OF BANNING

By _____
GEORGE MOYER
Mayor

APPROVED AS TO FORM:

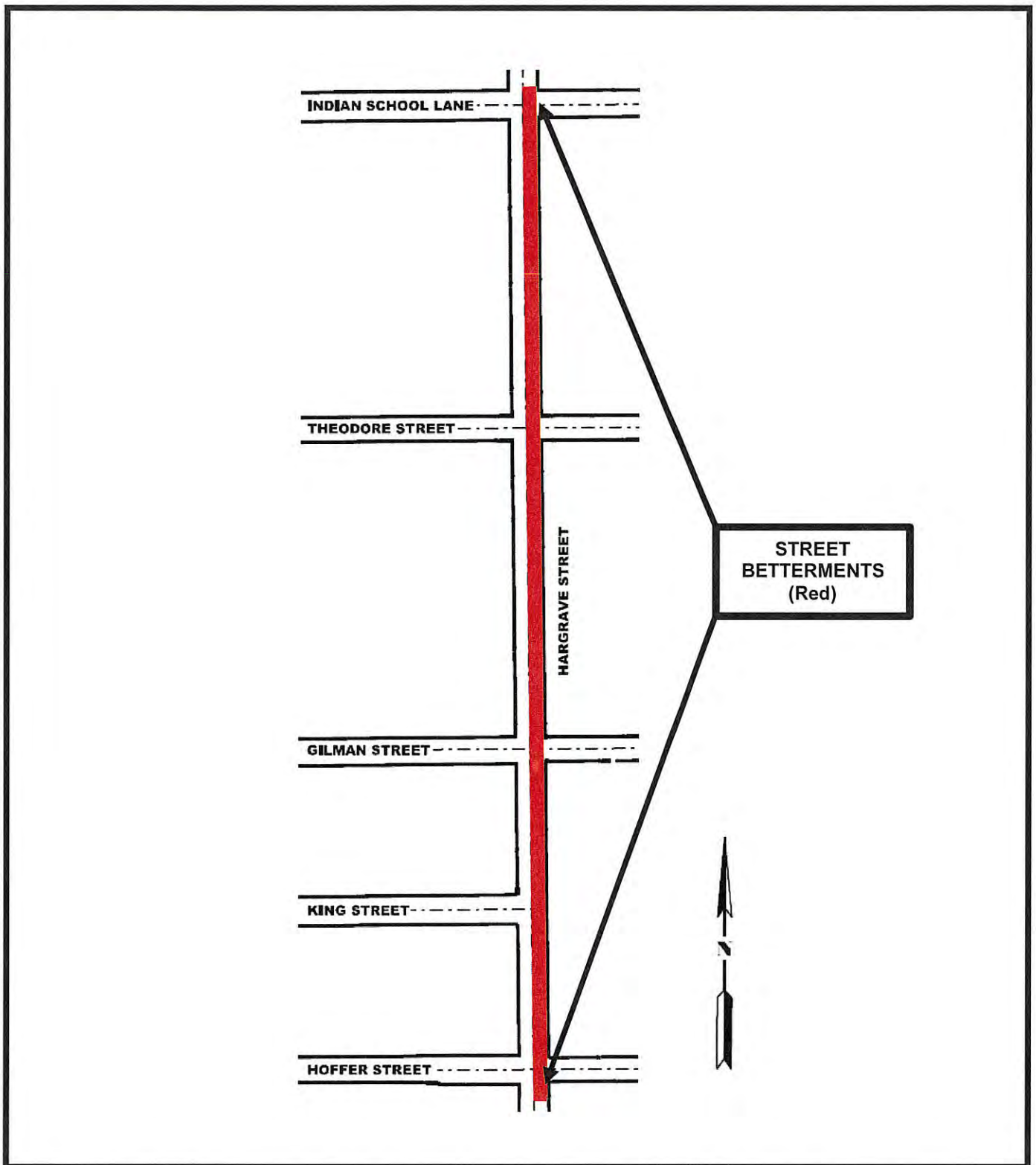
KEVIN G. ENNIS
City Attorney

ATTEST:

SONJA DE LA FUENTE
Deputy City Clerk

(SEAL)

Exhibit A



AMENDMENT NO. 1 TO COOPERATIVE AGREEMENT

Banning Master Drainage Plan Line D-2, Stages 1 and 2 and
Banning Master Drainage Plan Lateral D-2A, Stage 1

Project Nos. 5-0-00169 and 5-0-00172

Page 1 of 1



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Public Works Director
Kevin Sin, Senior Civil Engineer

MEETING DATE: June 12, 2018

SUBJECT: Notice of Completion for Project No. HSIPL-5214(010), "Traffic Signal System Improvements on Ramsey Street".

RECOMMENDED ACTION:

That the City Council accept Project No. HSIPL-5214(010), "Traffic Signal System Improvements on Ramsey Street" as complete, authorize the Interim City Manager or her designee to sign the Notice of Completion and direct the Deputy City Clerk to record the Notice of Completion.

BACKGROUND:

On June 27, 2017 the City Council adopted Resolution No. 2017-61 awarding an Agreement to Elecnor Belco Electric, Inc. of Chino, CA in the amount of \$494,469 with the inclusion of a 10% contingency for a total budget amount of \$543,915 for the completion of Project No. HSIPL-5214(010), "Traffic Signal System Improvements on Ramsey Street."

The scope of work under this project included replacing outdated controllers, cabinets, detection loops, signal poles and mast arms, signal heads, pedestrian push buttons, signal system wires; installation of battery backup systems, emergency vehicle preemption devices (EVP), wireless interconnection systems, and illuminated street name signs.

JUSTIFICATION:

The low bidder, Elecnor Belco Electric, Inc. was awarded the contract and completed work on March 5, 2018. Public Works staff verified through inspections that the workmanship, materials, and procedures were satisfactory and that the contractor had met required obligations.

FISCAL IMPACT:

The original contract was awarded in the amount of \$494,469 and the final contract amount for this project was \$452,979.50 which was under the allocated project budget approved under Resolution 2017-61. The project was funded by the Gas Tax Fund, Account No. 100-4900-431.93-27 and Measure A Fund, Account No. 101-4900-431.93-16. \$375,700 will be reimbursed to the City by the awarded HSIP grant.


ALTERNATIVE:

City Council may elect to not accept the project as complete which would keep the project open and prevent the release of retention funds to the contractor and also prevent the City from getting the reimbursement of retention funds from the State.

ATTACHMENTS:

1. Notice of Completion

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Notice of Completion

1 WHEN RECORDED MAIL TO:

2
3 Office of the City Clerk
4 City of Banning
5 P.O. Box 998
6 Banning, California 92220
7

8 FREE RECORDING:
9 Exempt Pursuant to
10 Government Code §6103
11

12
13 NOTICE OF COMPLETION

14 PROJECT NO. HSIPL-5214(010), "TRAFFIC SIGNAL SYSTME IMPROVEMENTS
15 ON RAMSEY STREET"

16
17 THIS NOTICE OF COMPLETION IS HEREBY GIVEN by the OWNER, the City
18 of Banning, a municipal corporation, pursuant to the provisions of Section 9204 of the Civil
19 Code of the State of California, and Project No. HSIPL-5214(010) is hereby accepted by
20 the City of Banning, pursuant to authority conferred by the City Council this June 12, 2018,
21 and the grantees consent to recordation thereof by its duly authorized agent.

22
23 That the OWNER, the City of Banning, and Elecnor Belco Electric, Inc., of Chino,
24 California, the vendee, entered into an agreement dated June 27, 2017 for Project No.
25 HSIPL-5214(010), "Traffic Signal System Improvements on Ramsey Street."

26
27 The principal items of work included replacing outdated controllers, cabinets, detection
28 loops, signal poles and mast arms, signal heads, pedestrian push buttons, signal system
29 wires; installation of battery backup systems, emergency vehicle preemption devices
30 (EVP), wireless interconnection systems, and illuminated street name signs located at
31 various intersections on Ramsey Street in City of Banning, CA 92220.

32
33 That the work was completed on March 5, 2018, for Project No. HSIPL-5214(010) "Traffic
34 Signal System Improvements on Ramsey Street":

1 (1) The Nature of Interest was for traffic signals and related items,
2 modification, replacement and installation completed on March 5, 2018 for Project No.
3 HSIPL-5214(010), "Traffic Signal System Improvements on Ramsey Street."

4 (2) That the City of Banning, a municipal corporation, whose address is
5 Banning City Hall, 99 E. Ramsey Street, Banning, California 92220, is completing
6 improvement work.

7 (3) That said improvement work was performed at various intersections on
8 Ramsey Street within the City of Banning, California 92220.

9 (4) That the original contractor for said improvement was Elecnor Belco
10 Electric, Inc., State Contractor's License No. 738518.

11 (5) That Performance and Payment bonds were required for this project.

12 (6) The nature of interest is in fee.

13
14 Dated: June 12, 2018

15 CITY OF BANNING
16 A Municipal Corporation
17
18
19

20 By _____
21 Rochelle Clayton
22 Interim City Manager
23
24

25 APPROVED AS TO FORM:
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29 _____
30 Kevin G. Ennis, Esq., City Attorney
31 Richards, Watson & Gershon
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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.



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Public Works Director/City Engineer
Tammi Phillips, Management Analyst

MEETING DATE: June 12, 2018

SUBJECT: Executive Order B-40-17 to Lift Drought Emergency in All but Four Counties

RECOMMENDED ACTION:

For informational purposes only. Receive and file.

BACKGROUND:

In January 2014 Governor Brown declared a drought state of emergency in the wake of the driest year in recorded state history. California's river and reservoirs were below their record lows. The proclamation directed state officials to take all necessary actions to prepare for the drought conditions. State officials were also directed to assist farmers and communities that were economically impacted by the dry conditions. All Californians were called to conserve water in every way possible.

On April 7, 2017 Governor Brown signed Executive Order B-40-17 rescinding the emergency drought proclamation as well as Executive Orders B-26-14, B-28-14, B-29-15 and B-36-15.

Permanent prohibitions and mandatory reporting requirements are two components that the State's 410 urban water suppliers are still required to comply with in order to meet new water use targets. Suppliers, however are no longer required to conduct stress tests or maintain mandatory conservation levels.

In order to maintain a level of water conservation, Executive Order B-37-16, "Making Water Conservation a California Way of Life," was issued May 2016 as a measure to establish long-term water conservation will remain in place as part of Executive Order B-40-17. The measure was established to build on the conservation success achieved by Governor Brown's temporary statewide call to reduce urban water usage by 25 percent in 2015. Californians responded to the call by saving over 24 percent during a nine-month

mandate and that effort inspired the development of the long-term conservation and drought plan.

Rather than continuing to call for a savings reduction by a percentage of a baseline, Executive Order B-37-16 identified specific water use requirements for the State's urban water suppliers. The four objectives of the order are to use water more wisely; eliminate water waste; strengthen local drought resilience and improve agricultural water use efficiency; and drought planning. To assist with meeting the new requirements, the new water use standards took into account the unique climatic, demographic and land-use characteristics of each urban water agency's service area.

The intent of the long-term conservation framework is to:

- Provide greater consistency among water suppliers statewide in the elements of Urban Water Management Plans, Water Shortage Contingency Plans, and Agricultural Water Management Plans; and continue work with counties to improve drought planning in small communities and rural areas;
- Enable water suppliers to customize water management strategies and plan implementation to regional and local conditions;
- Empower water suppliers to take a place-based response to water shortages caused by drought or other water emergencies, while planning for longer drought cycles; and
- Incentivize and set standards for the use of new technologies and practices to reduce leaks.

With permanent monthly reporting requirements in place, urban water suppliers will continue to submit monthly reports to the Water Board on water production, program implementation, and local enforcement activities. The Water Board will continue to track progress and work with water suppliers to achieve compliance. The new targets will ensure all urban water is used efficiently and will facilitate conservation measures such as conversion to California-friendly landscapes, replacement of inefficient fixtures and appliances, and reductions in system leakage. This approach represents a fundamental shift to a conservation framework that is more durable and that can be applied equitably and uniformly across the enormous variation in local conditions in California.

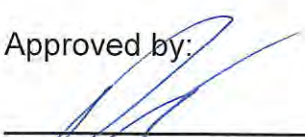
FISCAL IMPACT:

None.

ATTACHMENTS:

1. Executive Order B-40-17

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Executive Order B-40-17

Executive Department

State of California

EXECUTIVE ORDER B-40-17

WHEREAS California has endured a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by more than 22% between June 2015 and January 2017; and

WHEREAS the State Water Resources Control Board, the Department of Water Resources, the Department of Fish and Wildlife, the Office of Emergency Services, and many other state agencies worked cooperatively to manage and mitigate the effects of the drought on our communities, businesses, and the environment; and

WHEREAS the State provided 66,344,584 gallons of water to fill water tanks for communities suffering through drought-related water shortages, outages, or contamination, and provided emergency assistance to drill wells and connect communities to more robust water systems; and

WHEREAS the State took a number of important actions to preserve and protect fish and wildlife resources, including stream and species population monitoring, fish rescues and relocations, infrastructure improvements at trout and salmon hatcheries, and infrastructure to provide critical habitat for waterfowl and terrestrial animals; and

WHEREAS the State established a Statewide Water Efficiency and Enhancement Program for agricultural operations that provides financial assistance for the implementation of irrigation systems that save water; and

WHEREAS water content in California's mountain snowpack is 164 percent of the season average; and

WHEREAS Lake Oroville, the State Water Project's principal reservoir, is 101 percent of average, Lake Shasta, the federal Central Valley Project's largest reservoir, is at 110 percent of average, and the great majority of California's other major reservoirs are above normal storage levels; and

WHEREAS despite winter precipitation, the effects of the drought persist in areas of the Central Valley, including groundwater depletion and subsidence; and

WHEREAS our changing climate requires California to continue to adopt and adhere to permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the State's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, do hereby **TERMINATE THE JANUARY 17, 2014 DROUGHT STATE OF EMERGENCY** for all counties in California except the Counties of Fresno, Kings, Tulare, and Tuolumne.

I FURTHER ORDER THAT:

1. The orders and provisions contained in my April 25, 2014 Emergency Proclamation, as well as Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 are rescinded.
2. The orders and provisions contained in Executive Order B-37-16, **Making Water Conservation a California Way of Life**, remain in full force and effect except as modified by this Executive Order.
3. As required by the State Emergency Plan and Government Code section 8607(f), the Office of Emergency Services, in coordination with other state agencies, shall produce an after-action report detailing the State's response to the drought and any lessons learned in carrying out that response.

MAINTAINING CONSERVATION AS A WAY OF LIFE

4. The State Water Resources Control Board (Water Board) shall continue development of permanent prohibitions on wasteful water use and requirements for reporting water use by urban water agencies, and to provide a bridge to those permanent requirements, shall maintain the existing emergency regulations until they expire as provided by the Water Code. Permanent restrictions shall prohibit wasteful practices such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board shall rescind those portions of its existing emergency regulations that require a water supply stress test or mandatory conservation standard for urban water agencies.

6. The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use, and leaks as well as performance measures for commercial, industrial, and institutional water use. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use.
7. The Water Board and the Department shall continue to direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
8. The Water Board and the Department shall continue to take actions to direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission is requested to work with investor-owned water utilities to accelerate work to minimize leaks.
9. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation.
10. All state agencies shall continue response activities that may be needed to manage the lingering drought impacts to people and wildlife. State agencies shall increase efforts at building drought resiliency for the future, including evaluating lessons learned from this current drought, completing efforts to modernize our infrastructure for drought and water supply reliability, and shall take actions to improve monitoring of native fish and wildlife populations using innovative science and technology.

CONTINUED DROUGHT RESPONSE IN FRESNO, KINGS, TULARE, AND TUOLUMNE COUNTIES

11. The Water Board will continue to prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.
12. The Department and the Water Board will accelerate funding for local water supply enhancement projects and will continue to explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.
13. The Water Board will continue to work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water

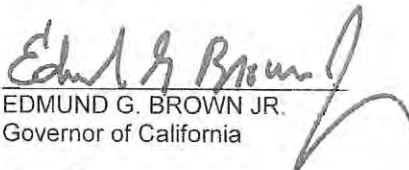
shortages. It will also identify emergency interconnections that exist among the State's public water systems that can help these threatened communities. The Department, the Water Board, the Office of Emergency Services, and the Office of Planning and Research will work with local agencies in implementing solutions to those water shortages.

14. For actions taken in the Counties of Fresno, Kings, Tulare, and Tuolumne pursuant to directives 11–13, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, as well as Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, are hereby suspended. These suspensions apply to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.
15. California Disaster Assistance Act Funding is authorized until June 30, 2017 to provide emergency water to individuals and households who are currently enrolled in the emergency water tank program.
16. State departments shall commence all drought remediation projects in Fresno, Kings, Tulare, and Tuolumne Counties within one year of the date of this Executive Order.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of April 2017.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Director of Public Works

MEETING DATE: June 12, 2018

SUBJECT: Resolution No. 2018-73, Repealing Resolution No. 2018-45, Declaring the Intention to Levy and Collect Assessments, Approving the Revised Engineer's Report and Setting the Revised Date for the Public Hearing for Landscape Maintenance District No. 1

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2018-73 to Repeal Resolution No. 2018-45, Declare the Intention to Levy and Collect Assessments, Approve the revised Engineer's Report, and Set the revised Date for the Public Hearing for Landscape Maintenance District No. 1 to June 26, 2018 at 5:00 p.m.

JUSTIFICATION:

The City Council approved the formation of Landscape Maintenance District (LMD) No. 1 by adopting Resolution No. 1990-59 on August 14, 1990. The adoption of Resolution No. 2018-73 will enable the City of Banning to assess the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

BACKGROUND:

In accordance with the "Landscaping and Lighting Act of 1972" ("1972 Act") of the Streets and Highways Code, the City Council adopted a resolution on August 14, 1990 ordering the formation of Landscape Maintenance District No. 1 ("LMD No. 1"). An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution No. 2005-36 on May 10, 2005. A map

displaying the LMD No. 1 is attached. On February 13, 2018 the City Council approved Resolution No. 2018-17, initiating proceedings for the fiscal year update of LMD No. 1 and ordering the Engineer to prepare and to file a report in accordance with the 1972 Act. The District, by special benefit assessments, provides funding for the servicing and maintenance of certain landscape areas within the City of Banning, all of which are located in the public right-of-way. The 1972 Act requires that assessments are to be levied according to benefit rather than according to assessed value.

On May 8, 2018, the City Council approved Resolution No. 2018-45 to declare the City's intention to levy and collect assessments; to approve the Engineer's Report; and to set June 12, 2018 as the date for a public hearing, after which the City Council may confirm the assessments for Fiscal Year 2018/19.

The Engineer's Report approved at the City Council meeting of May 8, 2018 has been revised to apply the Consumer Price Index (CPI) increase of 2.2% only to those tracts annexed into LMD No.1 (currently six built tracts) in 2005, at which time, those property owners authorized the CPI adjustment. The previous Engineer's Report, dated April, 2018 applied the CPI increase to all of the tracts in the LMD.

The revised Engineer's Report, reflecting the detail of proposed assessments, was forwarded to the City Council under a separate cover and is on file with the City Clerk. Upon approval of this resolution, the public hearing will now be held at the regularly scheduled City Council meeting on June 26, 2018, at 5:00 p.m., as shown in the attached schedule. A detailed list of tracts in LMD No. 1 and their respective assessments is shown as attached.

For Fiscal Year 2018/2019, the revised Engineer's Report reflects a Consumer Price Index (CPI) percentage increase of 2.2% on the assessments to the tracts annexed into LMD No. 1 on May 10, 2005. This increase is necessary due to the fact that water utility costs will increase as some of the water meters were charged the municipal rate instead of the retail rate. All LMD water accounts will now be charged the retail rate. It should be noted that there has been no CPI increase during the previous four Fiscal Years.

FISCAL IMPACT:

Based on the proposed assessments, the estimated revenues for Fiscal Year 2018/19 for LMD No. 1 will now be approximately \$137,744.26, with the 2.2% CPI increase applied to the existing tracts annexed into the LMD in 2005, all within Zone D. If approved, the annual assessment for a single-family dwelling in Zone D would increase from the current range of \$200.44, to \$204.85.

The estimated expenses are \$150,600, a shortfall of approximately \$13,000 which will be covered by the fund balance, currently at \$153,455. The increase in expenses next Fiscal Year is due to the change in water rates from municipal to retail. A future report will be presented to City Council for a possible increase to the assessments beyond the CPI increase to cover the shortfall.

The assessment revenues will fund the landscape maintenance contract, electric and water utility costs and miscellaneous costs (additional planting materials and irrigation repairs, County Assessor's Roll charge, Advertisement, etc.).

ALTERNATIVE:

Reject Resolution No. 2018-73, which would result in the City of Banning not continuing with the process of assessing the homeowners and properties within LMD No. 1 a fee to pay for maintenance and servicing costs. Expenses funded by the fee currently include the LMD contractor, utility costs (water and electric), miscellaneous costs (irrigation repair, flower, shrubs and tree replacement, etc.), and minor incidentals. Without an assessment, other funding sources would have to be utilized to pay for the expenses related to the operation and maintenance of LMD No.1 or services must be reduced.

ATTACHMENTS:

1. Resolution No. 2018-73
2. LMD No. 1 Map for FY 2018/19
3. Tentative Schedule for Updating LMD No. 1
4. LMD No. 1 Assessments

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution No. 2018-73

RESOLUTION NO. 2018-73

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, REPEALING RESOLUTION NO. 2018-45, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN LANDSCAPE MAINTENANCE DISTRICT NO. 1, DURING THE FISCAL YEAR 2018/19, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE MAINTENANCE AND SERVICING OF LANDSCAPING, APPROVING THE REVISED ENGINEER'S REPORT, AND SETTING THE REVISED DATE FOR THE PUBLIC HEARING FOR THE LEVY OF SAID ASSESSMENT

WHEREAS, at its regularly scheduled meeting on August 14, 1990, the City Council of the City of Banning (City Council) adopted Resolution No. 1990-59, authorizing the formation of Landscape Maintenance District No. 1 (LMD No. 1); and

WHEREAS, at its regularly scheduled meeting on May 10, 2005, the City Council adopted Resolution No. 2005-36, ordering the annexation of an additional five tracts and three tentative tracts (six currently built) to the City's LMD No. 1; and

WHEREAS, at its regularly scheduled meeting on February 13, 2018 the City Council adopted Resolution No. 2018-17, initiating proceedings for the fiscal year renewal of LMD No. 1 pursuant to the "Landscaping and Lighting Act of 1972," Part 2 (commencing with Sec. 22500) of Division 15 of the Streets and Highways code, for the operation, maintenance and servicing of landscape medians, parkways, perimeter strips and slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities and all appurtenant facilities related thereto; and

WHEREAS, by said Resolution the City Council ordered the City Engineer to prepare and file a report with the City Clerk in accordance with Article 4 (commencing with Sec. 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways code; and

WHEREAS, at the regular City Council meeting held on May 8, 2018, the City Council approved Resolution No. 2018-45, declaring the intention to levy and collect assessments, approving the Engineers Report and setting the date for the Public Hearing; and

WHEREAS, staff determined that the Engineer's Report should be revised to reflect that the Consumer Price Index (CPI) is applied to only those tracts annexed into Annexation No. 1 through Resolution No. 2005-36 and the City Engineer has filed such report with the City Clerk, and such revised report has been presented to and considered by the City Council; and

WHEREAS, it is essential that the City Council adopt Resolution No. 2018-73, so that the City may assess and collect assessments from the property owners located within LMD No. 1; and

WHEREAS, the City Council hereby finds that the funding for LMD No. 1 is available through a special assessment of property owners located within the District.

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

SECTION 1. That the City Council hereby declares its intention to levy and collect assessments within LMD No. 1 for the Fiscal Year 2018/19 pursuant to the "Landscaping and Lighting Act of 1972." The area to be assessed is located in the City of Banning, Riverside County. The boundaries of LMD No. 1 are described in Attachment "2", and are on file in the Office of the City Clerk and City Engineer.

SECTION 2. That the purpose of LMD No. 1 is for the maintenance and servicing of landscape medians and parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities.

SECTION 3. That the revised Engineer's Report, which is on file with the City Clerk and considered by the City Council at the meeting at which this Resolution has been adopted, is hereby approved and considered final. All interested persons are referred to that report for a full and detailed description of the work, the boundaries of the proposed assessment district, and the proposed assessments upon assessable lots and parcels of land within LMD No. 1.

SECTION 4. That the City Clerk shall give notice of the time and place of said public hearing by advertising a copy of the resolution once in the local newspaper and provide a posted notice not less than ten (10) days before the date of the hearing.

SECTION 5. That on Tuesday, June 26, 2018, at the hour of 5:00 p.m., during the course of its regularly scheduled meeting, the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at Banning City Hall, 99 E. Ramsey Street, Banning, California.

SECTION 6. That Resolution No. 2018-45 is hereby repealed.

PASSED, ADOPTED AND APPROVED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, Esq., City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2018-73 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

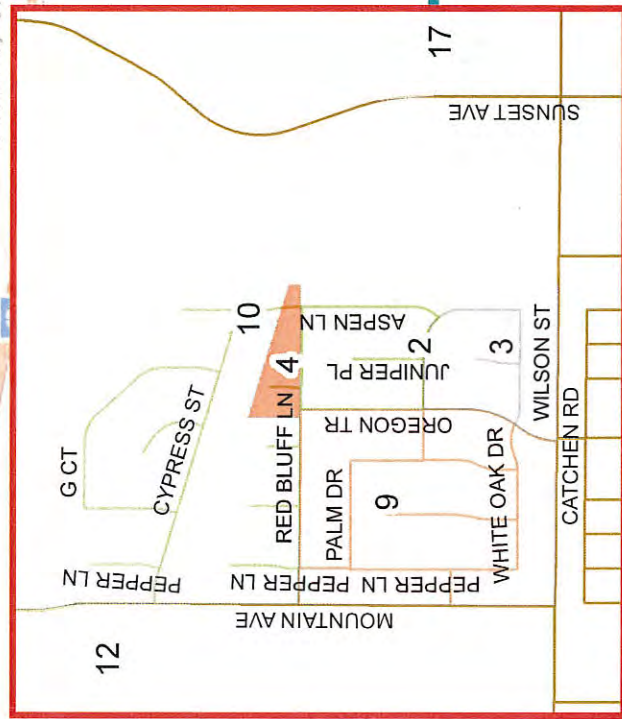
ATTACHMENT 2

Landscape Maintenance District No. 1 for Fiscal Year 2018/2019



Map of Landscape Maintenance District No. 1 2018-2019

Legend	
Existing Tracts	
1. 21882 Snow Creek I	
2. 22810 Dev. Corp	
3. 22811 Dev. Corp	
4. 22913 Arce Bros.	
5. 23446 Highland Estates	
6. 23598 Snow Creek II	
7. 28252 Fair Oaks	
8. 29721 The Pines	
9. 30186 Wilson Homes	
10. 30222 Wilson Homes	
11. 30793 Fiesta Collection	
12. 30906 Evergreen Estates	
13. 31833 Fair Oaks	
14. 31834 Fair Oaks	
15. 31835 Fair Oaks	
16. 32109 Sunset Ridge	
17. 36939 Wilson 97	



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

ATTACHMENT 3

Tentative Schedule for Updating Landscape Maintenance District No. 1

Item	Council Meeting
Resolution Initiating Update	February 13, 2018
Resolution of Intention (Approving Engineer's Report)	May 8, 2018 (revised)
Resolution of Intention (Approving Revised Engineer's Report)	June 12, 2018
Resolution Confirming Assessment (Public Hearing)	June 26, 2018 (revised)

ATTACHMENT 4

Landscape Maintenance District No. 1 Tracts and Assessments for Fiscal Year 2018/2019

Tract No.	No. of AU	Zone	Proposed Cost/AU (FY 2018/19)
22810	43	A	\$108.90
22811	39	A	\$108.90
22913	9	A	\$108.90
21882	134	B	\$113.31
23446	138	B	\$113.31
29721	21	B	\$113.31
30186	107	B	\$113.31
30222	121	B	\$113.31
32109	38	B	\$113.31
23598	97	C	\$98.91
36939	(53)	C	\$98.91
28252	70	D	\$204.85
30793	43	D	\$204.85
31833	17	D	\$204.85
31834	18	D	\$204.85
31835	33	D	\$204.85
30906*	87	D	\$204.85
Total	1,015		\$137,744.26

AU= Assessment Unit

(#) = Tract not yet completed or will not be accepted into the Landscape Maintenance District during the next Fiscal Year. Not included in total AU.

*Tract No. 30906 has a total of 303 AU; therefore, a total of 216 remain.



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL AND BANNING HOUSING AUTHORITY BOARD

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Ted Shove, Economic Development Manager

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-01 HA, Approval of Housing Programming and Appropriation of Funding

RECOMMENDED ACTION:

That the Housing Authority Board adopt Resolution 2018-01HA, approving housing programs and appropriations for Fiscal Years 2018/2019 and 2019/2020.

COMMITTEE RECOMMENDATION:

On May 21, 2018, the Budget and Finance Committee recommended approval of the housing programs and funding appropriations as identified herein.

BACKGROUND:

With the dissolution of the Banning Community Redevelopment Agency ("RDA"), there was a void left in the utilization of the Banning Housing Authority ("Agency"). During the time of tax increment and redevelopment funding, the Agency received approximately 20-25% of RDA funds set aside for the *purpose of increasing the inventory and condition of affordable housing within the community*. The Agency funds were reduced for a variety of reasons primarily involving dissolution of RDAs, however, the Agency currently (as of 7/1/2017) has \$1,381,290 in cash and \$968,415 in notes payable. Of the \$1,381,290, there is an "excess/surplus" amount of \$381,290. An Excess/Surplus designation is placed on housing funding in excess of base thresholds (depending upon the account). If the excess/surplus is not expended or encumbered within three fiscal years (plus 90 days), the funds must be forfeited to the California Department of Housing and Community Development for use toward statewide housing initiatives.

In March, the Economic Development adhoc Committee discussed the potential for tapping into these funds based upon a survey of housing programs utilized in other communities within the region currently active.

Alignment of General Plan Housing Element Goals:

According to the Banning General Plan Housing Element, there are six goals:

1. Conserve, improve, and rehabilitate existing housing.
2. Provide adequate housing sites for new housing development.
3. Facilitate development of affordable housing and housing for persons with special needs.
4. Remove governmental constraints to housing production and affordability.
5. Promote equal opportunity for housing opportunities throughout Banning.
6. Promote residential energy conservation and sustainable development.

With consideration given to the General Plan Housing Goals, the City could potentially utilize Agency funds to promote housing rehabilitation (Goal 1) and new housing inventory (Goal 3), based upon the Committee's initial discussion and direction. Staff has since investigated additional opportunities and recommends including potential opportunities for nonprofit organizations to increase the supply of affordable housing (Goal 4) and to facilitate financial literacy events focused on consumer credit, mortgage process, and predatory lending practices open to Banning residents (Goal 5).

As the Agency funds carry affordability restrictions, the chart below illustrates the residents that could potentially qualify for "*Low*" *income funding*. For example, a family of six with an annual income that does not exceed \$62,550, would potentially qualify.

Riverside County Housing State Income Limits (California Department of Housing and Community Development)								
Income Category	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low	\$ 14,150	\$ 16,460	\$ 20,780	\$ 25,100	\$ 29,420	\$ 33,740	\$ 38,060	\$ 42,380
Very Low Income	\$ 23,600	\$ 27,000	\$ 30,350	\$ 33,700	\$ 36,400	\$ 39,100	\$ 41,800	\$ 44,500
<u>Low Income</u>	\$ 37,750	\$ 43,150	\$ 48,550	\$ 53,900	\$ 58,250	\$ 62,550	\$ 66,850	\$ 71,150
<i>Median Income</i>	\$ 46,050	\$ 52,650	\$ 59,200	\$ 65,800	\$ 71,050	\$ 76,350	\$ 81,600	\$ 86,850
Moderate Income	\$ 55,250	\$ 63,150	\$ 71,050	\$ 78,950	\$ 85,250	\$ 91,600	\$ 97,900	\$ 104,200

Riverside County 4-Person Area Median Income: \$65,800

Since dissolution of RDAs, Agency funds may only be used for income levels identified (above) as Low or below (i.e. very low and extremely low). The use of these funds and restricting housing units for low income directly ties to the required Regional Housing Needs Assessment ("RHNA"). These figures have become more challenging to meet with recently passed state legislation. In addition, over the last at least five years, the City has only issued two housing permits. Neither were considered for RHNA figures as they were both market rate units.

Proposed Housing Program Offerings:

Based upon the input received from the Committee, these programs were identified for further consideration:

- **Downpayment Assistance Program (DAP)** – provides 1% up to \$20,000 of purchase price toward downpayment.
 - Carries a mandatory affordability covenant (deed restriction, effectiveness expires after 30 years).
 - Security is a promissory note and silent second (junior deed of trust), repayment required upon sale or refinance with cash out. Refinancing for lower term, covenant cannot be extended past original 30 year loan.
- **Energy Efficiency Rehabilitation Program (small)** – provides \$2,000 grant or \$5,000 forgivable loan toward energy efficiency and rehab costs (repairs most detrimental to health and safety addressed first).
 - Generally, repairs/upgrades under this program include: caulking, piping insulation, HVAC duct repair, weather-stripping, waterproofing, low flow toilets, energy efficient items (i.e. CFLs, LEDs, interior light timers/automatic shutoffs).
 - **Grant option** – one time, per homeowner, per residence limit.
 - **Forgivable loan option** – Loan may be forgiven after five years of occupancy. If home is sold before term, loan is due, payable to the Agency.
- **Energy Efficiency and Minor Home Repair (big)** – Forgivable loan of up to \$10,000. Similar terms to loan option above.
 - Repairs/upgrades include items above in addition: grading to correct flooding, repair/replacement of screens, windows, doors, roofing, siding, structural/foundation damage, and ADA modifications to aid mobility of elderly and physically disabled.

Additional Considerations

- **Fee Waiver of City-related fees** for construction of a single family residence – up to \$20,000. Affordability covenant required for 30 years.
- **Events** - targeting residents with topics that include: increasing financial literacy, importance of consumer credit, mortgage process, predatory lending, etc.

- **Underwriting multi-family complexes** – these agreements would require a 55 year affordability covenant and Council approval, similar to an economic development incentive for a business attraction/expansion project.

Applicant Approval Process:

In many cases, the type of programs being considered need to be responsive to the consumer/resident/applicant. For example, it is common for a resident to submit an application for a DAP, already 30 days into a 45 day escrow. The applicant blames the City for not processing their application timely. Fifteen days is not adequate to timely process a complete* application, secure necessary approvals, and process payment.

In an attempt to minimize processing timing, staff recommends all proposed programming above (subject to Council approval), be administratively approved, not to exceed \$25,000. Should the Council consider, as an option, underwriting of multi-family complexes, these projects would require Council approval (many developments such as the sole project in Banning were in excess of \$500,000).

Requests for fee waivers would be processed, verified for regulatory compliance, and submitted to the City Council for approval. The rationale for this methodology lies within the municipal code's limitation for fee waivers to be approved by the City Council.

For all staff level approval programs, it is recommended that a Loan Review Committee ("LRC") be established by the City Manager, comprised of three mid- to executive level staff. The LRC would review the applicant's package, including financial underwriting based upon program guidelines, proposed scope of work, and regulatory compliance. Received, approved, and completed project applications would be reported to the City Council on a quarterly or semi-annual basis (depending upon volume).

**some reasons for incomplete applications – insufficient financial information, assets, verification of household size.*

Funding Considerations:

As stated above, the Agency has access to approximately \$1,381,290, with \$381,290 subject to forfeiture to the state if not expended, within just over two fiscal years. Staff recommends an initial budget of \$381,290 with the second year budget of \$300,000. The higher initial budget will provide funding to retain a housing consultant that will assist staff in processing applications. In general, use of Agency funds requires 80% for implementation (i.e. loans, grants), with the remaining 20% balance for administrative costs borne from managing the program.

Next Steps:

Upon City Council approval, funding would become effective July 1st. Concurrent to approval of programs and appropriation of funding, these are the anticipated milestones over the next ninety to one hundred twenty days:

- Staff would develop an application process and associated policies for housing program management.
- A Request for Proposals would be published for part time housing consultant services, not to exceed \$40,000 (two year period). Staff would return to City Council for contract approval.
- A Request for Proposals would be published for a general contractor that would be responsive and on call to fulfill the City's requests for rehabilitation services based upon approved applications and building and safety personnel drafting a suitable scope of work.
- The City Attorney's office and staff would finalize affordability covenant templates for use with the programs approved.
- Preliminary planning for homeownership/financial literacy community events.
- Publication of a press release announcing the City has begun receiving applications for the approved programs.

JUSTIFICATION:

Over the last at least five years, the City has issued only two single family housing permits. The programming identified herein would reduce some of the barriers to homeownership for residents. In addition, it would also provide an opportunity for rehabilitation of existing housing that has deferred maintenance issues that could extend the life of the current inventory. Implementation of programs of this nature has had a positive impact on the community over the long term. Additionally, if the City does not expend the funds identified as excess/surplus, they will eventually be required to be forfeited to the California Department of Housing and Community Development for statewide housing projects.

FISCAL IMPACT:

Staff recommends approval of Housing Authority funds as outlined above in the amount of \$381,290 for FY 18/19 and an additional \$300,000 for FY 19/20, for a total of \$681,290.

OPTIONS:

1. Approve as recommended.
2. Do not approve and provide alternative direction.

ATTACHMENTS:

1. Resolution 2018-01HA
2. Banning Housing Authority CAFR (period ending 6/30/2017)
3. California Department of Housing and Community Development – State Income Limits for 2018

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-01 HA

RESOLUTION 2018-01 HA

A RESOLUTION OF THE CITY OF BANNING HOUSING AUTHORITY APPROVES HOUSING PROGRAMMING AND APPROPRIATIONS FOR FISCAL YEARS 18/19 AND 19/20

WHEREAS, the Banning Housing Authority Board ("Board") desires to has identified an excess surplus of funds and desires to fund down payment assistance, rehabilitation, and homeownership literacy housing programs during fiscal years 2018-19 and 2019-20; and

WHEREAS, the Board has identified an excess surplus of funds and desires to fund down payment assistance, rehabilitation, and homeownership literacy housing programs during fiscal years 2018-19 and 2019-20; and

WHEREAS, the budget for housing programs for fiscal years 2018-19 and 2019-20 of the Banning Housing Authority has been adopted by this Board in its original form, and said budget will need to be amended at times to fulfill the goals of the City; and

WHEREAS, the Board approved programming and budget will be administered by City departments and may not exceed their appropriations by character of expense, with expense being defined as personnel services, services and supplies, capital outlay, debt service and inter-fund transfers, without the consent of the City Manager; and

WHEREAS, the City may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by the Board; and

WHEREAS, the budget is reviewed during a Mid-Year Review process that results in recommended budget adjustments and continued appropriations to reflect extended projects and unforeseen changes in revenue or expenditure requirements that require Board approval; and

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

SECTION 1. The Banning Housing Authority Board approves the Housing Programs and appropriations for the Banning Housing Authority as detailed in Exhibit "A".

SECTION 2. The City Manager is authorized to make necessary program approvals, subject to established program guidelines and funding.

SECTION 3. The Administrative Services Director is authorized to make necessary budget adjustments, appropriations and transfers related to adoption of the Banning Housing Authority Budget Fiscal Year 18/19 and 19/20.

SECTION 4. The Economic Development Manager is authorized to finalize housing program guidelines in a form approved by the City Attorney.

PASSED, APPROVED, AND ADOPTED this 12th day of June, 2018.

George Moyer, Chairperson
Banning Housing Authority

ATTEST:

Sonja De La Fuente, Authority Secretary
Banning Housing Authority

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

Kevin G. Ennis, Legal Counsel
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Authority Secretary of the Banning Housing Authority, Banning California, do hereby certify that the foregoing Resolution 2018-01 HA was duly adopted at a joint meeting of the Banning Housing Authority thereof held on the 12th of June, 2018 , by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Authority Secretary
Banning Housing Authority
City of Banning, California

ATTACHMENT 2

Banning Housing Authority CAFR (period ending 6/30/2017)



BANNING HOUSING AUTHORITY

HOUSING SUCCESSOR OF THE CITY OF BANNING, CALIFORNIA

JUNE 30, 2017

FINANCIAL STATEMENTS

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BANNING HOUSING AUTHORITY

HOUSING SUCCESSOR OF THE
CITY OF BANNING, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2017

BANNING HOUSING AUTHORITY

CITY OF BANNING, CALIFORNIA

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Banning Housing Authority, (the Housing Successor), a Special Revenue Fund of the City of Banning, California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Successor's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Banning Housing Authority, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

We have audited the financial statements of the Banning Housing Authority as of and for the year ended June 30, 2017, and have issued our report thereon dated December 21, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017 on our consideration of the Housing Successor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Successor's internal control over financial reporting and compliance.

Brea, California
December 21, 2017

BANNING HOUSING AUTHORITY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2017

	Governmental Fund	Reclassifications	Statement of Net Position
Assets:			
Pooled cash and investments	\$ 1,379,579	\$ -	\$ 1,379,579
Receivables:			
Notes and loans	886,205	-	886,205
Accrued interest	1,711		1,711
Due from other governments	968,415	-	968,415
Total Assets	\$ 3,235,910	\$ -	\$ 3,235,910
Deferred Inflows of Resources, and Fund Balances/Net Position:			
Deferred Inflows of Resources:			
Unavailable revenues	\$ 886,205	\$ (886,205)	\$ -
Total Deferred Inflows of Resources	886,205	(886,205)	-
Fund Balances/Net Position:			
Restricted for:			
Community development projects	2,349,705	886,205	3,235,910
Total Fund Balances/Net Position	2,349,705	886,205	3,235,910
Total Deferred Inflows of Resources, and Fund Balances/Net Position	\$ 3,235,910	\$ -	\$ 3,235,910

BANNING HOUSING AUTHORITY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017

	Governmental Fund	Reclassifications	Statement of Activities
Revenues:			
Use of money and property	\$ 4,821	\$ -	\$ 4,821
Miscellaneous	395	-	395
Total Revenues	5,216	-	5,216
Expenditures:			
Current:			
Community development	3,605	-	3,605
Total Expenditures	3,605	-	3,605
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,611	-	1,611
Fund Balance/Net Position, Beginning of Year	2,348,094	886,205	3,234,299
Fund Balance/Net Position, End of Year	\$ 2,349,705	\$ 886,205	\$ 3,235,910

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The accompanying financial statements present only the Banning Housing Authority, a Special Revenue Fund of the City of Banning, California (the City) and do not include any other funds of the City. The City's basic financial statements are available at City Hall.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill impacted the reporting entity of the City of Banning that previously had reported a redevelopment agency within the report entity of the City as a blended component unit.

On January 10, 2012, and in accordance with California Health and Safety Code Section 34176, with resolution 2012-01 HA the Housing Authority, a blended component unit of the City of Banning, California elected to retain the housing assets and function of the former redevelopment agency. The Housing Authority continues to report the housing assets and functions in the government special revenue fund designated City Housing Successor.

The attached basic financial statements contain information relative only to the Banning Housing Authority Fund (the Housing Successor).

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all activities of the Housing Successor. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

When both restricted and unrestricted resources are available for use, it is the Housing Successor's policy to use restricted resources first, and then unrestricted resources as they are needed.

d. Fund Balance and Net Position

Fund Balance

The Housing Successor's fund balances are classified on the governmental fund balance sheet among the following categories:

Nonspendable Fund Balance - This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - This includes amounts that can be used only for the specific purposes determined by a formal action of the city council.

Assigned Fund Balance - This includes amounts that are designated by the City Council for specific purposes.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Housing Successor's policy is to apply restricted fund balance first.

When expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the Housing Successor's policy is to apply committed fund balance first, and then assigned fund balance, and finally unassigned fund balance.

Net Position

The net position reported on the Statement of Net Position in the government-wide financial statements consists of the following three categories:

Investment in capital assets - This amount consists of capital assets, net of accumulated depreciation.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "investment in capital assets" or "restricted net position".

BANNING HOUSING SUCCESSOR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2017

II. DETAILED NOTES ON ACCOUNT BALANCES

Note 2: Cash and Investments

The City of Banning maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The Housing Successor pooled cash and investment position as of June 30, 2017, was \$1,379,579.

Note 3: Notes and Loans Receivable

The Housing Successor has entered into various loan agreements relating to owners' participation agreements. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2017:

Description	Balance at June 30, 2017
First-time Home Buyer Down Payment Assistance	\$ 386,205
OPA - Westview Terrace 2011	500,000
Total loans receivable at June 30, 2017	<u>\$ 886,205</u>

No loan payments were made during the year ended June 30, 2017.

Note 4: Due From Other Governments

The Housing Successor Low/Mod Fund made an advance of \$2,298,433 to the Former Redevelopment Agency Debt Service Fund to fund the mandated payment for the "Supplemental" Educational Revenue Augmentation Fund. No amount was paid during the current fiscal year. The amount outstanding as of June 30, 2017 is \$968,415.

BANNING HOUSING AUTHORITY

BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,348,094	\$ 2,348,094	\$ 2,348,094	\$ -
Resources (Inflows):				
Intergovernmental	1,024,593	1,024,593	-	(1,024,593)
Use of money and property	1,200	1,200	4,821	3,621
Miscellaneous	-	-	395	395
Amounts Available for Appropriations	3,373,887	3,373,887	2,353,310	(1,020,577)
Charges to Appropriations (Outflow):				
Community development	3,605	3,605	3,605	-
Total Charges to Appropriations	3,605	3,605	3,605	-
Budgetary Fund Balance, June 30	\$ 3,370,282	\$ 3,370,282	\$ 2,349,705	\$ (1,020,577)

BANNING HOUSING SUCCESSOR

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budgets and Budgetary Accounting

Budget for the Housing Authority Fund is adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

BANNING HOUSING AUTHORITY

COMPUTATION OF HOUSING SUCCESSOR
EXCESS/SURPLUS (HSC 34176.1)

	Low and Moderate Housing Funds Housing Successor July 1, 2016	Projected Low and Moderate Housing Funds Housing Successor July 1, 2017
Opening Fund Balance	\$ 2,348,094	\$ 2,349,705
Less Unavailable Amounts:		
SERAF loans	<u>\$ (1,993,008)</u>	<u>\$ (968,415)</u>
	(1,993,008)	(968,415)
Available Housing Successor Funds	<u>355,086</u>	<u>1,381,290</u>
Limitation (greater of \$1,000,000 or four years deposits)		
Aggregate amount deposited for last four years:*		
2016 - 2017	N/A	5,216
2015 - 2016	21,200	21,200
2014 - 2015	61,702	61,702
2013 - 2014	22,514	22,514
2012 - 2013	<u>1,959,222</u>	<u>N/A</u>
Total	<u>\$ 2,064,638</u>	<u>\$ 110,632</u>
Base Limitation	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Greater amount	<u>\$ 2,064,638</u>	<u>\$ 1,000,000</u>
Computed Excess/Surplus	<u>None</u>	<u>381,290</u>

* This is the estimated future excess/surplus in 2017/2018. Please note, if a housing successor has an excess surplus, the housing successor shall encumber the excess surplus for the purposes described in paragraph (3) of subdivision (a) of Health and Safety Code 34176.1 or transfer the funds pursuant to paragraph (2) of subdivision (c) of 34176.1 within three fiscal years. If the housing successor fails to comply with this subdivision, the housing successor, within 90 days of the end of the third fiscal year, shall transfer any excess surplus to the Department of Housing and Community Development for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Banning Housing Authority, (the Housing Successor), a Special Revenue Fund of the City of Banning, California (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Successor's basic financial statements, and have issued our report thereon dated December 21, 2017

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Successor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Successor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Successor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Brea, California
December 21, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

Report on Compliance for the Housing Successor

We have audited the Banning Housing Successor's (Housing Successor) compliance with the type of compliance requirements described in the California Health and Safety Code sections applicable to California Housing Successor Agencies for the year ending June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies.

Auditor's Responsibility

Our responsibility is to express an opinion on the Housing Successor's compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred above that could have a direct and material effect on Housing Successor occurred. An audit includes examining, on a test basis, evidence about the Housing Successor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Housing Successor. However, our audit does not provide a legal determination of the Housing Successor's compliance with those requirements.

Opinion

In our opinion, the Housing Successor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Housing Successor for the year ending June 30, 2017.

Report on Internal Control over Compliance

Management of the Housing Successor is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Successor's internal control over compliance with the types of requirements that could have a direct and material effect on the Housing Successor to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal controls over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.





To the Honorable Mayor and Members of the
Banning Housing Authority
City of Banning, California

Accordingly, we do not express an opinion on the effectiveness of the Housing Successor's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Excess/Surplus Calculation

We have audited the financial statements of the governmental activities of the Banning Housing Successor as of and for the year ended June 30, 2017, and have issued our report thereon dated December 21, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of California Health and Safety Code sections applicable to California Housing Successor Agencies. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
December 21, 2017

ATTACHMENT 3

California Department of Housing and Community Development –
State Income Limits for 2018

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



April 26, 2018

MEMORANDUM FOR: Interested parties

FROM: Zachary Olmstead, Deputy Director
Division of Housing Policy Development

SUBJECT: State Income Limits for 2018

Attached are briefing materials and State Income Limits for 2018 that are now in effect and replace 2017 State Income Limits. Income limits reflect updated median income and household income levels for extremely low-, very low-, low-, and moderate-income households for California's 58 counties. The 2018 State Income Limits are on the Department of Housing and Community Development (HCD) website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income), and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are subject to a particular program's definition of income, family, family size, effective dates, and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on the funding source and program, resulting in some programs using other income limits.

The attached briefing materials detail California's 2018 Income Limits and were updated based on: (1) changes to income limits the U.S. Department of Housing and Urban Development (HUD) released on April 1, 2018 for its Public Housing and Section 8 Housing Choice Voucher Program and (2) adjustments HCD made based on State statutory provisions and its 2013 Hold Harmless (HH) Policy. Since 2013, HCD's HH Policy has held State Income Limits harmless from any decreases in household income limits and median income levels that HUD may apply to the Section 8 Income Limits. HUD determined its HH Policy was no longer necessary due to federal law changes in 2008 (Public Law 110-98) prohibiting rent decreases in federal or private activity bond funded projects.

For questions concerning State Income Limits, please contact HCD staff at (916) 263-2911.

2018 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

Overview

The Department of Housing and Community Development (HCD), pursuant to Health & Safety Code Section 50093(c), must file updates to its State Income Limits with the Office of Administrative Law. HCD annually updates these income limits based on U.S. Department of Housing and Urban Development (HUD) revisions to the Public Housing and Section 8 Housing Choice Voucher Program that HUD released on April 1, 2018.

HUD annually updates its Section 8 Income Limits to reflect changes in median family income levels for different size households and income limits for extremely low, very low, and low-income households. HCD, pursuant to statutory provisions, makes the following additional revisions: (1) If necessary, increase a county's area median income to equal California's non-metropolitan median income, (2) adjusts area median income and household income category levels to not result in any decrease for any year after 2009 pursuant to HCD's February 2013 HH Policy. HCD's HH Policy was implemented to replace HUD's HH Policy, discontinued in 2009, to not decrease income limits and area median income levels below a prior year's highest level and, (3) determines income limits for California's moderate-income category.

Following are brief summaries of technical methodologies used by HUD and HCD in updating income limits for different household income categories. For additional information, please refer to HUD's briefing materials at <https://www.huduser.gov/portal/datasets/il/il18/IncomeLimitsMethodology-FY18.pdf>.

HUD Methodology

HUD Section 8 Income Limits begin with the production of median family incomes. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions in developing median incomes, which means developing median incomes for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. The 2018 FMR area definitions are unchanged from last year. HUD calculates Section 8 Income Limits for every FMR area with adjustments for family size and for areas with unusually high or low family income or housing-cost-to-income relationships.

Extremely Low-Income

In determining the extremely low-income limit, HUD uses the Federal Poverty Guidelines, published by the Department of Health and Human Services. HUD compares the appropriate poverty guideline with 60% of the very low-income limit and choose the greater of the two. The value may not exceed the very low-income level.

Very Low-Income

The very low-income limits are the basis for all other income limits. The very low-income limit typically reflects 50 percent of median family income (MFI) and HUD's MFI figure generally equals two times HUD's 4-person very low-income limit. HUD may adjust the very low-income limit for an area or county to account for conditions that warrant special considerations. As such, the very low-income limit may not always equal 50% MFI.

Low-Income

In general, most low-income limits represent the higher level of: (1) 80 percent of MFI or, (2) 80 percent of state non-metropolitan median family income. However, due to adjustments that HUD sometimes makes to the very low-income limit, strictly calculating low-income limits as 80 percent of MFI could produce unintended anomalies inconsistent with statutory intent (e.g. very low-income limits being higher than low-income limits). Therefore, HUD's briefing materials specify that, with some exceptions, the low-income limit reflect 160 percent of the very low-income limit.

2018 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

HUD may apply additional adjustments to areas with unusually high or low housing-costs-to-income relationships and for other reasons. This could result in low-income limits exceeding MFI.

Median Family Income/Area Median Income

HUD references and estimates the MFI in calculating the income limits. California law and State Income Limits reference Area Median Income (AMI) that, pursuant to Health & Safety Code 50093(c), means the MFI of a geographic area, estimated by HUD for its Section 8 Program.

HUD's calculations of Section 8 Income Limits begin with the production of MFI estimates.

This year, MFI estimates use the 2015 American Community Survey. HUD then adjusts the survey data to account for anticipated income growth by applying the Consumer Price Index inflation forecast published by the Congressional Budget Office through mid-2018. HUD uses the MFI to calculate very low-income limits, used as the basis to calculate income limits for other income categories. For additional information, please see HUD's methodology describing 2018 MFI's at <https://www.huduser.gov/portal/datasets/il/il18/Medians-Methodology-FY18r.pdf>.

Adjustment Calculations

HUD may apply adjustments to areas with unusually high or low family income, uneven housing-cost-to-income relationship, or other reasons. For example, HUD applies an increase if the four-person very low-income limit would otherwise be less than the amount at which 35 percent of it equals 85 percent of the annualized two-bedroom Section 8 FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to increase the income limit for areas where rental-housing costs are unusually high in relation to the median income.

In certain cases, HUD also applies an adjustment to the income limits based on the state non-metropolitan median family income level. In addition, HUD restricts adjustments so income limits do not increase more than five percent of the previous year's very low-income figure OR twice the increase in the national MFI, whichever is greater. For the 2018 income limits, the maximum increase is 11.5% from the previous year. This adjustment does not apply to the extremely low-income limits.

Please refer to HUD briefing materials for additional information on the adjustment calculations.

Income Limit Calculations for Household Sizes Other Than 4-Persons

The income limit statute requires adjustments for family size. The legislative history and conference committee report indicates that Congress intended that income limits should be higher for larger families and lower for smaller families. The same family size adjustments apply to all income limits, except extremely low-income limits, which are set at the poverty income threshold. They are as follows:

Number of Persons in Household:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Adjustments:	70%	80%	90%	Base	108%	116%	124%	132%

Income Limit Calculations for Household Sizes Greater Than 8-Persons

For households of more than eight persons, refer to the formula at the end of the table for 2018 Income Limits. Due to the adjustments HUD can make to income limits in a given county, table data should be the only method used to determine program eligibility. Arithmetic calculations are applicable only when a household has more than eight members. Please refer to HUD's briefing material for additional information on family size adjustments.

2018 State Income Limits Briefing Materials
California Code of Regulations, Title 25, Section 6932

HCD Methodology

State law (Health & Safety Code Section 50093, et. seq.) prescribes the methodology HCD uses to update the State Income Limits. HCD utilizes HUD's Section 8 Housing Choice Voucher Program Income Limits. HCD's methodology involves: (1) increasing a counties' median income established by HUD to equal California's non-metropolitan county median income determined by HUD, (2) applying HCD's HH Policy, in effect since 2013, to not allow decreases in area median income levels and household income category levels, and (3) determining income limit levels applicable to California's moderate-income households defined by law as household income not exceeding 120 percent of county area median income.

Area Median Income and Income Category Levels

HCD, pursuant to federal and State law, adjusts median income levels for all to counties so they are not less than the non-metropolitan county median income established by HUD (\$59,700 for 2018). Next, HCD, for all counties, applies its HH policy to ensure area median income and income limits for all household income categories do not fall below any level achieved in the prior year.

Moderate-Income Levels

HCD is responsible for establishing California's moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum moderate-income limit to equal 120 percent of the county's AMI.

Applicability of California's Official State Income Limits

Applicability of the State Income Limits are subject to particular programs as program definitions of factors such as income, family, and household size, etc. vary. Some programs, such as Multifamily Tax Subsidy Projects (MTSPs), use different income limits. For MTSPs, separate income limits apply per provisions of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289). Income limits for MTSPs are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (Code). In addition, MTSP income limits apply to projects financed with tax-exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code. These income limits are available at <http://www.huduser.org/datasets/mtsp.html>.

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

Alameda County 4-Person Area Median Income: \$104,400	Extremely Low	24400	27900	31400	34850	37650	40450	43250	46050
	Very Low Income	40700	46500	52300	58100	62750	67400	72050	76700
	Low Income	62750	71700	80650	89600	96800	103950	111150	118300
	Median Income	73100	83500	93950	104400	112750	121100	129450	137800
	Moderate Income	87700	100250	112750	125300	135300	145350	155350	165400

Alpine County 4-Person Area Median Income: \$94,900	Extremely Low	18150	20750	23350	25900	29420	33740	38060	42380
	Very Low Income	30250	34600	38900	43200	46700	50150	53600	57050
	Low Income	46100	52650	59250	65800	71100	76350	81600	86900
	Median Income	66450	75900	85400	94900	102500	110100	117700	125250
	Moderate Income	79750	91100	102500	113900	123000	132100	141250	150350

Amador County 4-Person Area Median Income: \$73,600	Extremely Low	15500	17700	20780	25100	29420	33740	38060	42380
	Very Low Income	25800	29450	33150	36800	39750	42700	45650	48600
	Low Income	41250	47150	53050	58900	63650	68350	73050	77750
	Median Income	51500	58900	66250	73600	79500	85400	91250	97150
	Moderate Income	61800	70650	79450	88300	95350	102450	109500	116550

Butte County 4-Person Area Median Income: \$62,600	Extremely Low	13200	16460	20780	25100	29420	33740	37550	41320
	Very Low Income	21950	25050	28200	31300	33850	36350	38850	41350
	Low Income	35100	40100	45100	50100	54150	58150	62150	66150
	Median Income	43800	50100	56350	62600	67600	72600	77600	82650
	Moderate Income	52550	60100	67600	75100	81100	87100	93100	99150

Calaveras County 4-Person Area Median Income: \$72,300	Extremely Low	15200	17400	20780	25100	29420	33740	38060	42380
	Very Low Income	25350	28950	32550	36150	39050	41950	44850	47750
	Low Income	40500	46300	52100	57850	62500	67150	71750	76400
	Median Income	50600	57850	65050	72300	78100	83850	89650	95450
	Moderate Income	60700	69400	78100	86750	93700	100650	107550	114500

Colusa County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Contra Costa County 4-Person Area Median Income: \$104,400	Extremely Low	24400	27900	31400	34850	37650	40450	43250	46050
	Very Low Income	40700	46500	52300	58100	62750	67400	72050	76700
	Low Income	62750	71700	80650	89600	96800	103950	111150	118300
	Median Income	73100	83500	93950	104400	112750	121100	129450	137800
	Moderate Income	87700	100250	112750	125300	135300	145350	155350	165400

Del Norte County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

El Dorado County 4-Person Area Median Income: \$80,100	Extremely Low	16850	19250	21650	25100	29420	33740	38060	42380
	Very Low Income	28050	32050	36050	40050	43300	46500	49700	52900
	Low Income	44900	51300	57700	64100	69250	74400	79500	84650
	Median Income	56050	64100	72100	80100	86500	92900	99300	105750
	Moderate Income	67250	76900	86500	96100	103800	111500	119150	126850

Fresno County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Glenn County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Humboldt County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Imperial County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Inyo County 4-Person Area Median Income: \$72,000	Extremely Low	15150	17300	20780	25100	29420	33740	38060	42380
	Very Low Income	25200	28800	32400	36000	38900	41800	44650	47550
	Low Income	40350	46100	51850	57600	62250	66850	71450	76050
	Median Income	50400	57600	64800	72000	77750	83500	89300	95050
	Moderate Income	60500	69100	77750	86400	93300	100200	107150	114050

Kern County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Kings County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
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Lake County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Lassen County 4-Person Area Median Income: \$69,400	Extremely Low	14600	16650	20780	25100	29420	33740	38060	42380
	Very Low Income	24300	27800	31250	34700	37500	40300	43050	45850
	Low Income	38850	44400	49950	55500	59950	64400	68850	73300
	Median Income	48600	55500	62450	69400	74950	80500	86050	91600
	Moderate Income	58300	66650	74950	83300	89950	96650	103300	109950

Los Angeles County 4-Person Area Median Income: \$69,300	Extremely Low	20350	23250	26150	29050	31400	33740	38060	42380
	Very Low Income	33950	38800	43650	48450	52350	56250	60100	64000
	Low Income *	54250	62000	69750	77500	83700	89900	96100	102300
	Median Income	48500	55450	62350	69300	74850	80400	85950	91500
	Moderate Income	58200	66500	74850	83150	89800	96450	103100	109750

Madera County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Marin County 4-Person Area Median Income: \$118,400	Extremely Low	30800	35200	39600	44000	47550	51050	54600	58100
	Very Low Income	51350	58650	66000	73300	79200	85050	90900	96800
	Low Income	82200	93950	105700	117400	126800	136200	145600	155000
	Median Income	82900	94700	106550	118400	127850	137350	146800	156300
	Moderate Income	99450	113700	127900	142100	153450	164850	176200	187550

Mariposa County 4-Person Area Median Income: \$65,500	Extremely Low	13800	16460	20780	25100	29420	33740	38060	42380
	Very Low Income	22950	26200	29500	32750	35400	38000	40650	43250
	Low Income	36700	41950	47200	52400	56600	60800	65000	69200
	Median Income	45850	52400	58950	65500	70750	76000	81200	86450
	Moderate Income	55000	62900	70750	78600	84900	91200	97450	103750

Mendocino County 4-Person Area Median Income: \$60,600	Extremely Low	12800	16460	20780	25100	29420	33740	37600	40200
	Very Low Income	21350	24400	27450	30450	32900	35350	37800	40200
	Low Income	34100	39000	43850	48700	52600	56500	60400	64300
	Median Income	42400	48500	54550	60600	65450	70300	75150	80000
	Moderate Income	50900	58150	65450	72700	78500	84350	90150	95950

Merced County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Section 6932. 2018 Income Limits

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Modoc County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Mono County 4-Person Area Median Income: \$81,200	Extremely Low	17050	19500	21950	25100	29420	33740	38060	42380
	Very Low Income	28450	32500	36550	40600	43850	47100	50350	53600
	Low Income	44750	51150	57550	63900	69050	74150	79250	84350
	Median Income	56850	64950	73100	81200	87700	94200	100700	107200
	Moderate Income	68200	77950	87700	97450	105250	113050	120850	128650

Monterey County 4-Person Area Median Income: \$69,100	Extremely Low	17550	20050	22550	25100	29420	33740	38060	42380
	Very Low Income	29250	33400	37600	41750	45100	48450	51800	55150
	Low Income	46800	53450	60150	66800	72150	77500	82850	88200
	Median Income	48350	55300	62200	69100	74650	80150	85700	91200
	Moderate Income	58050	66300	74600	82900	89550	96150	102800	109450

Napa County 4-Person Area Median Income: \$91,000	Extremely Low	19600	22400	25200	27950	30200	33740	38060	42380
	Very Low Income	32600	37250	41900	46550	50300	54000	57750	61450
	Low Income	52150	59600	67050	74500	80500	86450	92400	98350
	Median Income	63700	72800	81900	91000	98300	105550	112850	120100
	Moderate Income	76450	87350	98300	109200	117950	126650	135400	144150

Nevada County 4-Person Area Median Income: \$73,500	Extremely Low	16100	18400	20780	25100	29420	33740	38060	42380
	Very Low Income	26850	30700	34550	38350	41450	44500	47600	50650
	Low Income	42950	49050	55200	61300	66250	71150	76050	80950
	Median Income	51450	58800	66150	73500	79400	85250	91150	97000
	Moderate Income	61750	70550	79400	88200	95250	102300	109350	116400

Orange County 4-Person Area Median Income: \$92,700	Extremely Low	23000	26250	29550	32800	35450	38050	40700	43300
	Very Low Income	38300	43750	49200	54650	59050	63400	67800	72150
	Low Income	61250	70000	78750	87450	94450	101450	108450	115450
	Median Income	64900	74150	83450	92700	100100	107550	114950	122350
	Moderate Income	77900	89000	100150	111250	120150	129050	137950	146850

Placer County 4-Person Area Median Income: \$80,100	Extremely Low	16850	19250	21650	25100	29420	33740	38060	42380
	Very Low Income	28050	32050	36050	40050	43300	46500	49700	52900
	Low Income	44900	51300	57700	64100	69250	74400	79500	84650
	Median Income	56050	64100	72100	80100	86500	92900	99300	105750
	Moderate Income	67250	76900	86500	96100	103800	111500	119150	126850

Plumas County 4-Person Area Median Income: \$63,300	Extremely Low	13300	16460	20780	25100	29420	33740	38060	41800
	Very Low Income	22200	25350	28500	31650	34200	36750	39250	41800
	Low Income	35500	40550	45600	50650	54750	58800	62850	66900
	Median Income	44300	50650	56950	63300	68350	73450	78500	83550
	Moderate Income	53150	60750	68350	75950	82050	88100	94200	100250

Section 6932. 2018 Income Limits

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Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

Riverside County 4-Person Area Median Income: \$65,800	Extremely Low	14150	16460	20780	25100	29420	33740	38060	42380
	Very Low Income	23600	27000	30350	33700	36400	39100	41800	44500
	Low Income	37750	43150	48550	53900	58250	62550	66850	71150
	Median Income	46050	52650	59200	65800	71050	76350	81600	86850
	Moderate Income	55250	63150	71050	78950	85250	91600	97900	104200

Sacramento County 4-Person Area Median Income: \$80,100	Extremely Low	16850	19250	21650	25100	29420	33740	38060	42380
	Very Low Income	28050	32050	36050	40050	43300	46500	49700	52900
	Low Income	44900	51300	57700	64100	69250	74400	79500	84650
	Median Income	56050	64100	72100	80100	86500	92900	99300	105750
	Moderate Income	67250	76900	86500	96100	103800	111500	119150	126850

San Benito County 4-Person Area Median Income: \$81,100	Extremely Low	19600	22400	25200	27950	30200	33740	38060	42380
	Very Low Income	32600	37250	41900	46550	50300	54000	57750	61450
	Low Income	52200	59650	67100	74550	80550	86500	92450	98450
	Median Income	56750	64900	73000	81100	87600	94100	100550	107050
	Moderate Income	68100	77850	87550	97300	105100	112850	120650	128450

San Bernardino County 4-Person Area Median Income: \$65,800	Extremely Low	14150	16460	20780	25100	29420	33740	38060	42380
	Very Low Income	23600	27000	30350	33700	36400	39100	41800	44500
	Low Income	37750	43150	48550	53900	58250	62550	66850	71150
	Median Income	46050	52650	59200	65800	71050	76350	81600	86850
	Moderate Income	55250	63150	71050	78950	85250	91600	97900	104200

San Diego County 4-Person Area Median Income: \$81,800	Extremely Low	20450	23400	26300	29200	31550	33900	38060	42380
	Very Low Income	34100	38950	43800	48650	52550	56450	60350	64250
	Low Income	54500	62300	70100	77850	84100	90350	96550	102800
	Median Income	57250	65450	73600	81800	88350	94900	101450	108000
	Moderate Income	68700	78500	88350	98150	106000	113850	121700	129550

San Francisco County 4-Person Area Median Income: \$118,400	Extremely Low	30800	35200	39600	44000	47550	51050	54600	58100
	Very Low Income	51350	58650	66000	73300	79200	85050	90900	96800
	Low Income	82200	93950	105700	117400	126800	136200	145600	155000
	Median Income	82900	94700	106550	118400	127850	137350	146800	156300
	Moderate Income	99450	113700	127900	142100	153450	164850	176200	187550

San Joaquin County 4-Person Area Median Income: \$66,300	Extremely Low	13950	16460	20780	25100	29420	33740	38060	42050
	Very Low Income	23250	26550	29850	33150	35850	38500	41150	43800
	Low Income	37150	42450	47750	53050	57300	61550	65800	70050
	Median Income	46400	53050	59650	66300	71600	76900	82200	87500
	Moderate Income	55700	63650	71600	79550	85900	92300	98650	105000

San Luis Obispo County 4-Person Area Median Income: \$83,200	Extremely Low	17500	20000	22500	25100	29420	33740	38060	42380
	Very Low Income	29150	33300	37450	41600	44950	48300	51600	54950
	Low Income	46600	53250	59900	66550	71900	77200	82550	87850
	Median Income	58250	66550	74900	83200	89850	96500	103150	109800
	Moderate Income	69900	79900	89850	99850	107850	115850	123800	131800

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

San Mateo County 4-Person Area Median Income: \$118,400	Extremely Low	30800	35200	39600	44000	47550	51050	54600	58100
	Very Low Income	51350	58650	66000	73300	79200	85050	90900	96800
	Low Income	82200	93950	105700	117400	126800	136200	145600	155000
	Median Income	82900	94700	106550	118400	127850	137350	146800	156300
	Moderate Income	99450	113700	127900	142100	153450	164850	176200	187550

Santa Barbara County 4-Person Area Median Income: \$79,600	Extremely Low	21100	24100	27100	30100	32550	34950	38060	42380
	Very Low Income	35150	40150	45150	50150	54200	58200	62200	66200
	Low Income	56250	64250	72300	80300	86750	93150	99600	106000
	Median Income	55700	63700	71650	79600	85950	92350	98700	105050
	Moderate Income	66850	76400	85950	95500	103150	110800	118400	126050

Santa Clara County 4-Person Area Median Income: \$125,200	Extremely Low	27950	31950	35950	39900	43100	46300	49500	52700
	Very Low Income	46550	53200	59850	66500	71850	77150	82500	87800
	Low Income	66150	75600	85050	94450	102050	109600	117150	124700
	Median Income	87650	100150	112700	125200	135200	145250	155250	165250
	Moderate Income	105200	120200	135250	150250	162250	174300	186300	198350

Santa Cruz County 4-Person Area Median Income: \$87,000	Extremely Low	23450	26800	30150	33500	36200	38900	41550	44250
	Very Low Income	39100	44650	50250	55800	60300	64750	69200	73700
	Low Income	62650	71600	80550	89450	96650	103800	110950	118100
	Median Income	60900	69600	78300	87000	93950	100900	107900	114850
	Moderate Income	73100	83500	93950	104400	112750	121100	129450	137800

Shasta County 4-Person Area Median Income: \$61,800	Extremely Low	13000	16460	20780	25100	29420	33740	38060	40800
	Very Low Income	21650	24750	27850	30900	33400	35850	38350	40800
	Low Income	34650	39600	44550	49450	53450	57400	61350	65300
	Median Income	43250	49450	55600	61800	66750	71700	76650	81600
	Moderate Income	51900	59300	66750	74150	80100	86000	91950	97900

Sierra County 4-Person Area Median Income: \$71,800	Extremely Low	14800	16900	20780	25100	29420	33740	38060	42380
	Very Low Income	24650	28150	31650	35150	38000	40800	43600	46400
	Low Income	39400	45000	50650	56250	60750	65250	69750	74250
	Median Income	50250	57450	64600	71800	77550	83300	89050	94800
	Moderate Income	60300	68900	77550	86150	93050	99950	106850	113700

Siskiyou County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Solano County 4-Person Area Median Income: \$83,700	Extremely Low	17600	20100	22600	25100	29420	33740	38060	42380
	Very Low Income	29300	33500	37700	41850	45200	48550	51900	55250
	Low Income	46900	53600	60300	66950	72350	77700	83050	88400
	Median Income	58600	66950	75350	83700	90400	97100	103800	110500
	Moderate Income	70300	80350	90400	100450	108500	116500	124550	132600

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

Sonoma County 4-Person Area Median Income: \$84,100	Extremely Low	20650	23600	26550	29450	31850	34200	38060	42380
	Very Low Income	34400	39300	44200	49100	53050	57000	60900	64850
	Low Income	55000	62850	70700	78550	84850	91150	97450	103700
	Median Income	58850	67300	75700	84100	90850	97550	104300	111000
	Moderate Income	70650	80700	90800	100900	108950	117050	125100	133200

Stanislaus County 4-Person Area Median Income: \$62,000	Extremely Low	13050	16460	20780	25100	29420	33740	37650	40100
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	Median Income	43400	49600	55800	62000	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200

Sutter County 4-Person Area Median Income: \$60,000	Extremely Low	12600	16460	20780	25100	29420	33740	37200	39600
	Very Low Income	21000	24000	27000	30000	32400	34800	37200	39600
	Low Income	33600	38400	43200	48000	51850	55700	59550	63400
	Median Income	42000	48000	54000	60000	64800	69600	74400	79200
	Moderate Income	50400	57600	64800	72000	77750	83500	89300	95050

Tehama County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Trinity County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Tulare County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16460	20780	25100	29420	33740	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Tuolumne County 4-Person Area Median Income: \$66,700	Extremely Low	13950	16460	20780	25100	29420	33740	38060	41750
	Very Low Income	23250	26600	29900	33200	35900	38550	41200	43850
	Low Income	37200	42500	47800	53100	57350	61600	65850	70100
	Median Income	46700	53350	60050	66700	72050	77350	82700	88050
	Moderate Income	56050	64050	72050	80050	86450	92850	99250	105650

Ventura County 4-Person Area Median Income: \$96,000	Extremely Low	21300	24350	27400	30400	32850	35300	38060	42380
	Very Low Income	35500	40600	45650	50700	54800	58850	62900	66950
	Low Income	56800	64900	73000	81100	87600	94100	100600	107100
	Median Income	67200	76800	86400	96000	103700	111350	119050	126700
	Moderate Income	80650	92150	103700	115200	124400	133650	142850	152050

Section 6932. 2018 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

Yolo County 4-Person Area Median Income: \$85,100	Extremely Low	17500	20000	22500	25100	29420	33740	38060	42380
	Very Low Income	29150	33300	37450	41600	44950	48300	51600	54950
	Low Income	46600	53250	59900	66550	71900	77200	82550	87850
	Median Income	59550	68100	76600	85100	91900	98700	105500	112350
	Moderate Income	71450	81700	91900	102100	110250	118450	126600	134750

Yuba County 4-Person Area Median Income: \$60,000	Extremely Low	12600	16460	20780	25100	29420	33740	37200	39600
	Very Low Income	21000	24000	27000	30000	32400	34800	37200	39600
	Low Income	33600	38400	43200	48000	51850	55700	59550	63400
	Median Income	42000	48000	54000	60000	64800	69600	74400	79200
	Moderate Income	50400	57600	64800	72000	77750	83500	89300	95050

Instructions:

Eligibility Determination:

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

Determination of Income Limit for Households Larger than Eight Persons:

Per person (PP) adjustment above 8: (1) multiply 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

Yuba County

E X A M P L E	4 persons	8% PP Adj	+ 8 persons	=9 persons
Extremely Low	25,100	2008	39,550	41,550
Very Low Income	30,000	2400	39,550	41,950
Lower Income	48,000	3840	63,250	67,100
Moderate Income	72,000	5760	94,900	100,650

8 person +	8% Adj x 2	=10 persons
39,550	4016	43,550
39,550	4800	44,350
63,250	7680	70,950
94,900	11520	106,400

Calculation of Housing Cost and Rent:

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

Determination of Household Size:

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.

For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

HUD Income Limits release: 4/1/2018

HUD FY 2017 California median incomes:

State median income: \$77,500

Metropolitan county median income: \$78,200

Non-metropolitan county median income: \$59,700

Authority cited: Section 50093, Health and Safety Code. Reference: Sections 50079.5, 50093, 50105 and 50106, Health and Safety Code

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Tim Chavez, Fire Department Liason

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-58, Adopting an Agreement for One Year with an Option to Renew for Two Additional Years for Fire Services with Riverside County Fire Department

RECOMMENDATION:

Approve Resolution 2018-58 Adopting an Agreement for one year with an option to renew for two additional years for fire service with Riverside County Fire Department.

BACKGROUND:

Since 1998 the City of Banning has entered into this agreement with the Riverside County Fire Department for medical, fire protection and other emergency response. This protection is provided by two type 1 engine companies of three firefighters (including one paramedic) per engine. The second engine providing fire protection to the south-west City area is split funded three ways with Beaumont and Riverside County.

JUSTIFICATION:

The City of Banning with approval of this agreement will keep its current level of service to all citizens within the City of Banning, and also cooperatively provide integrated, regional response to surrounding jurisdictions.

FISCAL IMPACT:

Cost to the City for 1.33 fire engine staffing:

FISCAL YEAR 2018/2019
\$3,380,776

FISCAL YEAR 2019/2020
\$3,561,029

FISCAL YEAR 2020/2021
\$3,745,305


OPTIONS:

1. Approve agreement from July 1, 2018-June 30, 2019.
2. Provide fire protection for the City of Banning by some other means.

ATTACHMENTS:

1. Resolution 2018-58
2. Cooperative Agreement for the City of Banning
3. Exhibit A
4. Exhibit C
5. Exhibit D
6. Power Point Presentation

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-58

RESOLUTION NO. 2018-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING THE FIRE PROTECTION AGREEMENT WITH RIVERSIDE COUNTY FIRE DEPARTMENT FOR ONE TO THREE YEARS.

WHEREAS, on June 12, 2018 the City of Banning and the Riverside County Fire Department enter into an agreement entitled "A Cooperative Agreement to Provide Fire Protection, Fire Prevention, Rescue, Fire Marshal, and Medical Services" Dated June 12, 2018, and

WHEREAS, THE City of Banning and Riverside County Fire desire to continue this agreement each fiscal year, the Riverside County Fire Department will provide an updated Exhibit "A" during budget planning process each year, and

WHEREAS, the purpose of the Exhibit "A" is to provide timely adjustment to the agreement if needed, and

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning hereby approve the "Cooperative Agreement" for fire services with the Riverside County Fire Department.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning, California

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

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

Kevin G. Ennis, City Attorney
Richards Watson Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2018-58 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

Cooperative Agreement for the City of Banning

**A COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE, FIRE MARSHAL
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING**

THIS AGREEMENT, made and entered into this ____ day of _____, 2018, by and between the County of Riverside, a political subdivision of the State of California, on behalf of the Fire Department, (hereinafter referred to as "COUNTY") and the City of Banning a duly created city, (hereinafter referred to as "CITY"), whereby it is agreed as follows:

SECTION I: PURPOSE

The purpose of this Agreement is to arrange for COUNTY, through its Cooperative Fire Programs Fire Protection Reimbursement Agreement ("CAL FIRE Agreement") with the California Department of Forestry and Fire Protection ("CAL FIRE") to provide CITY with fire protection, hazardous materials mitigation, technical rescue response, fire marshal, medical emergency services, and public service assists (hereinafter called "Fire Services"). The Riverside County Fire Department invoices for disaster preparedness and response provided by Riverside County Emergency Management Department. This Agreement is entered into pursuant to the authority granted by Government Code Sections §55600 et seq., and will provide a unified, integrated, cooperative, regional fire protection system. COUNTY's ability to perform under this Agreement is subject to the terms and conditions of the CAL FIRE Agreement.

SECTION II: DESIGNATION OF FIRE CHIEF

A. The County Fire Chief appointed by the Board of Supervisors, or his designee, (hereinafter referred to as "Chief") shall represent COUNTY and CITY during the period of this Agreement and Chief shall, under the supervision and direction of the County Board of Supervisors, have charge of the organization described in Exhibit "A", attached hereto and made a part hereof, for the purpose of providing Fire Services as deemed necessary to satisfy the needs of both the COUNTY and CITY, except upon those lands wherein other agencies of government have responsibility for the same or similar Fire Services.

B. The COUNTY will assign an existing Chief Officer as the Fire Department Liaison ("Fire Liaison"). The Chief may delegate certain authority to the Fire Liaison, as the Chief's duly authorized designee and the Fire Liaison shall be responsible for directing the Fire Services provided to CITY as set forth in Exhibit "A".

C. COUNTY will be allowed flexibility in the assignment of available personnel and equipment in order to provide the Fire Services as agreed upon herein.

SECTION III: PAYMENT FOR SERVICES

A. CITY shall annually appropriate a fiscal year budget to support the Fire Services designated at a level of service mutually agreed upon by both parties and as set forth in Exhibit "A" for the term of this Agreement. This Exhibit may be amended in writing by mutual agreement by both parties or when a CITY requested increase or reduction in services is approved by COUNTY.

B. COUNTY provides fire personnel and services through its CAL FIRE Agreement. In the event CITY desires an increase or decrease in CAL FIRE or COUNTY civil service employees or services assigned to CITY as provided for in Exhibit "A," CITY shall provide one hundred twenty (120) days written notice of the proposed, requested increase or decrease. Proper notification shall include the following: (1) The total amount of increase or decrease; (2) The effective date of the increase or decrease; and (3) The number of employees, by classification, affected by the proposed increase or decrease. If such notice is not provided, CITY shall reimburse COUNTY for relocation costs incurred by COUNTY because of the increase or decrease, in addition to any other remedies available resulting from the increase or decrease in services. COUNTY is under no obligation to approve any requested increase or decrease, and it is expressly understood by the parties that in no event will COUNTY authorize or approve CITY's request to reduce services below the COUNTY Board of Supervisors approved staffing level for any fire station, or to reduce services to the extent that the services provided under this Agreement are borne by other jurisdictions. COUNTY shall render a written decision on whether to allow or deny the increase or decrease within thirty (30) days of the notice provided pursuant to this section.

C. CITY shall pay COUNTY actual costs for Fire Services pursuant to this Agreement. COUNTY shall make a claim to CITY for the actual cost of contracted services, pursuant to Exhibit "A," on a quarterly basis. The COUNTY is mandated per Government Code Section §51350 for full cost recovery. CITY shall pay each claim, in full, within thirty (30) days after receipt thereof.

D. Any changes to the salaries or expenses set forth in Exhibit "A" made necessary by action of the Legislature, CAL FIRE, or any other public agency with authority to direct changes in the level of salaries or expenses, shall be paid from the funds represented as set forth in Exhibit "A." The CITY is obligated to expend or appropriate any sum in excess of Exhibit "A" increased by action of the Legislature, CAL FIRE, or any other public agency with authority to direct changes. If within thirty (30) days after notice, in writing, from COUNTY to CITY that the actual cost of maintaining the services specified in Exhibit "A" as a result of action by the Legislature, CAL-FIRE, or other public agency will exceed the total amount specified therein, and CITY has not agreed to make available the necessary additional funds, COUNTY shall have the right to unilaterally reduce the services furnished under this Agreement by an appropriate amount and shall promptly notify CITY, in writing, specifying the services to be reduced. Any COUNTY or CAL-FIRE personnel reduction resulting solely due to an increase in employee salaries or expenses occurring after signing this Agreement and set forth in

Exhibit "A" that CITY does not agree to fund, as described above, shall not be subject to relocation expense reimbursement by CITY. If CITY desires to add funds to the total included herein to cover the cost of increased salaries or services necessitated by actions described in this paragraph, such increase shall be accomplished by an additional appropriation by the City Council of CITY, and an amendment to Exhibit "A" approved by the parties hereto.

E. Chief may be authorized to negotiate and execute any amendments to Exhibit "A" of this Agreement on behalf of COUNTY as authorized by the Board of Supervisors. CITY shall designate a "Contract Administrator" who shall, under the supervision and direction of CITY, be authorized to execute amendments to Exhibit "A" on behalf of CITY.

F. _____ [] (Check only if applicable, and please initial to acknowledge) Additional terms as set forth in the attached Exhibit "B" are incorporated herein and shall additionally apply to this agreement regarding payment of services.

G. _____ [] (Check only if applicable, and please initial to acknowledge) Additional terms as set forth in the attached Exhibit "C" are incorporated herein and shall additionally apply to this agreement regarding payment for the Fire Engine Use Agreement.

H. _____ [] (Check only if applicable, and please initial to acknowledge) Additional terms as set forth in the attached Exhibit "D" are incorporated herein and shall additionally apply to this agreement regarding payment for Fire Marshall Services.

I. Notwithstanding Paragraph G, as it relates to the Fire Engine Use Agreement, herein if applicable, additional terms as set forth are incorporated herein and shall additionally apply to this agreement regarding payment of services. In the event that a fire engine, owned and maintained by the CITY has a catastrophic failure, the COUNTY Fire Chief may allow use of a COUNTY fire engine, free of charge up to one hundred twenty (120) days. After the initial one hundred twenty (120) days, a rental fee will be applied to the CITY invoice for use of said COUNTY fire engine. The rental fee shall be One Thousand Four Hundred Thirteen Dollars (\$1,413) per day; or Nine Thousand Eight Hundred Ninety-Six Dollars (\$9,896) per week.

J. Notwithstanding Paragraph H, as it relates to Fire Marshal services herein, if applicable, additional terms as set forth are incorporated herein and shall additionally apply to this agreement regarding Fire Marshal services. In the event the CITY elects not to use Fire Marshal services outlined in Paragraph H (Exhibit D), the services must be provided by the COUNTY Office of the Fire Marshal pursuant to Health and Safety Code sections 13145 and 13146 and at a cost to the developer as outlined in COUNTY Ordinance 671(Establishing Consolidated Fees For Land Use and Related Functions).

SECTION IV: INITIAL TERM AND AMENDMENT

A. The term of this Agreement shall be from July 1, 2018, to June 30, 2019.

B. Nine (9) months prior to the date of expiration of this Agreement, CITY shall give COUNTY written notice of whether CITY intends to not enter into a new Agreement with COUNTY for Fire Services and, if so, whether CITY intends to request a change in the level of Fire Services provided under this Agreement.

SECTION V: TERMINATION

During the terms of this Agreement, this Agreement may only be terminated by the voters of either the COUNTY or the CITY pursuant to Government Code §55603.5.

SECTION VI: COOPERATIVE OPERATIONS

All Fire Services contemplated under this Agreement shall be performed by both parties to this Agreement working as one unit; therefore, personnel and/or equipment belonging to either CITY or COUNTY may be temporarily dispatched elsewhere from time to time for mutual aid.

SECTION VII: MUTUAL AID

Pursuant to Health and Safety Code Sections 13050 et seq., when rendering mutual aid or assistance, COUNTY may, at the request of CITY, demand payment of charges and seek reimbursement of CITY costs for personnel, equipment use, and operating expenses as funded herein, under authority given by Health and Safety Code Sections 13051 and 13054. COUNTY, in seeking said reimbursement pursuant to such request of CITY, shall represent the CITY by following the procedures set forth in Health and Safety Code Section 13052. Any recovery of CITY costs, less actual expenses, shall be paid or credited to the CITY, as directed by CITY.

In all such instances, COUNTY shall give timely notice of the possible application of Health and Safety Code Sections 13051 and 3054 to the officer designated by CITY.

SECTION VIII: SUPPRESSION COST RECOVERY

As provided in Health and Safety Code Section 13009, COUNTY may bring an action for collection of suppression costs of any fire caused by negligence, violation of law, or failure to correct noticed fire safety violations. When using CITY equipment and personnel under the terms of this Agreement, COUNTY may bring such an action for collection of costs incurred by CITY and the COUNTY. In such a case CITY appoints and designates COUNTY as its agent in said collection proceedings. In the event of recovery, COUNTY shall apportion the recovered amount via the annual Cost Allocation Plan. This recovery does not include CITY resources outside of this Cooperative Agreement. Those resources would require the CITY to obtain cost recovery directly.

In all such instances, COUNTY shall give timely notice of the possible application of Health and Safety Code Section 13009 to the officer designated by CITY.

SECTION IX: PROPERTY ACCOUNTING

All personal property provided by CITY and by COUNTY for the purpose of providing Fire Services under the terms of this Agreement shall be marked and accounted for in such a manner as to conform to the standard operating procedure established by the COUNTY for the segregation, care, and use of the respective property of each.

SECTION X: FACILITY

CITY shall provide Fire Station(s), strategically located to provide standard response time within City of Banning from which fire operations shall be conducted. If the Fire Station(s) are owned by the CITY, the CITY shall maintain the facilities at CITY's cost and expense. In the event CITY requests COUNTY to undertake repairs or maintenance costs or services, the costs and expenses of such repairs or maintenance shall be reimbursed to COUNTY through the Support Services Cost Allocation, or as a direct Invoice to the CITY.

SECTION XI: INDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by applicable law, COUNTY shall and does agree to indemnify, protect, defend and hold harmless CITY, its agencies, districts, special districts and departments, their respective directors, officers, elected and appointed officials, employees, agents and representatives (collectively, "**Indemnitees**") for, from and against any and all liabilities, claims, damages, losses, liens, causes of action, suits, awards, judgments and expenses, attorney and/or consultant fees and costs, taxable or otherwise, of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (1) the Services performed hereunder by COUNTY, or any part thereof, (2) the Agreement, including any approved amendments or modifications, or (3) any negligent act or omission of COUNTY, its officers, employees, subcontractors, agents, or representatives (collectively, "**Liabilities**"). Notwithstanding the foregoing, the only Liabilities with respect to which COUNTY's obligation to indemnify, including the cost to defend, the Indemnitees does not apply is with respect to Liabilities resulting from the negligence or willful misconduct of an Indemnitee, or to the extent such claims do not arise out of, pertain to or relate to the Scope of Work in the Agreement.

To the fullest extent permitted by applicable law, CITY shall and does agree to indemnify, protect, defend and hold harmless COUNTY, its agencies, departments, directors, officers, agents, Board of Supervisors, elected and appointed officials and representatives (collectively, "**Indemnitees**") for, from and against any and all liabilities, claims, damages, losses, liens, causes of action, suits, awards, judgments and expenses, attorney and/or consultant fees and costs, taxable or otherwise, of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (1) the services performed hereunder, by CITY, or any part thereof, (2) the Agreement, including any approved amendments or modifications, or (3) any negligent act or omission of CITY its officers, employees, subcontractors, agents, or representatives (collectively, "**Liabilities**"). Notwithstanding the foregoing, the only

Liabilities with respect to which CITY's obligation to indemnify, including the cost to defend, the Indemnitees does not apply is with respect to Liabilities resulting from the negligence or willful misconduct of an Indemnatee, or to the extent such claims do not arise out of, pertain to or relate to the Scope of Work in the Agreement.

SECTION XII: AUDIT

A. COUNTY and CITY agree that their designated representative shall have the right to review and to copy any records and supporting documentation of the other party hereto, pertaining to the performance of this Agreement. COUNTY and CITY agree to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated or as required by law, and to allow the auditor(s) of the other party access to such records during normal business hours. COUNTY and CITY agree to a similar right to audit records in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

B. Each party shall bear their own costs in performing a requested audit.

SECTION XIII: DISPUTES

CITY shall select and appoint a "Contract Administrator" who shall, under the supervision and direction of CITY, be available for contract resolution or policy intervention with COUNTY, when, upon determination by the Chief that a situation exists under this Agreement in which a decision to serve the interest of CITY has the potential to conflict with COUNTY interest or policy. Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time by the CITY and COUNTY employees normally responsible for the administration of this Agreement shall be brought to the attention of the Chief Executive Officer (or designated representative) of each organization for joint resolution. For purposes of this provision, a "reasonable period of time" shall be ten (10) calendar days or less. CITY and COUNTY agree to continue with the responsibilities under this Agreement during any dispute. Disputes that are not resolved informally by and between CITY and COUNTY representatives may be resolved, by mutual agreement of the parties, through mediation. Such mediator will be jointly selected by the parties. The costs associated with mediator shall be shared equally among the participating parties. If the mediation does not resolve the issue(s), or if the parties cannot agree to mediation, the parties reserve the right to seek remedies as provided by law or in equity. The parties agree, pursuant to *Battaglia Enterprises v. Superior Court* (2013) 215 Cal.App.4th 309, that each of the parties are sophisticated and negotiated this agreement and this venue at arm's length. Pursuant to this Agreement, the parties agree that venue for litigation shall be in the Superior Court of Riverside County. Should any party attempt to defeat this section and challenge venue in Superior Court, the party challenging venue stipulates to request the Court change venue to San Bernardino County and shall not ask for venue in any other County.

Any claims or causes of actions, whether they arise out of unresolved disputes as specified in this Section or claims by third parties that are made against the COUNTY, shall be submitted to the Office of the Clerk of the Board for the County of Riverside in a timely manner. For claims made against the COUNTY that involve CalFire employees, to the extent permissible under the COUNTY's contract with CalFire, the claims will be forwarded on to CalFire for processing.

SECTION XIV: ATTORNEY'S FEES

If CITY fails to remit payments for services rendered pursuant to any provision of this Agreement, COUNTY may seek recovery of fees through litigation, in addition to all other remedies available.

In the event of litigation between COUNTY and CITY to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay the prevailing party's costs and expenses, including reasonable attorneys' fees, all of which shall be included in and as a part of the judgment rendered in such litigation.

SECTION XV: DELIVERY OF NOTICES

Any notices to be served pursuant to this Agreement shall be considered delivered when deposited in the United States mail and addressed to:

COUNTY OF RIVERSIDE
Riverside County Fire Chief
210 West San Jacinto Avenue
Perris, CA 92570

CITY OF BANNING
City Manager
City of Banning
99 East Ramsey Street
Banning, CA 92220-0998

Provisions of this section do not preclude any notices being delivered in person to the addresses shown above. Delivery in person shall constitute service hereunder, effective when such service is made.

SECTION XVI: ENTIRE CONTRACT

This Agreement contains the whole contract between the parties for the provision of Fire Services. It may be amended or modified upon the mutual written consent of the parties hereto where in accordance with applicable state law. This Agreement does NOT supplement other specific agreements entered into by both parties for equipment or facilities, and excepting those equipment or facilities agreements, this Agreement cancels and supersedes any previous agreement for the same or similar services.

[Signature Provisions on following page]

IN WITNESS WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

CITY OF BANNING

Dated: _____

By: _____
Rochelle Clayton
Interim City Manager

ATTEST:

APPROVED AS TO FORM:

By: _____
Sonja De La Fuente
Deputy City Clerk

By: _____
Kevin G. Ennis, Esq.
City Attorney

(SEAL)

COUNTY OF RIVERSIDE

Dated: _____

By: _____
Chairman, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:
GREGORY P. PRIAMOS,
County Counsel

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

By: _____
GREGORY P. PRIAMOS
County Counsel

(SEAL)

ATTACHMENT 3

Exhibit A

EXHIBIT "A"
TO THE COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING
ESTIMATE DATED APRIL 5, 2018 FOR FY 2018/2019

CITY BUDGETED EXHIBIT "A" ESTIMATES

FISCAL YEAR 2018/2019	\$3,388,097
TOTAL CITY BUDGET ESTIMATES FOR 2018/2019	<u>\$3,388,097</u>

EXHIBIT "A"

TO THE COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING
ESTIMATE DATED APRIL 5, 2018 FOR FY 2018/2019

*See notation below for cost estimate assumptions

	CAPTAIN	CAPTAIN MEDICS	ENGINEER	ENGINEER MEDICS	FF II	FF II MEDICS	TOTALS
STA #20							
Medic Engine	*0	1.0		*0	1.0	*0	2.0
STA #89							
Medic Engine	229,595	1.0	402,603	2.0	353,448	2.0	593,396
SUBTOTALS	229,595		402,603		353,448		593,396
SUBTOTAL STAFF	1		2		2		3
*Engine 20 Staffing on separate additional Exhibit "							
FIRE SAFETY SPECIALIST (PCN 001262)				144,085	each		144,085
SUBTOTAL							144,085
SUPPORT SERVICES							
Administrative/Operation				22,007	per assigned Staff **		185,076
Volunteer Program				7,286	Per Entity Allocation		7,286
Medic Program					Medic FTE/Defib Basis		29,288
Battalion Chief Support				75,126	.27 FTE per Station		112,689
Fleet Support				60,561	per Fire Suppression Equip		121,122
ECC Support					Calls/Station Basis		163,743
Comm/IT Support					Calls/Station Basis		320,044
Hazmat Support							36,799
SUPPORT SERVICES SUBTOTAL							976,046
ESTIMATED DIRECT CHARGES							
FIRE ENGINE USE AGREEMENT				25,800	each engine		51,600
COOPERATIVE FIRE ENGINE 20 STAFFING SHARE AGREEMENT							593,894
TOTAL STAFF COUNT							9.00
TOTAL ESTIMATED CITY BUDGET							<u>\$3,388,097</u>

8.0 Assigned Staff
0.41 Battalion Chief Support
** 8.41 Total Assigned Staff

SUPPORT SERVICES**Administrative & Operational Services**

Finance	Procurement
Training	Emergency Services
Data Processing	Fire Fighting Equip.
Accounting	Office Supplies/Equip.
Personnel	

1.5 Fire Stations
4,974 Number of Calls
3 Assigned Medic FTE
2 Monitors/Defibs
1.5 Hazmat Stations
22 Number of Hazmat Calls

Volunteer Program - Support staff, Workers Comp, and Personal Liability Insurance

Medic Program - Support staff, Training, Certification, Case Review & Reporting, Monitor/Defibrillator replacement cycle.

Battalion Chief Support - Pooled BC coverage for Cities/Agencies that do not include BC s as part of their contracted services.

Fleet Support - Support staff, automotive costs, vehicle/engine maintenance, fuel costs

Emergency Command Center Support - Dispatch services costs

Communications / IT Support - Support staff, communications, radio maintenance, compl support functions

Facility Support - Facility maintenance staff with associated operating costs.

Hazmat Program - Support staff, operating costs, and vehicle replacement

FY 18/19 ESTIMATED POSITION SALARIES TOP ST

327,868	DEPUTY CHIEF	25,800	FIRE ENGINE
323,433	DIV CHIEF	22,007	SRVDEL
268,996	BAT CHIEF	7,286	VOL DEL
229,595	CAPT	8,087	MEDIC FTE
255,469	CAPT MEDIC	2,513	MEDIC MONITORS/DEFIBS REPLACEMENT
201,301	ENG	75,126	BATT DEL
224,704	ENG/MEDIC	16,308	ECC STATION
176,724	FF II	28.00	ECC CALLS
197,799	FF II/MEDIC	60,561	FLEET SUPPORT
153,799	FIRE SAFETY SUPERVISOR	31,876	COMM/IT STATION
144,085	FIRE SAFETY SPECIALIST	54.73	COMM/IT CALLS
124,995	FIRE SYSTEMS INSPECTOR	1,290	FACILITY STATION
74,136	OFFICE ASSISTANT III	340.93	FACILITY FTE
86,787	SECRETARY I	4,452	HAZMAT STATION
116,074	EMERGENCY SVC COORDINATOR	1,279.36	HAZMAT CALLS
226,794	COUNTY FIRE MARSHAL	1,974	HAZMAT VEHICLE REPLACEMENT
165,934	COUNTY DEPUTY FIRE MARSHAL		

***Cost Assumptions:**

- All Salaries based on 18/19 Ste Salary Letter
- Support Services with a 7% increase based on the 17/18 Board Approved Cost Allocation dated August 29, 2017
- Benefits based on State Matrix issued April 2018

FY 18/19 DIRECT BILL ACCOUNT CODES

520230	Cellular Phone	522360	Maint-Extermination
520300	Pager Service	522380	Maint-Critical Systems
520320	Telephone Service	522410	Maint-Health & Safety
520800	Household Expense	522860	Medical Supplies
520805	Appliances	522890	Pharmaceuticals
520830	Laundry Services	523220	Licenses And Permits
520840	Household Furnishings	523680	Office Equip Non Fixer
520845	Trash	526700	Rent-Lease Building
521380	Maint-Copier Machines	529500	Electricity
521440	Maint-Kitchen Equipment	529510	Heating Fuel
521540	Maint-Office Equipment	529550	Water
521660	Maint-Telephone	537240	Interfnd Exp-Utilities
521680	Maint-Fuel Tanks	542060	Capital Improvements
522310	Maint-Building and Improvermer		
522340	Station Budgeted Maint-Building and Improvement		

ATTACHMENT 4

Exhibit C

EXHIBIT "C"

**TO THE COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING
DATED JULY 1, 2018**

**PAYMENT FOR SERVICES
ADDITIONAL SERVICES
FIRE ENGINE USE AGREEMENT**

Station 20

Engine E20, RCO No. 05-814	<u>\$ 25,800.00</u>
----------------------------	---------------------

Station 89

Engine E89, RCO No. 07-815	<u>\$ 25,800.00</u>
----------------------------	---------------------

\$ 51,600.00

The Fire Engine Use Agreement is utilized in the event that a fire engine(s) which was initially purchased by the CITY, and then the CITY elects to have the COUNTY take responsibility of said fire engine(s). The Fire Engine Use Agreement guarantees the CITY the use of this fire engine(s), the COUNTY network of equipment, and resources of the COUNTY.

This fire engine(s) shall be used as an integrated unit for Fire Services as set forth in this Cooperative Agreement between the COUNTY and CITY, and shall be stationed primarily in the CITY. The change in ownership of the fire engine does not waive or supersede any responsibilities of the CITY pursuant to this agreement. This exhibit is strictly to further detail for the CITY, the responsibilities and costs associated within the Cooperative Agreement between the COUNTY and CITY; therefore, the Fire Engine Use Agreement is inseparable.

The CITY will have the option of transferring title of said fire engine(s) to the COUNTY. If the CITY transfers title of said fire engine(s) to the County, the County will take ownership of the said fire engine(s), and the County will maintain insurance on said fire engine(s). If the CITY opts to maintain ownership and title of said fire engine(s), the CITY will maintain insurance on said fire engine(s). Proof of Insurance is to be provided to the COUNTY.

The COUNTY will ensure a working fire engine(s) is available for the CITY at all times under this agreement. All capital improvements and/or betterments to the fire engine(s) listed above, will be the responsibility and paid for by the owner of said fire engine(s). All other maintenance and repairs to the fire engine(s) listed above, will be the responsibility and paid for by the COUNTY under this Agreement.

When the Riverside County Fire Department Fleet personnel determine the fire engine(s) listed above is due for replacement, the COUNTY will purchase a new fire engine(s); and, the owner of the old fire engine(s) may survey said fire engine(s) or reallocate as a second roll response fire engine.

The annual cost for this service is calculated at 1/20 of the replacement cost. The current replacement cost is \$516,000. If this Agreement is entered into mid-year, the annual cost will be prorated accordingly.

The CITY may opt out of this Agreement at any time in writing and the costs will be prorated accordingly by fiscal year. No refunds will be provided for any prior payments. If the fire engine(s) have been titled to the COUNTY and the fire engine(s) are still within their useful life cycle, the ownership will not revert back to the CITY unless the entire Cooperative Agreement is terminated.

ATTACHMENT 5

Exhibit D

EXHIBIT "D"

TO THE COOPERATIVE AGREEMENT TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, FIRE MARSHAL, RESCUE AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING DATED JULY 1, 2018

PAYMENT FOR ADDITIONAL SERVICES OFFICE OF THE FIRE MARSHAL AGREEMENT

The Fire Marshal Agreement is utilized in the event a CITY elects to fund locally direct COUNTY Fire Marshal personnel at the CITY to perform the duties of the Office of the Fire Marshal. These duties include:

For conformance with applicable laws, codes and regulations concerning fire protection and life safety -

- Review Planning and Development Cases for the CITY
- Review and inspection of construction development for the CITY
- State mandated Fire/Life Safety Inspections in accordance with Health and Safety Code 13146.1, 13146.2, 13146.3, 13217 and 13235
- Review, Permitting and Inspection of Special Events
- Investigation of fire safety complaints
- Meeting with development applicants and customers

Administrative activities -

- Creation and maintenance of forms for review and inspection of construction development and fire/life safety inspections.
- Provide information to customers on CITY Ordinances and Standards for construction
- Creation and maintenance of Information Bulletins, Technical Policies and Standards for Fire Protection in the CITY
- Provide recommendations on updating CITY Ordinances and Standards in regards to fire/life safety

In the event CITY desires an increase in the Office of the Fire Marshal duties services provides, CITY shall provide sixty (60) days written notice of the proposed increase in services. COUNTY is under no obligation to approve any requested increase. COUNTY shall render a written decision on whether to allow or deny the increase within thirty (30) days of the notice provided pursuant to this section.

It is the CITY responsibility to provide funding for all direct operating supplies for each position in accordance with COUNTY requirements and/or standards. These supplies include, but are not limited to:

- Vehicle and regular maintenance
- Training
- Office space, furniture, Code & Standard reference books, and general & field supplies

- All IT and Communication tools (such as cell phone, computer, etc.)
- Uniform costs

All costs including salaries and benefits will be included in each quarterly invoice as outlined in the Cooperative Agreement.


The CITY may opt out of this Agreement and eliminate funding for locally direct COUNTY Fire Marshal personnel at the CITY in writing with a minimum notice of one hundred and twenty (120) days. The costs will be prorated accordingly by services provided and fiscal year.

It is the responsibility of the CITY to obtain cost recovery for the Fire Marshal services provided by these personnel for the CITY.

ATTACHMENT 6


PowerPoint Presentation






Background

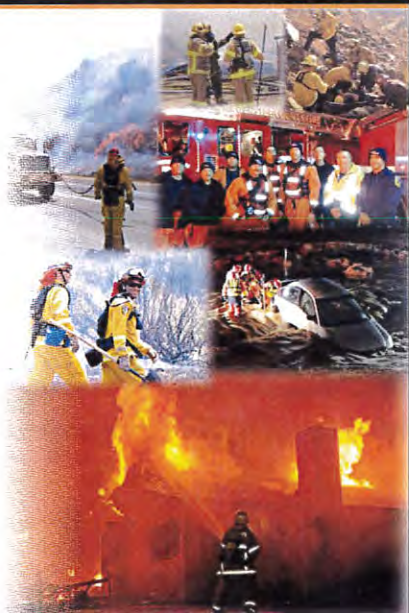
- CAL FIRE
 - Established in 1885
 - Largest Fire Agency in California
 - 7000 employees
 - Cal Fire serves as the County Fire Department for 26 of California's 58 Counties
 - Began as Banning Fire Services in 1998






Background

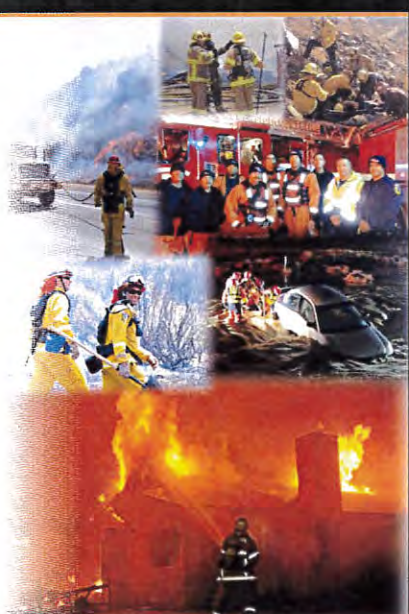
- CAL FIRE/Riverside County Fire Department
 - 1921 – Wildland Agreement
 - 1946 – Establishment of County Fire Department
 - 1978 – First Partner City Contract - City of Beaumont
 - Tasked with enforcing conditions contained within Riverside County Ordinance 787.






Background

- CAL FIRE/Riverside County Fire Department
 - 20 Partner Cities
 - 1 Community Services District
 - 1500 Personnel
 - 325 Emergency Responders on duty daily



A collage of four images showing firefighters in action: a fire scene, a group of firefighters, a fire truck, and a fire scene with a car. The title "Background" is at the top.


- 92 Staffed Fire Stations
- 99 Engine Companies
- 6 Paramedic Squads
- 10 Paramedic Ambulances
- 8 Truck Companies
- 3 Conservation Camps
- 3 Bull Dozers
- 1 Water Tender
- 1 Hazardous Materials Team
- 2 Breathing Supports
- 6 US&R Units
- Significant Surge Capacity in all Program Areas



Background


- The CAL FIRE/Riverside County Fire Department seamlessly directs these many resources to any emergency, regardless of partner jurisdiction, utilizing a “boundary drop” concept. This ideology is the basis of the Regionalized, Integrated, Cooperative Fire Protection System recognized as a model across the State.






State Funded Air Program

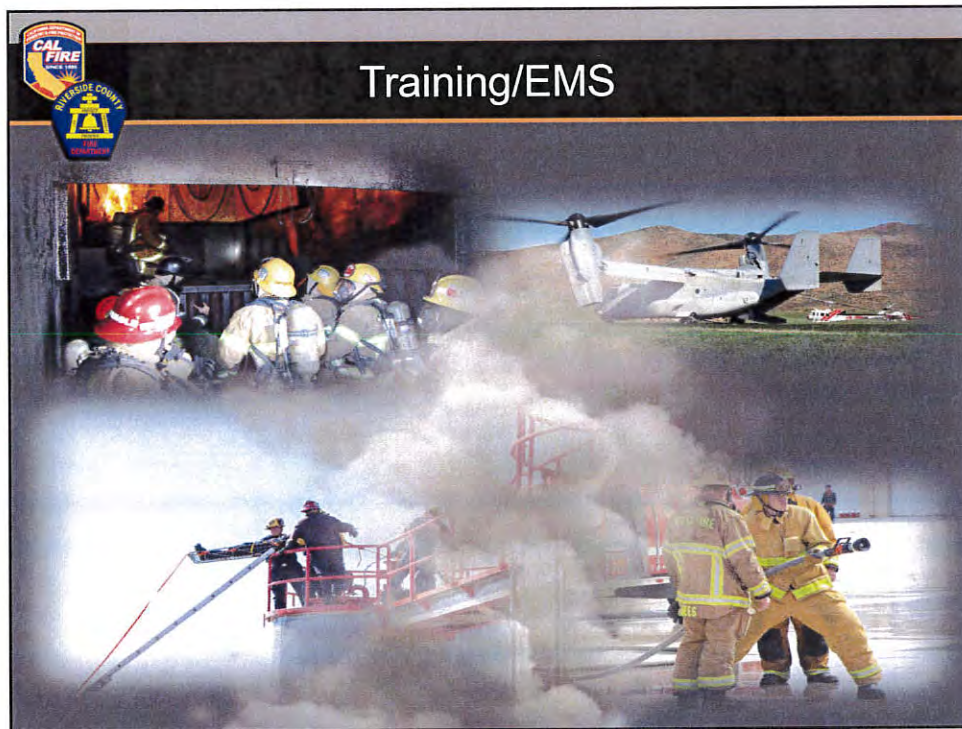
- 1 Air Attack
 - Provides tactical oversight for aerial firefighting operations.
- 2 Air Tankers





1 Helicopter

- Can deliver a 9-person firefighting crew
- Water/Retardant Drops
- Backfiring Operations
- Infra-Red Mapping
- Medical Evacuations
- Hoist Rescue




Training/EMS

In 2017, the Training Bureau conducted:

- 2 Truck Academies
- 5 Tiller Academies
- 12 New Hire Academies
- 5 Engineer Orientation Academies
- 6 Engineer CPT Classes
- 23 Rescue Courses
- 28 CAL FIRE Regional Courses


A slide titled "Training/EMS" with the CAL FIRE and Riverside County logos in the top left corner. The slide contains a list of training activities conducted in 2017 and a collage of firefighting scenes on the right side.




Training/EMS


The EMS Bureau provides a critical link between the fire department, our area hospitals and the Riverside County EMS Agency. EMS-centric training and Continuous Quality Improvement (CQI) processes are developed based on trends recognized both locally and regionally.

- In 2017, the Training/EMS Bureau provided training to more than 7000 students






Law Enforcement/Prevention




- Fire/Arson Investigations
Cause and Origin Determination
- Sworn Peace Officers
Assist Local PD When Requested
- Juvenile Fire Setter programs focus on children exhibiting unsafe behavior




Law Enforcement/Prevention


In 2017, the Law Enforcement/Prevention Bureau:

- Handled 631 case files
- Devoted more than 3100 investigative hours
- Made 87 arrests, including 59 felony arrests
- Issued 176 citations





Public Education



Public Education Programs are conducted throughout the County and include opportunities for both adults and children. Public Safety Fairs encourage emergency preparedness for families while classroom sessions and muster activities educate children on the importance of fire safety.



Fire Marshal's Office

- **Works Closely with Building and Safety**

In 2017, the Fire Marshal's Office performed 13,120 Plan Reviews.



- **Business Inspections**

In 2017, the Fire Marshal's Office performed 38,417 New License & Fire Safety Inspections



Service Center Warehouse





Fleet



- Inspections/Preventative Maintenance
- County Field Mechanics with State oversight
- Manages the Engine Replacement Program
 - Replacement based on vehicle age and response volume.



Resource Management

Registered Professional Foresters provide

- Consultation on Tree Health
- Fuels Management
- Consultation for CEQA needs when landowners or HOA's are considering fuels management options.

Registered Professional Foresters

- Work with our Conservation crews on projects to ensure plans are cut to expectation
- Belong to working groups in the County and across the State, and are constantly exposed to new issues and treatment options
- Oversee Resource Management Programs including : Archaeology, Climate and Energy, Environmental Protection, FRAP, Forest Practice, Forest Assistance, Urban Forestry and Vegetation Management.





Communications / IT


- Technology devices and applications are supported 24x7
- Systems are standardized throughout the county for all users, streamlining repair procedures and ultimately reducing labor costs
- Bulk purchases reduce costs
- Single technology platforms reduce training requirements




Headquarters Staff

- State and County Administration Staff
 - Chief Officers
 - Payroll
 - 1500 employees
 - Personnel Services
- County Staff
 - Finance
 - PIO
 - Photographers
 - Chaplin's






Emergency Command Center




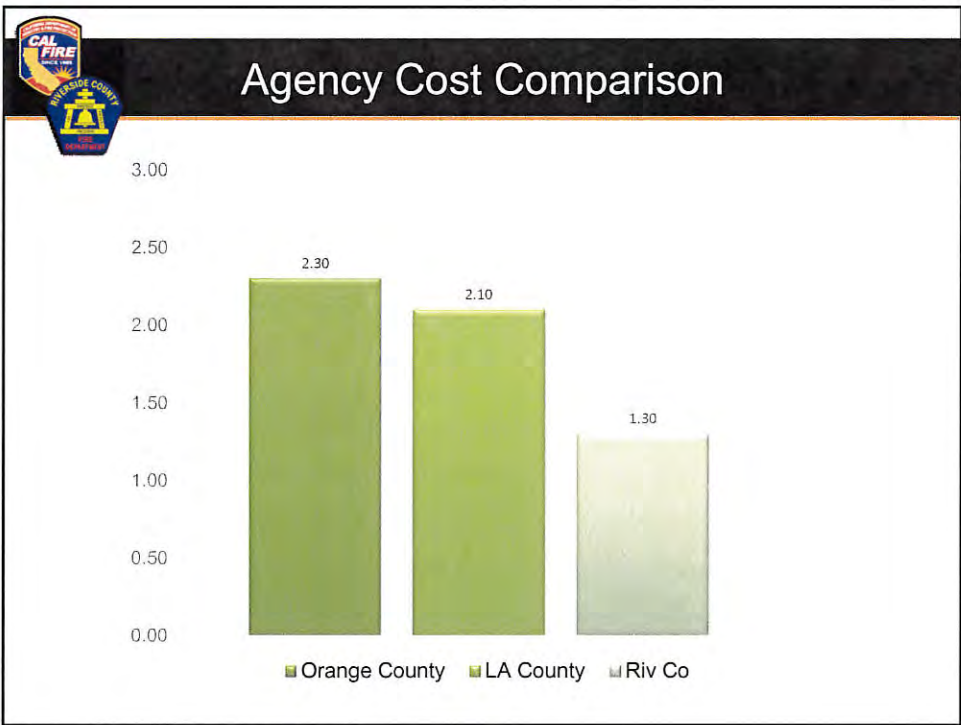
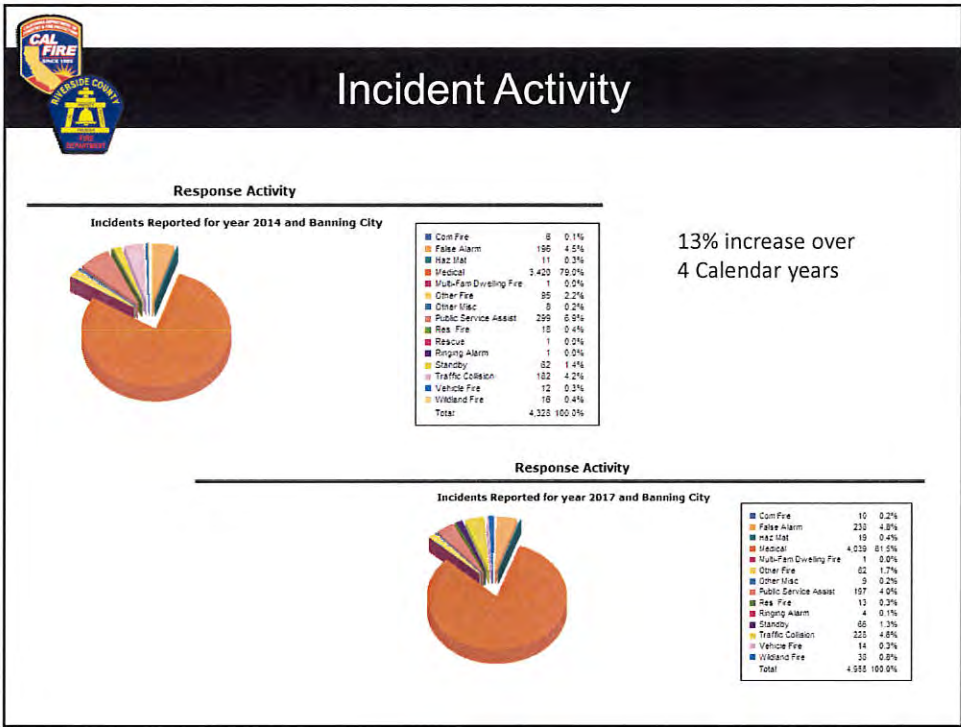
- Dispatched 164,977 calls for service in 2017
- Anticipate to dispatch more than 170,000 calls in 2018
- More than 450 calls for service daily
- Emergency Medical Dispatch (EMD)




Incident Activity


- Riverside County is the fourth most populous county in California and the 11th most populous in the United States.
- Between 2006 and 2017, both the yearly incident activity and the daily response average for Riverside County Fire Department increased by 46.9%.
- With the population of our county continuing to grow steadily, it is anticipated the Riverside County Fire Department's activity will also increase.








Oak Glen Division




Steve Beach




Battalion Chief Mike Smith
Battalion 3



Battalion Chief Andrew Bennett
Oak Glen Conservation Camp



Battalion Chief Tim Chavez
Battalion 3



STAGECOACH TOWN USA
ESTABLISHED 1913



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Laurie Sampson, Executive Assistant

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-63, Approving a Three Year Enterprise Licensing Agreement with Microsoft (Through Software one)

RECOMMENDED ACTION:

That the City Council approve Resolution 2018-63, Approving the Enterprise Licensing Agreement with Microsoft (through Software One) and authorize the Interim City Manager to execute the related agreement.

BACKGROUND:

The City uses and intends to continue using Microsoft software products as its standard configuration on its Application Servers and desktop computer environment. Microsoft offers an enterprise (or citywide) software licensing agreement. This agreement has several benefits. Some of those benefits include:

- Lower cost of software in the future
- Free upgrades on all software covered by agreement
- Ensures compliance with all licensing requirements
- Will facilitate standardization of software throughout the City
- Allows City to implement new Microsoft applications at a reduced rate
- Licensing costs spread over three years versus a lump sum payment
- Employee Purchase Program Discount on packaged software, including Microsoft Office, and reference software
- Training vouchers for Training at Certified Technical Training Centers
- Problem Resolution Support

JUSTIFICATION:

The City executed a three- year licensing agreement with Microsoft for fiscal years 2015 through 2018. That agreement will expire on July 1, 2018 and it is time to execute a new agreement if the City wishes to continue using Microsoft software products. Among other benefits, the agreement will keep the City in compliance with all current licensing requirements

FISCAL IMPACT:

This is a three-year agreement totaling \$163,680.45. The contract calls for three annual payments of \$54,560.15. Funds are currently available in the Information Services budget to pay the first annual installment. No additional appropriation is necessary.

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction.

ATTACHMENTS:

1. Resolution 2018-63
2. Microsoft (Software One) Quote
3. Software Agreement

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-63

RESOLUTION 2018-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING A THREE YEAR ENTERPRISE LICENSING AGREEMENT WITH MICROSOFT (THROUGH SOFTWARE ONE)

WHEREAS, on June 23, 2015, the City entered into an Enterprise Licensing Agreement with Microsoft (through Software One) for a period of three years; and

WHEREAS, this agreement will expire on June 30, 2018; and

WHEREAS, the City uses and intends to continue using Microsoft software products as its standard configuration on its Application Servers and desktop computer environment; and

WHEREAS, Microsoft offers an enterprise (or citywide) software licensing agreement; and

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

SECTION 1. The City Council adopts Resolution 2018-63, Approving a Three Year Enterprise Licensing Agreement with Microsoft (through Software One) payable in annual payments of \$534,560.15 for a total contract amount of \$163,680.45.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments and appropriations and transfers related to the agreement.

SECTION 3. The Interim City Manager is authorized to execute the agreement with Software One for three annual payments of \$54,560.15 each and a total contract amount of \$163,680.45.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning, California

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

APPROVED AS TO FORM

AND LEGAL CONTENT:

Kevin G. Ennis, City Attorney
Richards Watson Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2018-63 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

Microsoft (Software One) Quote

SoftwareONE - software quote				
Quoted by Jason Carmer				
Phone 480-845-7155 jason.carmer@SoftwareONE.com				
Please fax your POs to our Client Assistance Center at 800-366-9994 or email to: statestore@SoftwareONE.com - Call 800-400-9852, option 2, to check status on orders.				
Quoted to:		City of Banning		
		Eric Brown		
		eric.brown@ci.banning.ca.us		
Date:	4/17/2018			
Quote#:	43207	EA 7967147 - Expires 7/31/2018 - Renewal estimate		
Important: Please provide the email address of the recipient designated to receive a SoftwareONE "order confirmation"				
Quantity	Part #	Description	Unit Price	Ext. Price
"enterprise products"				
180	AAA-11894	O365GovE3 ShrdSvr ALNG SubsVL MVL PerUsr	184.00	\$ 33,120.00
180	AAA-12428	ECALBridgeO365 ALNG SubsVL MVL Pltfrm PerUsr	33.00	\$ 5,940.00
176	KV3-00353	WINE3perDVC ALNG SA MVL Pltfrm	35.50	\$ 6,248.00
15	KV3-00356	WINE3perDVC ALNG UpgrdSAPk MVL Pltfrm	45.25	
"additional products"				
50		VDAE3PerDvc ALNG SubsVL MVL Pltfrm PerDvc —not needed. Virtual rights included in above Windows OS E3 license		\$ -
1	H30-00238	PrjctPro ALNG SA MVL w1PrjctSvrCAL	163.00	\$ 163.00
1	312-02257	ExchgSvrStd ALNG SA MVL	106.00	\$ 106.00
1	H22-00475	PrjctSvr ALNG SA MVL	847.00	\$ 847.00
5	H21-00591	PrjctSvrCAL ALNG SA MVL UsrCAL	33.00	\$ 165.00
1	H04-00268	SharePointSvr ALNG SA MVL	1,016.00	\$ 1,016.00
35	359-00792	SQLCAL ALNG SA MVL DvcCAL	31.50	\$ 1,102.50
15	359-00765	SQLCAL ALNG LicSAPk MVL DvcCAL	73.51	\$ 1,102.65
7	228-04433	SQLSvrStd ALNG SA MVL	134.00	\$ 938.00
32	9EA-00278	WinSvrDCCore ALNG SA MVL 2Lic CoreLic. Had 4 2-proc licenses for 8 total procs. Need a min of 8 cores per proc for 64 total cores or 32 2-core licenses	115.00	\$ 3,680.00
8	9EM-00270	WinSvrSTDCore ALNG SA MVL 2Lic CoreLic. Had 1 2-proc licenses for 2 total procs. Need a min of 8 cores per proc for 16 total cores or 8 2-core licenses	16.50	\$ 132.00
Please type "electronic software delivery" on your PO.				
Product-total				\$ 54,560.15
Sub-Total				\$ 54,560.15
Tax		ESD - nontaxable		\$ -
Shipping				No Charge
Total				
Prices good for 30 days				
Pass-Through Warranty and Other Rights. As a reseller, end-user warranties and liabilities (with respect to any third party hardware and software products provided by SoftwareONE) shall be provided as a pass-through from the manufacturer of such products. All software products are subject to the license agreement of the applicable software supplier, as provided with the software packaging or in the software at time of shipment.				

ATTACHMENT 3

Software One Agreement

Enterprise Enrollment

State and Local

Enterprise Enrollment number
(Microsoft to complete)

48663681

Framework ID
(if applicable)

Previous Enrollment number
(Reseller to complete)

7967147

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer's regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. Order requirements.

- a. **Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) **Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).
 - (ii) **Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.
- b. **Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.
- c. **Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. **Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. **Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.
- f. **Adding Products.**
 - (i) **Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

- (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.
- g. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
 - (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
 - (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
 - (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were ordered.
 - (iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:
 - 1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
 - 2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
 - 3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.
 - (v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.
 - (vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(vii) **Late true-up order.** If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

h. Step-up Licenses. For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

(i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.

(ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

i. Clerical errors. Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.

j. Verifying compliance. Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

a. Price Levels. For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.

b. Setting Prices. Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. Payment terms.

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If an upfront payment is elected, Microsoft will invoice Enrolled Affiliate's Reseller in full upon acceptance of this Enrollment. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. End of Enrollment term and termination.

a. General. At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

- b. **Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.
- c. **If Enrolled Affiliate elects not to renew.**
- (i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.
 - (ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.
 - 1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") for up to one year, unless designated in the Product Terms to continue until cancelled, is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.
 - 2) **Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.
 - (iii) **Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.
- d. **Termination for cause.** Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.
- e. **Early termination.** Any early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. **Government Community Cloud.**

- a. **Community requirements.** If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly

prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

- b. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.
- c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.

Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

☒ Enrolled Affiliate only

☐ Enrolled Affiliate and all Affiliates

☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Banning

Contact name* First Eric **Last** Brown

Contact email address* eric.brown@ci.banning.ca.us

Street address* 99 East Ramsey St.

City* Banning

State/Province* CA

Postal code* 92220-4837-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 2135551212

Tax ID

** indicates required fields*

- b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Services, including adding or reassigning Licenses and stepping-up prior to a true-up order.

☒ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Eric Last Brown

Contact email address* eric.brown@ci.banning.ca.us

Street address* 99 East Ramsey St.

City* Banning

State/Province* CA

Postal code* 92220-4837-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 2135551212

Language preference. Choose the language for notices. English

☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

☐ Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Eric Last Brown

Contact email address* eric.brown@ci.banning.ca.us

Phone* 2135551212

☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SoftwareONE, Inc.

Street address (PO boxes will not be accepted)* 20875 Crossroads Circle, Suite 1

City* Waukesha

State/Province* WI

Postal code* 53186-4093

Country* United States

Contact name* MS* Admin

Phone* 262-317-5555

Contact email address* ms-admin.us@softwareone.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____

Printed name*

Printed title*

Date*

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the

other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
 - (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. *Financing elections.*

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Previous Enrollment(s)/Agreement(s) Form

Entity Name: City of Banning

Contract that this form is attached to: State Local Government

For the purposes of this form, "entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

Please provide a description of the previous Enrollment(s), Agreement(s), Purchasing Account(s), and/or Affiliate Registration(s) being renewed or consolidated into the new contract identified above.

- a. Entity may select below any previous contract(s) from which to transfer MSDN subscribers to this new contract. Entity shall ensure that each MSDN subscriber transferred is either properly licensed under the new contract or is removed.
- b. Entity may select below only one previous contract from which to transfer the Software Assurance (SA) Benefit contact details, i.e., benefits contact (*not* the SA manager) and the program codes, to this new contract.
- c. An Open License cannot be used to transfer either the SA Benefit details or MSDN subscribers.
- d. The date of the earliest expiring Enrollment/Agreement that contains SA or Online Services will be the effective date of the new contract (or SA coverage period for Select Plus).
- e. Please insert the number of the earliest expiring Enrollment/Agreement with SA or Online Services in the appropriate fields of the new contract.

Enrollment/Agreement/ Purchasing Account/Affiliate Registration Description	Enrollment/Agreement/ Purchasing Account/Affiliate Registration Public Customer Number	Transfer SA Benefit Contact	Transfer MSDN Subscribers
Standard Enrollment	7967147	X	X

Enterprise and Enterprise Subscription Enrollment Product Selection Form

Enrollment Number
Microsoft to complete for initial term.
Reseller or Software Advisor to
complete for renewal or with prior
qualifying Enrollment/Agreement

Step 1. Enter all fields in the table below (Required).

Profile	Qualified Devices	Qualified Users	Enterprise Product Platform	Licensing Model
Enterprise			Choose One	Choose One
Device Profile (e.g. Call Center)			Choose One	Choose One

Step 2. Select the Products and Quantities Enrolled Affiliate is ordering on its initial Enrollment Order. Quantity may not include any Licenses which Enrolled Affiliate has selected for optional future use, or to which it is stepping-up within Enrollment term.

Products	Enterprise Quantity	Device Profile (e.g. Call Center)
Microsoft 365		
Microsoft 365 E3 USL		
Microsoft 365 E3 Add-on		
Microsoft 365 E5 USL		
Microsoft 365 E5 Add-on		
Office Professional Plus		
Office Professional Plus		
Office 365 ProPlus		
Office 365 Plans		
Office 365 Plan E1 USL		
Office 365 Plan E3 USL		
Office 365 Plan E5 USL		
Office 365 Plan E1 Add-on		
Office 365 Plan E3 Add-on		
Office 365 Plan E5 Add-on		
Office 365 Plan E3 without ProPlus Add-on		
Client Access License (CAL)		
Choose Core CAL or Enterprise CAL:	<Choose One>	<Choose One>
Core CAL or Enterprise CAL		
Bridge for Office 365		
Bridge for Enterprise Mobility Suite		
Windows Desktop		
Windows 10 Enterprise E3 and LTSC Upgrade per Device		
Windows 10 Enterprise E5 per Device SL		
Windows 10 Enterprise E3 per User SL		
Windows 10 Enterprise E3 per User Add-on SL		
Windows 10 Enterprise E5 per User SL		
Windows 10 Enterprise E5 per User Add-on SL		

Products	Enterprise Quantity	Device Profile (e.g. Call Center)
Windows 10 Enterprise E5 per Device Add-on SL		
Windows VDA		
Windows VDA per User SL		
Microsoft Intune		
Microsoft Intune USL		
Enterprise Mobility + Security		
Enterprise Mobility + Security E3 USL		
Enterprise Mobility + Security E3 Add-on		
Enterprise Mobility + Security E5 USL		
Enterprise Mobility + Security E5 Add-on		

Step 3. Establish the Enrolled Affiliate's price level. Unless otherwise indicated in the associated contract documents, the price level for each Product offering/pool is set based upon the quantity to price level mapping. *DO NOT INCLUDE BRIDGE CALs OR ADD-ONS.*

Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + Office 365 ProPlus + Office 365 (Plans E3 and E5) + Microsoft 365 USL	Client Access License + Office 365 (Plans E1, E3, and E5) + Microsoft 365 USL	Client Access License + Microsoft Intune + Enterprise Mobility and Security USL + Microsoft 365 USL	Windows Enterprise E3 and LTSC Upgrade+ Windows Enterprise E5 + Win E3/E5 USL + Win E3/E5 per Device + Windows VDA + Windows Enterprise E3 per User SL + Windows Enterprise E5 per User SL + Windows VDA per User USL + Microsoft 365 USL
Quantity				

Product Offering / Pool	Price Level
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price Level is set using the highest quantity from Groups 1 through 4.	
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price Level is set using quantity from Group 1.	
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price Level is set using the highest quantity from Group 2 or 3.	
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price Level is set using quantity from Group 4.	

Quantity of Licenses and Software Assurance to Price Level Mapping:

Quantity of Licenses and Software Assurance	Price Level
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D

Notes:

1. Enterprise Online Services may not be available in all locations. Please see the Product Terms for a list of locations where these may be purchased.
2. If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment.
3. Unless otherwise indicated in the associated Agreement documents, the CAL selection must be the same across the Enterprise for each Profile.

This form must be attached to a signature form to be valid.

Program Signature Form

MBA/MBSA number

Agreement number

01E73970

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Enrollment (Indirect)	X20-10634

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Banning
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*
Tax ID

* indicates required field

Microsoft Affiliate
Microsoft Corporation
Signature _____
Printed First and Last Name
Printed Title
Signature Date (date Microsoft Affiliate countersigns)
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, Nevada 89511-1137
USA

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Laurie Sampson, Executive Assistant

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-75, Approving the Agreement with Cybertime Network Communications for Citywide Looped Microwave Backbone System and Data Circuit to the Water Plant, and Provision of 10.0 Mbps Internet Feed to City Hall for Fiscal Year 2018-2019 for \$31,188.00

RECOMMENDED ACTION:

Adopt Resolution 2018-75, Approving the Agreement with Cybertime Network Communications for Citywide Looped Microwave Backbone System and Data Circuit to the Water Plant and Provision of 10.0 Mbps Internet Feed to City Hall and Authorizing the Interim City Manager to execute the related agreement.

BACKGROUND:

Beginning 2010 Cybertime Network Communications has provided the City of Banning High-Speed Interconnectivity Services and Technical Support as a sole source provider. The High-Speed Data System provides a private, secure and City dedicated network which interconnects multiple City departments and facilities. Cybertime owns and maintains all of the system components.

JUSTIFICATION:

The continued private and secure communications between the City departments and facilities are vital to maintain daily operations.

FISCAL IMPACT:

Funds are currently available in the Fiscal Year 2019 operating budgets of Water Department (\$22,800.00) and Information Technology (\$8,388.00). No additional appropriation is necessary.

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction

ATTACHMENTS:

1. Resolution 2018-75
2. Cybertime Network Communications Subscription Service Agreement
3. Cybertime Network Communications Sole Source Letter

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-75

RESOLUTION 2018-75

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE AGREEMENT WITH CYBERTIME NETWORK COMMUNICATIONS FOR CITYWIDE LOOPED MICROWAVE BACKBONE SYSTEM AND DATA CIRCUIT TO THE WATER PLANT AND PROVISION OF 10.0 MPBS INTERNET FEED TO CITY HALL FOR FISCAL YEAR 2018-2019

WHEREAS, Cybertime Network Communications, as a sole source provider, has been providing Citywide Looped Microwave Backbone System and Data Circuit to the Water Plant and Provision of 10.0 Mbps Internet Feed to City Hall; and

WHEREAS, the current agreement will expire on June 30, 2018; and

WHEREAS, the City intends to continue the use the current services provided by Cybertime Network Communications; and

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

SECTION 1. The Banning City Council adopts Resolution 2018-75 approving the agreement with Cybertime Network Communications for the Citywide Looped Microwave Backbone System and Data Circuit to the Water Plant and Provision of 10.0 Mbps Internet Feed to City Hall.

SECTION 2. The Interim City Manager is authorized to execute the related agreement.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2018-75, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

Cybertime Network Communications Subscription
Service Agreement



1090 Fifth Street, Suite 107
Calimesa, CA 92320
909-795-9559 Customer Service 909-795-9221 Fax

SUSCRIPTION SERVICE AGREEMENT

This sets forth the terms of the Service Agreement ("Agreement") made this 1st day of July, 2018, (the "Effective Date") by and between Cybertime Network Communications ("Cybertime") and The City of Banning ("Customer"). This Agreement is Month-to Month ("TERM") through the end of the Service Month of June 2019. Services provided are subject to the Terms and Conditions and the Rate Schedule below.

Customer Name: Attn: Eric Brown, IT Services
Service Address: City of Banning
City Hall Building
Billing Address: 99 E. Ramsey St.
Banning, CA 92220
Phone: 951-922-3105

Services Provided by Cybertime Network Communications
Citywide Looped Microwave Backbone System
and Data Circuit to Water Plant

FAX / EMAIL

RATE SCHEDULE

Item	Qty	Monthly Service Rate	Monthly Svc. Total	Hardware	Installation	Qty	Total
Citywide Looped Microwave Backbone System and Data Circuit to Water Plant July 1, 2018 through June 30, 2019	12	1,900.00					22,800.00
Total							22,800.00

By signing this Agreement, the Customer hereby authorizes Cybertime to provide the Services listed herein and on any/all attachments. The Agreement shall be effective on the Effective Date; the Term of the Agreement shall commence upon the later of (i) installation of the initial Service or (ii) the Effective Date. Each month Customer shall purchase at least the minimum described service(s) set forth above. This is a Temporary Month-to-Month Agreement. As such, services are provided on a Month-to-Month basis through the end of the service month indicated above.

In addition to the rates for the Services(s), Customer shall be responsible for payment of all local, state, and federal taxes, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services, excluding taxes based on Cybertime's net income, if ever mandated. All bills are due and payable upon receipt. If Customer's bill for monthly service is not paid within thirty (30) days after the due date, Customer also shall pay Cybertime a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law). Customer shall bear the risk of loss arising from any unauthorized or fraudulent usage of Services provided.

Non-Appropriation and Partial-Appropriation -

This contract may be terminated by the Customer prior to the completion of the contract term only as a result of an act of the City Council relating to the City's non-appropriation of funds designated to pay for such services. Cybertime reserves the right to immediately withdraw services and recover all system hardware upon the City's effective budgetary date of said modification. In such event, the Customer shall not withhold from Cybertime reasonable accessibility to its system components. Complete recovery of all system i system components will be facilitated by both parties within thirty days of termination of services.

Additionally, in such case where an act from City Council results in insufficient or reduced budget availability for the services provided by this contract (partial-appropriation), the Customer may request to negotiate a reduction in the scope of services as contained herein. Cybertime may, at its own discretion, enter into negotiations with the Customer to consider a reduced scope of services. However, Cybertime reserves the right to immediately withdraw services and recover all system hardware upon the City's effective budgetary date of said modification. In such event, the Customer shall not withhold from Cybertime reasonable accessibility to its system components. Complete recovery of all system Cybertime system components will be facilitated by both parties within thirty days of termination of services.

In any case, appropriation, non-appropriation or partial-appropriation, Cybertime requires a minimum of 60 days written notice of the Customer's intent to modify the original terms and scope of this agreement. Either Party may terminate this Agreement at any time upon no less than 45 days written notification to the other party of its intent to terminate. In the event of termination or modification, each party shall fully pay and discharge all obligations in favor of the other accruing prior to the date of such termination or modification, and each party shall be released from all obligations of performance which would otherwise accrue subsequent to the date of termination or modification. Neither party shall incur any liability to the other by reason of such termination or modification. In order of precedence, these terms shall supersede any potentially conflicting terms referenced on any other written document that may be incorporated into the entire Subscribed Service Agreement Documentation.

The quality of service provided hereunder is Subject to Service Level Agreement contained on Exhibit A of this Agreement Documentation and shall be consistent with industry standards, government regulations and sound business practices. CYBERTIME MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.


IN NO EVENT SHALL CYBERTIME BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THIS AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER.

The Subscription Service Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of California, without regard to its conflict of law principles.

Accepted By Customer:

_____	_____
Customer Signature	Date
_____	_____
Customer Printed Name	Title

Accepted By Cybertime Network Communications:

	May 7, 2018
_____	_____
Signature	Date
Gordon J. Campbell	CEO
_____	_____
Printed Name	Title



1090 5th Street, Suite 107
Calimesa, CA 92320
909-795-9559 Bus 909-795-9221 Fax
909-795-9980 Tech Support

SUSCRIPTION SERVICE AGREEMENT

This sets forth the terms of the Service Agreement ("Agreement") made this 1st day of July, 2018, (the "Effective Date") by and between CYBERTIME Network Communications and The City of Banning ("Customer"). The term of this Agreement is for 12 months ("TERM"). All Services provided are subject to the Terms and Conditions and the Rate Schedule below.

Customer Name: Attn: Eric Brown
Service Address: City of Banning
City Hall Building
Billing Address: 99 E. Ramsey St.
Banning, CA 92220
Phone: 951-922-4841

Services Provided by ARINC-CYBERTIME Wireless Broadband
10.0 Mbps Internet Circuit
(Via link into City Microwave System and delivered to Router @ City Hall)

FAX / EMAIL Eric Brown [eric.brown@ci.banning.ca.us]

RATE SCHEDULE

Item	Qty	Monthly Service Rate	Monthly Svc. Total	Hardware	Installation	Qty	Total
10.0 Mbps Internet Circuit- (12 month term: July 1, 2018 through June 30, 2019)	12 Mos	699.00	8,388.00	0	0	0	8,388.00
Total							8,388.00

By signing this Agreement, the Customer hereby authorizes CYBERTIME Network Communications to provide the Services listed herein and on any/all attachments. The Agreement shall be effective on the Effective Date; the Term of the Agreement shall commence upon the later of (i) installation of the initial Service or (ii) the Effective Date. Each month Customer shall purchase at least the minimum described service(s) set forth above. In the event that Customer terminates this Agreement any time after the Effective Date but prior to the expiration of the Term, Customer shall pay CYBERTIME an early termination charge equal to the monthly fee of the described service times the number of months remaining in the term unless otherwise provided in this Agreement Documentation. Upon expiration of the Term, the Agreement shall renew automatically for successive renewal terms, each for a period of time equal to one calendar year from the expiration date, unless either Party serves the other Party with written notice of such Party's intent not to renew the Agreement at least sixty (60) days prior to the expiration of the then current Term.

In addition to the rates for the Services(s), Customer shall be responsible for payment of all local, state, and federal taxes, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services, excluding taxes based on CYBERTIME's net income, if ever mandated. All bills are due and payable upon receipt. If Customer's bill for monthly service is not paid within thirty (30) days after the due date, Customer also shall pay CYBERTIME a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law). Customer shall bear the risk of loss arising from any unauthorized or fraudulent usage of Services provided.

Non-Appropriation and Partial-Appropriation -

This contract may be terminated by the Customer prior to the completion of the contract term only as a result of an act of the City Council relating to the City's non-appropriation of funds designated to pay for such services. CYBERTIME reserves the right to immediately withdraw services and recover all system hardware upon the City's effective budgetary date of said modification. In such event, the Customer shall not withhold from CYBERTIME reasonable accessibility to its system components. Complete recovery of all CYBERTIME system components will be facilitated by both parties within thirty days of termination of services.

Additionally, in such case where an act from City Council results in insufficient or reduced budget availability for the services provided by this contract (partial-appropriation), the Customer may request to negotiate a reduction in the scope of services as contained herein. CYBERTIME may, at its own discretion, enter into negotiations with the Customer to consider a reduced scope of services. However, CYBERTIME reserves the right to immediately withdraw services and recover all system hardware upon the City's effective budgetary date of said modification. In such event, the Customer shall not withhold from CYBERTIME reasonable accessibility to its system components. Complete recovery of all system CYBERTIME system components will be facilitated by both parties within thirty days of termination of services.

In either case, non-appropriation or partial-appropriation, CYBERTIME requires a minimum of 60 days written notice of the Customer's intent to modify the original terms and scope of this agreement. In the event of termination or modification, each party shall fully pay and discharge all obligations in favor of the other accruing prior to the date of such termination or modification, and each party shall be released from all obligations of performance which would otherwise accrue subsequent to the date of termination or modification. Neither party shall incur any liability to the other by reason of such termination or modification. In order of precedence, these terms shall supersede any potentially conflicting terms referenced on any other written document that may be incorporated into the entire Subscribed Service Agreement Documentation.

The quality of service provided hereunder is Subject to Service Level Agreement contained on Exhibit A of this Agreement Documentation and shall be consistent with industry standards, government regulations and sound business practices. CYBERTIME MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT SHALL CYBERTIME BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THIS AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER.

The Subscription Service Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of California, without regard to its conflict of law principles.

Accepted By Customer:

Accepted By CYBERTIME Network Communications:



May 7, 2018

Customer Signature

Date

Signature

Date

Customer Printed Name

Title

Gordon J. Campbell

CEO

Printed Name

Title

ATTACHMENT 3

Cybertime Network Communications Sole Source Letter



City of Banning
Attn: Eric Brown, IT Services Manager
99 E. Ramsey St.
Banning, CA 92220

May 9, 2018

Re: City of Banning Citywide Looped Microwave Backbone System and Internet Services
Cybertime Network Communications

To Whom It May Concern:

Cybertime Network Communications provides to the City of Banning High-Speed Data Interconnectivity Services and Technical Support that are delivered in a manner unique to Cybertime. To date, no other Data Service Provider has offered equivalent or similar services without requiring significant capital investment on the part of the City, and/or requiring recurring monthly fees substantially higher (two to five times or more higher) than Cybertime's monthly fee.

Several years back Cybertime invested in (built) a High-Speed Microwave Data System (with looped redundancy) within the City in order to provide a private, secure and City Dedicated high-speed data network which would interconnect multiple City Departments and facilities to each other as well as core IT Services originating from City Hall. We own and maintain all of the system components. Should a component fail, we (not the City) are responsible to replace the device. Similar to any other utility the City might procure, we charge a monthly fee for the availability of this service at rates that cannot be matched by any other service provider.

We control elements of the system remotely (the devices, not the actual data which is encrypted) by interconnecting this system to our Southern California Wireless Internet Network. This control link also enables us to provide a backup internet feed to the City for internet redundancy—should the City's Fiber-based internet provider have periodic temporary outages. This allows the City to maintain a continuous presence on the internet for various Web-based pages and Utility Payment Services.

We are familiar with all of the various providers of data connectivity for both internet access and private (secured) data systems (cable, fiber or wireless). No other providers are able/willing to provide interconnectivity between City Facilities 1) at the speeds we deliver, 2) at any type of comparable price.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Gordon J. Campbell".

Gordon J. Campbell, CEO

SOLE SOURCE/EMERGENCY PURCHASE JUSTIFICATION

Date: 5/31/2018 Dept./Div.: IT Phone: 951-922-4860
Contact: Eric Brown
Vendor: Cybertime Network Communications
Address: 1090 5th St. Suite 107 Calimesa, CA 92320 Phone: 909-795-9221

Check reason for sole source/emergency purchase request:

- ☒ **Sole Source:** No other items are known to exist which perform the same function.
- ☐ **Standardization:** The City requires the item(s) to standardize parts, design, quality, etc. (explain in more detail below)
- ☐ **Scarce Commodity:** To procure a commodity that is in critical short supply, such as fuel, potable water, MRE's porta-potties, etc. and the vendor will be out of inventory if the bid process is followed. (This option is not permitted once inventories begin to normalize.
- ☐ **Emergency Protective Measures:** This classification is for extraordinary measures that may be needed when life, public health or improved property are in imminent danger. For instance, during the winter season, the purchase of sand and sand bags would not constitute an extraordinary measure. Purchases of sand and sandbags should be a normal purchase and anticipated before the winter season arrives. An extraordinary protective measure could be the rental of temporary fencing to cordon off structures in imminent danger of collapse.
- ☐ **Emergency Consulting Services:** The procurement is for a technical consulting service of an immediate nature, such as inspection of a heavily damaged structure to determine if a collapse is imminent or inspection of a slope to determine the nature and extent of landslide potential.
- ☐ **Emergency Road Clearance:** Services needed to clear roads to provide access for emergency service vehicles. This is not used for general debris removal.
- ☐ **Other Emergency Requirement:** Purchase necessary for the preservation of life, public health or improved property due to imminent danger. Provide a brief explanation of the immediate problem and include the potential consequences if left unaddressed
- ☐ **Non-Responsive Bids:** Bids were solicited, but no responsive bid has been received from requested bidders. A copy of all bids and a list of other solicited vendors must be attached.
- ☐ **Pre-Existing Contract:** The purchase was made under terms of a pre-existing competitively bid disaster services, materials, or supplies contract.
- ☐ **Patent or Copyright:** The item is patented or copyrighted and vendor has exclusive sales rights.
- ☐ **Legal Monopoly:** The item or product or service of a legal monopoly.
- ☐ **Captive Replacement Part:** The item is a captive replacement part. Use of a generic part will void a warranty, or use of a generic part will require extensive modifications to existing equipment which would be cost prohibitive.
- ☐ **Sole Distributor:** The vendor is the only authorized distributor of this item.

Narrative Justification – Explain the following. Be very precise when filling in this section.

- Describe what is being purchased or rented.
- Describe where the equipment, material or services will be used.

- Specify the immediate hazard or threat that poses imminent danger. (The phrase "earthquake damage" is insufficient. Provide detail: "A three story unreinforced masonry building is severely damaged and appears to be in imminent danger of collapse onto the public right of way.")
- Describe the minimum acceptable actions that can be taken to reduce or eliminate the hazard i.e., "Install temporary chain link fencing around the structure at a distance of 20 feet from the building."
- Describe consequences if left unaddressed. "The building may collapse injuring bystanders."

Product or service to be purchased or rented:

Citywide Looped Microwave Backbone System and Data Circuit to Water Plant. Provision of 10.0 Mbps Internet Feed to City Hall

Location of product or service use:

City Hall 998 E. Ramsey St. Water Department 1333 Bluff St. Community Center 769 N. San Geronio Ave.

Specific Hazard or Threat (complete for emergency justification):

Minimum action to reduce threat (complete for emergency justification):

Consequences if unaddressed (complete for emergency justification):

Cost Rationality – The cost of the equipment, supplies or services procured are deemed to be rational by virtue of the following circumstances. Check the appropriate box(es) below. Attach any documentation to support you rational.

- ☒ The prices charged are comparable with the prices paid for similar goods or services within the last 12 months.
- ☐ Using readily available catalogs or price lists, and/or internet sources, it's determined that the cost are reasonable within the circumstances at hand. (Attach copies)
- ☐ The prices paid for the goods or services exceed normative pricing, but the circumstances required their purchase, and only enough of the goods or services were purchased to deal with the specific emergency at hand. All additional purchases of the same goods or services will be made through normal procedures.
- ☐ There are no available sources for market cost rationale due to the above mentioned sole source, non-responsive bids, patent or copyright, legal monopoly and sole distributor classification.

Authorizations:

Dept. Head's Signature: 

Date: 5/31/18

Purchasing Officer's Signature: _____

Date: _____

City Manager's Signature: 

Date: 5/31/18

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Rochelle Clayton, Interim City Manager

MEETING DATE: June 12, 2018

SUBJECT: Adoption of Resolution 2018-76, Authorizing the California Statewide Communities Development Authority to form a Community Facilities District in the City of Banning

RECOMMENDED ACTION:

Adopt Resolution 2018-76, authorizing the California Statewide Communities Development Authority to form a Community Facilities District within the City of Banning ("City") to finance certain public improvements and public safety services for the development project known as Atwell by Pardee Homes.

BACKGROUND:

In the past several years, the San Geronio Pass region has experienced significant growth, especially in the residential sector. This growth was afforded by large residential development projects that have utilized Community Facility District ("CFD") financing to fund required infrastructure, community amenities, and ongoing public safety.

Within the past six years, the City approved two large residential development projects, both of which included a requirement within their respective development agreements for the City to adopt a Community Facility District Goals and Policy Statement, which was adopted on September 11, 2017.

The City's Goals and Policy Statement is in accordance with the California Statewide Communities Development Authority ("CSCDA"), a Joint Powers Authority ("JPA"), to which the City belongs. CSCDA administers CFDs for communities across California. Their finance team includes bond counsel, a special tax consultant, and underwriter at a relatively low cost due to the relatively large volume of bond transactions. The cost of these services are borne by the project and not by the City.

JUSTIFICATION:

The two large residential development projects recently approved by the City (formerly Butterfield and now known as Atwell – 2012, Rancho San Geronio – 2016), were

approved through a development agreement as stated above. Within their respective agreements, outlines specific conditions of approval for the project, one of which is for the City to allow for a Community Facility District in the Pardee Homes Development Agreement, as indicated in Section 5 of the agreement.

Community Facility Districts are defined as a financing instrument utilized to fund infrastructure needs for new development. These needs, in many cases, are high relative to building and construction costs that the financial hurdle becomes too great for most large development projects. Specifically, CFDs are used to fund roads, street, water and sewer piping, parks and community center-oriented facilities. Funding may also be utilized for development impact fees, connection charges, and other local government fees required for development. CFDs are also used for ongoing maintenance of the above outlined facilities and required increases in public safety.

The City does not currently possess the staff resources for administering community facility districts. However, CSCDA administers CFDs for communities across California. CSCDA conducts their own underwriting process on each development project within communities that have been petitioned by the developer and consented to by the local agency. The process entails a developer to petition CSCDA to review and financially evaluate the project. Once the project is considered financially feasible by CSCDA staff, the project comes back to the City Council for consideration and final approval by resolution, as requested by this item.

FISCAL IMPACT:

None.

OPTIONS:

1. Approve as recommended.
2. Do not approve and provide alternative direction to staff.

ATTACHMENTS:

1. Vicinity Map of Pardee Homes Project Site
2. Resolution 2018-76
3. Ordinance 1451 – Pardee Homes Development Agreement with City

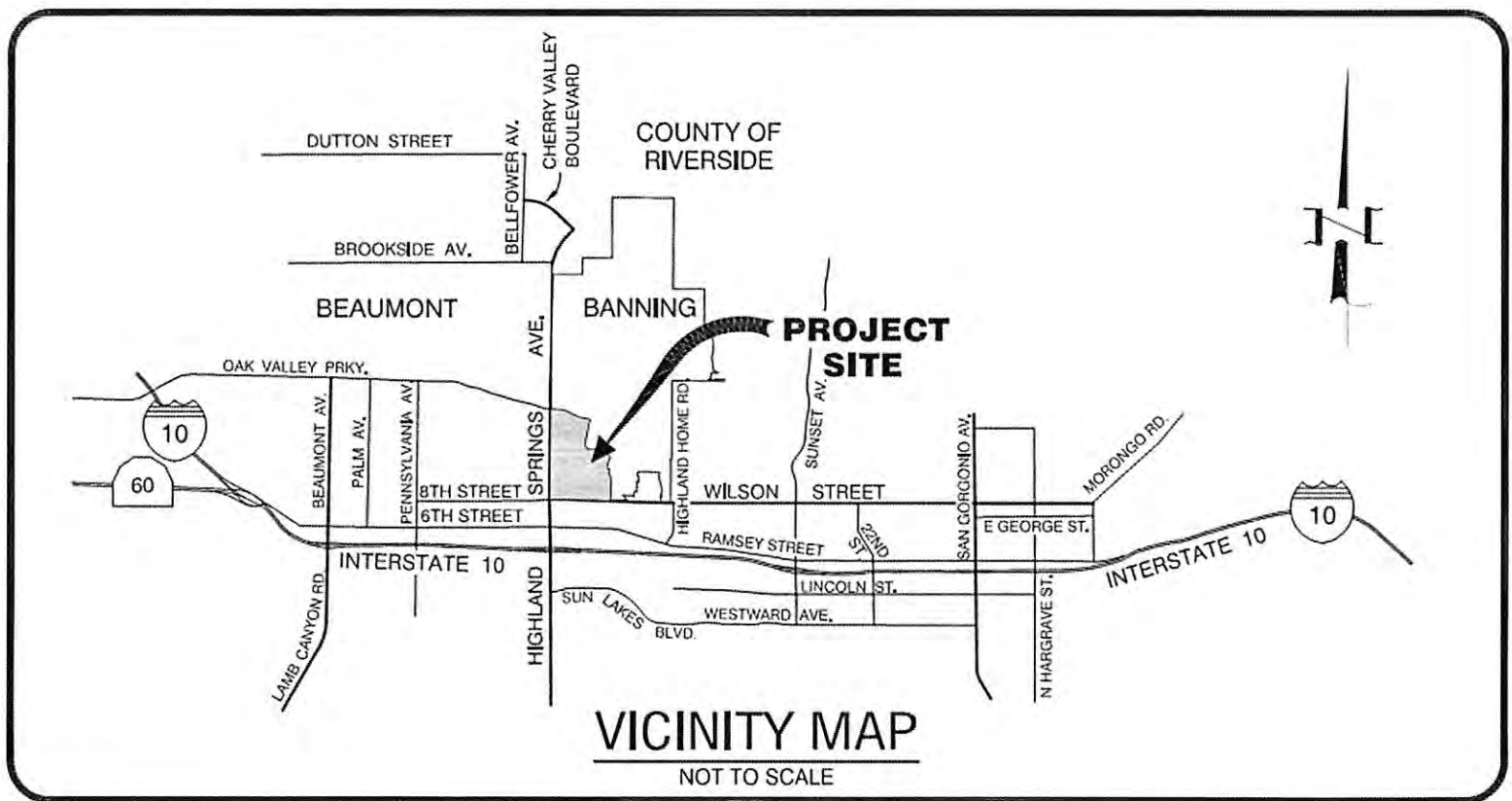
Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Vicinity Map of Pardee Homes Project Site



ATTACHMENT 2

Resolution 2018-76

RESOLUTION 2018-76

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING
(1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY (THE "AUTHORITY") TO FORM A COMMUNITY FACILITIES DISTRICT
WITHIN THE TERRITORIAL LIMITS OF THE CITY OF BANNING TO FINANCE
CERTAIN PUBLIC IMPROVEMENTS, DEVELOPMENT IMPACT FEES AND PUBLIC
SERVICES; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT
SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY
FACILITIES DISTRICT FINANCING; (3) APPROVING AN ACQUISITION
AGREEMENT AMONG THE AUTHORITY, THE CITY AND THE DEVELOPER; AND
(4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS
CONSULTANTS IN CONNECTION THEREWITH.**

WHEREAS, the City of Banning (the "City") is a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "State"); and

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a California joint-exercise of powers authority lawfully formed and operating within the State pursuant to an agreement (the "Joint Powers Agreement") entered into as of June 1, 1988 under the authority of Title 1, Division 7, Chapter 5 (commencing with Section 6500) of the California Government Code; and

WHEREAS, the City is a party to the Joint Powers Agreement and by virtue thereof a member (a "Program Participant") of the Authority; and

WHEREAS, the Joint Powers Agreement was entered into to establish the Authority as an agency authorized to issue bonds to finance projects within the territorial limits of its Program Participants; and

WHEREAS, the Joint Powers Agreement authorizes the Authority to undertake financing programs under any applicable provisions of State law to promote economic development, the stimulation of economic activity, and the increase of the tax base within the jurisdictional boundaries of its Program Participants; and

WHEREAS, the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State (the "Act") is an applicable provision of State law available to, among other things, finance public improvements and services necessary to meet increased demands placed upon local agencies as a result of development; and

WHEREAS, there is a development project known as "Atwell" in the City owned by Pardee Homes, a California corporation (respectively, the "Development Project" and the "Developer") and the Developer has requested the City to consider formation of a community facilities district for the Development Project under the Act; and

WHEREAS, the City does not desire to allocate City resources and City staff time to the formation and administration of a community facilities district and to the issuance of bonds; and

WHEREAS, the Development Project will promote economic development, the stimulation of economic activity, and the increase of the tax base within the City; and

WHEREAS, both the Authority and the City are "local agencies" under the Act; and

WHEREAS, the Act permits two or more local agencies to enter into a joint community facilities agreement to exercise any power authorized by the Act; and

WHEREAS, the City desires to enter into such an agreement with the Authority to authorize the Authority to form a community facilities district within the territorial limits of the City to finance certain public improvements, fees and services required of the Development Project; and

WHEREAS, a form of Acquisition Agreement (the "Acquisition Agreement") among the Authority, the City and the Developer is attached hereto as Exhibit "C" and is on file with the City Clerk; and

WHEREAS, nothing herein constitutes the City's approval of any applications, Development Project entitlements and/or permits, and such, to the extent required in the future, are subject to and contingent upon City Council approval following, to the extent applicable, environmental review in compliance with the California Environmental Quality Act; and

WHEREAS, nothing herein affects, without limitation, requirements for and/or compliance with any and all applicable and/or necessary improvement standards, land use requirements or subdivision requirements relating to the Development Project or any portion thereof, which obligations are and shall remain independent and subsisting; and

WHEREAS, the City Council is fully advised in this matter.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Banning that it does hereby find, determine, declare and resolve as follows:

Section 1. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and the statements, findings and determinations of the City set forth in the recitals above and in the preambles of the documents approved herein are true and correct.

Section 2. This resolution shall constitute full "local approval," under Section 9 of the Joint Powers Agreement, and under the Authority's Local Goals and Policies (see below), for the Authority to undertake and conduct proceedings in accordance herewith and under the Act to form a community facilities district (the

"Community Facilities District") with boundaries substantially as shown on Exhibit A, attached hereto, to designate separate improvement areas within the Community Facilities District (each, an "Improvement Area"), to authorize within each Improvement Area a special tax for police and fire services (the "Public Safety Special Tax"), a special tax for landscape maintenance of certain City facilities (the "Maintenance Special Tax") and a special tax for facilities (the "Facilities Special Tax") and to issue bonds for each Improvement Area secured by the Facilities Special Taxes.

Section 3. The Joint Powers Agreement, together with the terms and provisions of this resolution, shall together constitute a joint community facilities agreement between the City and the Authority under the Act. As, without this resolution, the Authority has no power to conduct proceedings under the Act to form the Community Facilities District, adoption by the Commission of the Authority of the Resolution of Intention to form the Community Facilities District under the Act shall constitute acceptance of the terms hereof by the Authority.

Section 4. This resolution and the agreement it embodies are determined to be beneficial to the residents/customers of the City and are in the best interests of the residents of the City, and of the future residents of the area within the Community Facilities District.

Section 5. The City acknowledges that the Authority has adopted Local Goals and Policies as required by Section 53312.7 of the Act. The City approves the use of those Local Goals and Policies in connection with the Community Facilities District.

Section 6. Pursuant to the Act and this resolution, the Authority may conduct proceedings under the Act to form the Community Facilities District and to have it authorize the financing of the facilities, fees and services set forth on Exhibit B, attached hereto. All of the facilities, whether to be financed directly or through fees, are facilities that have an expected useful life of five years or longer and are facilities that the City or other local public agencies, as the case may be, are authorized by law to construct, own or operate, or to which they may contribute revenue. The facilities are referred to herein as the "Improvements," and the Improvements to be owned by the City are referred to as the "City Improvements." The fees are referred to as the "Fees," and the Fees paid or to be paid to the City are referred to as the "City Fees." The City services authorized to be funded with the Public Safety Special Tax and Maintenance Special Tax are referred to as the "Services."

Section 7. For Fees paid or to be paid to another local agency (any such local agency referred to herein as an "Other Local Agency"), the Authority will obtain the written consent of that Other Local Agency before issuing bonds to fund such Fees, as required by the Act. For the Improvements to be owned by an Other Local Agency, the Authority will separately identify each in its proceedings, and will enter into joint community facilities agreements with each Other Local Agency prior to issuing bonds to finance Improvements, as required by the Act. Each joint community facilities agreement with an Other Local Agency will contain a provision that the Other Local Agency will

provide indemnification to the City to the same extent that the City provides indemnification to the Other Local Agency under the terms of this resolution.

Section 8. The City Council certifies to the Commission of the Authority that all of the City Improvements, including the improvements to be constructed or acquired with the proceeds of City Fees, are necessary to meet increased demands placed upon the City as a result of development occurring or expected to occur within the Community Facilities District. Joint community facilities agreements with each Other Local Agency shall each contain a certification with respect to the Improvements to be owned by, and Fees paid or to be paid to, the Other Local Agency equivalent to that made by the City in this paragraph.

Section 9. Prior to issuance of bonds, the Authority will apply the Facilities Special Tax collections within each Improvement Area to fund City Improvements and City Fees as provided in the Acquisition Agreement. Following the issuance of bonds of an Improvement Area, the Authority will apply the Facilities Special Tax collections within the Improvement Area initially as required by the documents under which any bonds are issued; and thereafter, to the extent not provided in the bond documents, may pay its own reasonable administrative costs incurred in the administration of the Community Facilities District. The Authority will remit any Facilities Special Tax revenues for any Improvement Area remaining after the final retirement of all bonds for such Improvement Area to the City and to each Other Local Agency in the proportions specified in the Authority's proceedings. The City will apply any such Facilities Special Tax revenues it receives for authorized City Improvements or City Fees and its own administrative costs only as permitted by the Act. The joint community facilities agreements with each Other Local Agency must require such Other Local Agency to apply the Facilities Special Tax revenues they receive for their authorized Improvements and Fees under the Community Facilities District and for their own related administrative costs only as permitted by the Act.

Section 10. The Authority will administer the Community Facilities District, including employing and paying all consultants, annually levying the Facilities Special Tax, Public Safety Special Tax and Maintenance Special Tax and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The City will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the City to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the City will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District (other than as a party to the agreement embodied by this resolution) nor will the City be or be considered to be an issuer of the bonds. The Authority shall obtain a provision equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

Section 11. Upon the first levy of Facilities Special Taxes within the Community Facilities District or any Improvement Area prior to the issuance of bonds for

the Improvement Area, the Authority shall establish and maintain a special fund to be known as the "City of Banning Atwell Project Community Facilities District, Improvement Area No. __ Acquisition and Construction Fund." Facilities Special Taxes collected within the Improvement Area prior to the issuance of bonds shall be deposited in a separate account of the Acquisition and Construction Fund. If the Authority issues bonds for the Improvement Area and bond proceeds become available to finance the Improvements, the Authority shall deposit the portion of bond proceeds which is intended to be utilized to finance the Improvements and Fees in a separate account of the Acquisition and Construction Fund. The Acquisition and Construction Fund will be available both for City Improvements and City Fees and for the Improvements and Fees pertaining to each Other Local Agency. Amounts in the Acquisition and Construction Fund shall be disbursed in accordance with the provisions of the Acquisition Agreement.

Section 12. As respects the Authority and the other local agencies, the City agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the City Improvements and for the administration and expenditure of the City Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and the other local agencies shall have no responsibility in that regard. The City reserves the right, as respects the Developer, to require the Developer to contract with the City to assume any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

Section 13. The City agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and the Other Local Agencies and their officers, agents and employees (collectively, the "Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the City Improvements and the improvements to be financed or acquired with the City Fees. The City reserves the right, as respects the Developer, to require the Developer to assume by contract with the City any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in each joint community facilities agreement with each Other Local Agency naming the City and its officers, agents and employees as Indemnified Parties with respect to such Other Local Agency's Improvements and the improvements to be constructed or acquired with the Other Local Agency's Fees.

Section 14. As respects the Authority and each Other Local Agency, the City agrees – once the City Improvements are constructed according to the approved plans and specifications, and the City and the Developer have put in place their agreed arrangements for the funding of maintenance of the City Improvements – to accept ownership of the City Improvements, to take maintenance responsibility for the City Improvements, and to indemnify and hold harmless the Indemnified Parties to the extent

provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the City Improvements. The City reserves the right, as respects the Developer, to require the Developer by contract with the City to assume any portion or all of this responsibility. The Authority shall obtain a provision equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency identifying the City and its officers, agents and employees as Indemnified Parties.

Section 15. The City acknowledges the requirement of the Act that if the City Improvements are not completed prior to the adoption, by the Commission of the Authority, of the Resolution of Formation of the Community Facilities District, the City Improvements must be constructed as if they had been constructed under the direction and supervision, or under the authority of, the City. The City acknowledges that this means all City Improvements must be constructed under contracts that require the payment of prevailing wages as required by Section 1720 and following of the Labor Code of the State of California. The Authority makes no representation that this requirement is the only applicable legal requirement in this regard. The City reserves the right, as respects the Developer, to assign appropriate responsibility for compliance with this paragraph to the Developer.

Section 16. The form of the Acquisition Agreement attached hereto as Exhibit C is hereby approved, and each of the City Manager, Assistant City Manager, or such person as the City Manager or Assistant City Manager shall designate (each, an "Authorized Officer") is authorized to execute, and deliver to the Developer, the Acquisition Agreement on behalf of the City in substantially that form, with such changes as shall be approved by the Authorized Officer after consultation with the City Attorney and the Authority's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 17. After completion of the City Improvements and appropriate arrangements for the maintenance of the City Improvements, or any discrete portion thereof as provided in Section 53313.51 of the Act and in the Acquisition Agreement, to the satisfaction of the City, and in conjunction with the City's acceptance thereof, acquisition of the City Improvements shall be undertaken as provided in the Acquisition Agreement.

Section 18. With respect to the Public Safety Special Tax and Maintenance Special Tax, the City and Authority shall enter into a subsequent implementation agreement to establish the procedures for the City's determination of the amount of Public Safety Special Taxes and Maintenance Special Taxes required to be levied each year and the manner and timing of the disbursements of such special tax collections to the City by the Authority.

Upon the first levy of the Public Safety Special Tax and Maintenance Special Tax within the Community Facilities District or any Improvement Area, the Authority shall establish and maintain a special fund to be known as the "City of Banning Atwell Project Community Facilities District, Improvement Area Services Fund" (the "Services Fund"). The Services Fund shall include two accounts designated the "Public

Safety Account” and the “Maintenance Account.” As respects the Authority and the Other Local Agencies, the City agrees to fully administer, and to take full governmental responsibility for, the provision of the Services, and the Authority and the Other Local Agencies shall have no responsibility whatsoever in that regard. The Authority shall apply the amounts on deposit in each account of the Services Fund, at the direction of the City, to fund the provision of the corresponding Services. Under no circumstances will the Authority or any Other Local Agency have any obligation for the Services beyond depositing Public Safety Special Tax and Maintenance Special Tax revenues collected, if any, in the Services Fund. The Authority shall obtain provisions equivalent to this paragraph in the joint community facilities agreement with each Other Local Agency.

Section 19. The City accepts responsibility for and shall be responsible for identification of and for compliance with all applicable laws pertaining to the provision of the Services. The Authority makes no representation as to the applicability or inapplicability of any laws relating to the provision of the Services. The City agrees to indemnify and to hold the Indemnified Parties harmless from any and all claims, suits and damages (including costs and reasonable attorneys’ fees) arising out of the provision of the Services.

Section 20. The City hereby consents to the formation of the Community Facilities District in accordance with this resolution and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the Facilities Special Tax, Public Safety Special Tax and Maintenance Special Tax, and the issuance, sale, delivery and administration of the bonds, all at no cost to the City and without binding or obligating the City’s general fund or taxing authority.

Section 21. The terms of the Agreement embodied by this resolution may be amended by a writing duly authorized, executed and delivered by the City and the Authority, except that no amendment may be made after the issuance of the bonds by the Authority that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 22. Except to the extent of the indemnifications extended to the other local agencies in the Agreement embodied by this resolution, and the City’s agreement to take responsibility for and ownership of the City Improvements, no person or entity, including the Developer, shall be deemed to be a third party beneficiary of this resolution, and nothing in this resolution (either express or implied) is intended to confer upon any person or entity other than the Authority and the City (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this resolution.

Section 23. The City shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and the other local agencies

to the extent of the indemnification provisions and the provisions whereby the Other Local Agency agree to take responsibility for and ownership of their Improvements.

Section 24. This resolution shall remain in force until all bonds have been retired and the authority to levy the Facilities Special Tax, Public Safety Special Tax and Maintenance Special Tax conferred by the Community Facilities District proceedings has ended or is otherwise terminated.

Section 25. The City Council hereby authorizes and directs each Authorized Officer and other appropriate City staff to cooperate with the Authority and its consultants and to do all things necessary and appropriate to carry out the intent of this resolution and the Community Facilities District financing, and to execute any and all certificates and documents in connection with the bond issuance as shall be approved by an Authorized Officer after consultation with the City Attorney and the Authority's bond counsel.

Section 26. The City Council hereby approves delivery of a certified copy of this resolution to the Authority's Bond Counsel, Orrick, Herrington & Sutcliffe LLP.

Section 27. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2018-76, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES: Council Members Andrade, Franklin, Peterson, Welch and Mayor Moyer

NOES: None

ABSTAIN: None

ABSENT: None

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

EXHIBIT A
COMMUNITY FACILITIES DISTRICT BOUNDARIES
[ATTACHED]

BOUNDARIES OF CALIFORNIA STATE WIDE COMMUNITIES DEVELOPMENT AUTHORITY
 COMMUNITY FACILITIES DISTRICT NO.
 CITY OF BANNING, COUNTY OF RIVERSIDE
 STATE OF CALIFORNIA

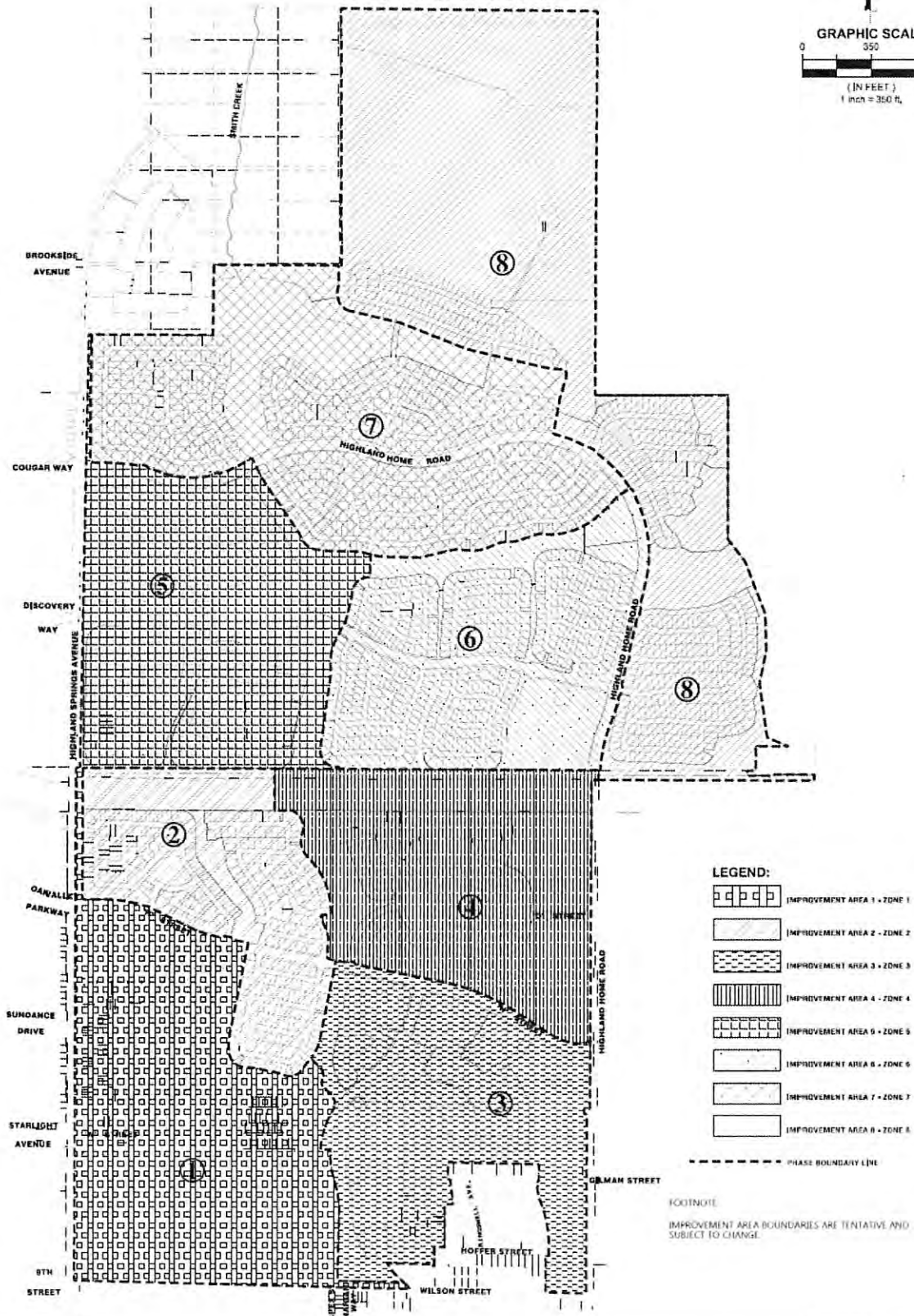
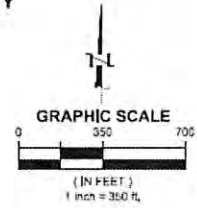


EXHIBIT B

AUTHORIZED IMPROVEMENTS AND FEES

Public Capital Facilities

1. Preliminary and Incidental Expense and Appurtenant Work and Improvements

Generally, for each of the categories of public capital improvements that are described in Paragraph 2 below to be acquired, constructed and installed on public property (including dedicated rights-of-way and public easements), the authorized improvements shall be deemed to include, without limitation, the cost and expense of mobilization, clearing, grubbing, protective fencing and erosion control, excavation, dewatering, lime treatment, drainage ditches, rock outfalls, curb, gutter and sidewalks, base and finish paving, striping, traffic signage, traffic signals, streetlights, landscaping, irrigation, soundwalls, retaining walls, barricades, and other related appurtenant work and facilities, together with the cost and expense of engineering design, plan review, project management, construction-related surety bonds or like security instruments, construction staking and management, inspection, and any like fees and costs incidental to such acquisition, construction and installation.

2. Public Capital Improvements

- a. Public Streets, Freeway Interchange and other related improvements within public right of way
- b. Potable and Non-Potable Water Facilities
- c. Sewer Facilities
- d. Dry Utilities
- e. Public Parks, Park and Ride Lots, Community Center, Open Space and Landscaping
- f. Storm Water Drainage, Retention and Detention Facilities
- g. Fire Facilities, Police Facilities and other Government Facilities

3. City of Banning Development Impact Fees

- a. Fire Facilities
- b. Police Facilities
- c. Traffic Control Facilities
- d. General Plan

- e. Park Land Development
- f. General City Facilities
- g. Energy Conservation
- h. New Electrical Service
- i. Water Connection
- j. Water Meter
- k. Sewer/Wastewater Connection
- l. Any other Capital Improvement, Development Impact, Mitigation, Capacity or Connection Fees and Charges

AUTHORIZED SERVICES

The types of services authorized to be financed by the Community Facilities District with the Public Safety Special Taxes are police protection services, fire protection and suppression services, ambulance and paramedic services. The types of services authorized to be financed by the Community Facilities District with the Maintenance Special Taxes are maintenance and lighting of parks, parkways, streets, traffic signals, roads and open space, flood and storm protection and water quality improvement services and maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City or with respect to which the City owns an easement or other property interest.

EXHIBIT C
FORM OF ACQUISITION AGREEMENT

ACQUISITION AGREEMENT

BY AND AMONG
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,
CITY OF BANNING
AND
PARDEE HOMES

Dated as of _____, 2018

ACQUISITION AGREEMENT

Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the California Statewide Communities Development Authority (the “Authority”), City of Banning (the “City”), and Pardee Homes, a California corporation (the “Developer”).

B. The effective date of this Agreement is _____, 2018.

C. The Developer has applied for the financing of certain public capital improvements (each, an “Acquisition Improvement” and collectively, the “Acquisition Improvements”), and certain governmentally-imposed development fees and financial contributions (collectively, the “Fees”) through the Authority. The Fees will themselves finance public capital improvements. The Acquisition Improvements are to be owned and operated by the City, and the financing is to be accomplished through a Community Facilities District which will be established and administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the “Act”). On June 12, 2018, the City adopted Resolution No. 2018-76 authorizing the Authority to form a community facilities district (the “Community Facilities District”) within the territorial limits of the City and designate improvement areas within the Community Facilities Agreement (each, an Improvement Area”) to finance the Acquisition Improvements and Fees. On [_____, 2018, the Authority formed the Community Facilities District and, on the same date, a landowner election was conducted for each Improvement Area in which all of the votes were cast unanimously in favor of conferring the Community Facilities District authority on the Authority Commission.

D. The Authority intends to levy special taxes for facilities within each Improvement Area (the “Special Taxes”) and issue bonds for each Improvement Area secured by the Special Taxes, in one or more series, to fund, among other things, all or a portion of the Fees and the Acquisition Improvements. The portion of the proceeds of such Special Taxes (including prepayments) and bonds allocable to the cost of the Fees and Acquisition Improvements, together with interest earned thereon, is referred to herein as the “Available Amount”.

E. The Community Facilities District will provide financing for the Fees and the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Fees and the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the Acquisition Improvements, pursuant to Section 53313.51 of the Act, to be acquired from the Developer.

F. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire the completed Acquisition Improvements. All or any of the Fees may be paid by the Developer and reimbursed from the Available Amount, or paid directly from the Available Amount.

G. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available

Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor under any circumstances.

H. Attached to this Agreement are Exhibit A (Description of the Acquisition Improvements and the Eligible Portions thereof and Fees), Exhibit B-1 (Disbursement Request Form for Acquisition Improvements), Exhibit B-2 (Disbursement Request Form for Fees) and Exhibit C (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

Agreement

ARTICLE I

DEFINITIONS; COMMUNITY FACILITIES DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except (i) those items which are reasonably determined by the City Engineer not to interfere with the intended use and therefore are not required to be cleared from the title, and (ii) the lien of the Community Facilities District or any other community facilities district or assessment district provided that the property owned by the Local Agency is exempt from such taxation or assessment.

“Acquisition and Construction Fund” means each “City of Banning Atwell Community Facilities District Acquisition and Construction Fund” established by the Authority pursuant to the Resolution and Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements and funding Fees.

“Acquisition Improvement” means a public capital improvement described in Exhibit A hereto.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 2.03, not to exceed the Actual Cost of the Acquisition Improvement.

“Actual Cost” means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the Local Agency and as certified by the City Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of any real property or interest therein that is either necessary for the construction of such Acquisition

Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the Local Agency or its designee, (e) the Developer's cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer's cost for construction and project management, administration and supervision services for such Acquisition Improvement, (h) the Developer's cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to such Acquisition Improvement.

"Actual Cost Certificate" means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the Local Agency Engineer pursuant to Section 2.03.

"Agreement" means this Acquisition Agreement, dated as of [_____], 2018.

"Authority" means the California Statewide Communities Development Authority.

"Authority Trust Agreement" means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

"Authority Trustee" means the financial institution identified as trustee in an Authority Trust Agreement.

"Available Amount" shall have the meaning assigned to the term in Recital D.

"Bonds" means bonds or other indebtedness issued by the Authority that is to be repaid with Special Taxes.

"Code" means the Government Code of the State of California.

"Community Facilities District" shall have the meaning assigned to the term in Recital C.

"Developer" means Pardee Homes, a California corporation, and its successors and assigns.

"Disbursement Request Form" means (i) a requisition for payment of funds from an Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B-1 hereto and (ii) a requisition for payment of funds from an Acquisition and Construction Fund for Fees in substantially the form contained in Exhibit B-2 hereto.

"Eligible Portion" shall have the meaning ascribed to it in Section 2.03 below.

"Improvement Area" means an improvement area of the Community Facilities District designated as such by the Authority in accordance with the Act.

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Local Agency” means the City of Banning, California.

“Local Agency Engineer” means the Engineer of the Local Agency or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the development of the property in the Community Facilities District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the Community Facilities District.

“Resolution” means City of Banning Resolution No. 2018-76, adopted June 12, 2018, authorizing the execution and delivery of this Agreement.

“Special Taxes” means annual special taxes for facilities, and prepayments thereof, authorized by the Community Facilities District to be levied by the Commission of the Authority within each Improvement Area.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the Local Agency of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Establishment of Community Facilities District. Developer has requested the Local Agency to permit the Authority to provide for financing of the Acquisition Improvements and Fees and collection of Services Special Taxes through the establishment and authorization of the Community Facilities District and the Local Agency agreed by its adoption of the Resolution. The Community Facilities District was established by the Authority on [____], 2018, and through the successful landowner election held that same day with respect to each Improvement Area of the Community Facilities District, the Commission of the Authority is authorized to levy the Special Taxes and to issue the Bonds to finance the Acquisition Improvements and Fees. Developer and the Local Agency agree to reasonably cooperate with one another and with the Authority in the completion of the financing through the issuance of the Bonds in one or more series for each Improvement Area.

Section 1.03. Deposit and Use of Available Amount.

(a) Prior to the issuance of Bonds for each Improvement Area, Special Taxes collected by the Authority (including from prepayments of Special Taxes) shall be deposited in the Acquisition and Construction Fund established by the Resolution, and may be disbursed to pay the Acquisition Price of Acquisition Improvements in accordance with Article II of this Agreement and to finance Fees in accordance with Article III of this Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available Amount, and upon the

issuance of the Bonds the Acquisition and Construction Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

(b) Upon the issuance of the Bonds of an Improvement Area, the Authority will cause the Authority Trustee to establish and maintain the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements and Fees. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof, or to be paid to the Developer or Local Agency for Fees, as specified in Article III hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, and upon funding of all Fees, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the Local Agency as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project, or applicable Fees, as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to the Authority subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of the Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the Community Facilities District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Local Agency. In order to assure

compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 4.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount from time to time or (ii) the Actual Cost of the Acquisition Improvement. Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of an Acquisition Improvement eligible for Installment Payments prior to completion of the entire Acquisition Improvement are described as eligible, discrete and usable portions in Exhibit A (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If the further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive.

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Amounts allocated to an Acquisition Improvement will be further allocated among the Eligible Portions of that Acquisition Improvement, if any, in the same proportion as the amount to be reimbursed for hard costs for each Eligible Portion bears to the amount to be reimbursed for hard costs for the entire Acquisition Improvement. Costs will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. The costs of certain environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all Local Agency regulations and ordinances and is otherwise complete and ready for

acceptance by the Local Agency, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the special taxes of the Community Facilities District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvement is situated. All such Title Documents shall be in a form acceptable to the Local Agency and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer and the Local Agency Attorney insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

Section 2.05. Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the Local Agency Engineer with respect to any Eligible Portion. Payment to the Developer or its designee from the Acquisition and Construction Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that the Eligible Portion has been completed in accordance with the applicable plans and specifications and that the Eligible Portion satisfies all Local Agency regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the Local Agency, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the Local Agency) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated. All such Title Documents shall be in a form acceptable to the Local Agency Engineer and shall be sufficient, upon completion of the Acquisition Improvement of which the Eligible Portion is a part, to convey Acceptable Title.

(d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans and specifications for the Acquisition Improvement approved by the Local Agency, shall be in place to secure completion of the Acquisition Improvement of which the Eligible Portion is a part.

Section 2.06. Disbursement Request Form. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 2.04 or to pay an Installment Payment for an Eligible Portion pursuant to Section 2.05, the Local Agency Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit B-1 to be submitted to the Authority and Authority Trustee, and the Authority or Authority Trustee shall make payment directly to the Developer or its designee of the amount requested from an Acquisition and Construction Fund. The Local Agency and the Developer acknowledge and agree that the Authority or Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been completed or what the Actual Costs may be with respect to the Acquisition Improvement or Eligible Portion. The Authority or Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation.

In the event that the Actual Cost of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority or Authority Trustee shall withdraw all funds remaining in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost shall be paid from funds that may subsequently be deposited in the Acquisition and Construction Fund from a subsequent issuance of Bonds, from prepayments of Special Taxes to be used for financing Acquisition Improvements, or from Special Tax revenues, if any of those occurs.

Section 2.07. Limitation on Obligations. In no event shall the Local Agency be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund.

ARTICLE III

FEES

Section 3.01. Funding of Fees. The Developer may submit a written request to the Local Agency Engineer for the reimbursement of Fees paid previously with respect to the Project or for a disbursement to the City of funds from an Acquisition and Construction Fund in satisfaction of Fees with respect to the Project. With each such written request, the Developer shall also submit to the Local Agency Engineer a Disbursement Request Form in the form attached hereto as Exhibit B-2 completed and executed by the Developer. Within five (5) business days of receipt of each such written request, the Local Agency Engineer shall execute the Disbursement Request Form on behalf of the City and submit it to the Authority and Authority Trustee for payment. The Authority or Authority Trustee shall make payment directly to the Developer or its designee, or the City in the amount requested from the applicable Acquisition and Construction Fund. The Local Agency and Developer agree that the Authority or Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine any of the items specified in the Disbursement Request Form. The Authority or Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation. The Local Agency shall provide a credit against the applicable Fees for property located within the CFD to Developer or its designee(s) equal to the amount of the money disbursed to the City pursuant to the Disbursement Request Form for a particular Fee divided by the per dwelling unit/equivalent dwelling unit/acre amount of the Fee at the time of the disbursement.

Some of the Acquisition Improvements to be constructed by Developer may be one of the public improvements that is eligible to be financed with one of the Fees. Developer shall be entitled to full credit against the applicable Fees for the Developer's construction of Acquisition Improvements whether or not such Acquisition Improvements are funded from the Available Amount. If Developer receives a credit against a Fee as the result of Developer's construction of any other public improvement, Developer shall only be entitled to fund pursuant to the terms of this Agreement, Developer's remaining obligation for such Fee, net of such credit amount.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority and their respective officers, directors, employees and agents, including the Authority Trustee, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees arising out of any contract for the design, engineering and construction of the Acquisition Improvements entered into by the Developer or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the

official statement relating to the Authority financing (provided that the Developer shall have been furnished a copy of the official statement and shall not have objected thereto); and provided, further, that nothing in this Section 4.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 4.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of their respective officers, directors, employees or agents, for any wrongful acts or omissions to act of the Authority or its officers, employees, agents or any consultants or contractors, including the Authority Trustee, and for any wrongful acts, willful misconduct, active negligence or omissions to act of the Local Agency, or its officers, employees, agents or any consultants or contractors, including the Authority Trustee.

Section 4.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

Section 4.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the Community Facilities District Special Taxes and issuance of Bonds. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 4.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 4.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 4.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 4.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section 4.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, the other agreement shall prevail unless the conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 4.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the City:

City of Banning
99 E. Ramsey Street
Banning, California 92220
Attention: City Manager

If to the Authority:

California Statewide Communities Development
Authority
1700 North Broadway, Suite 405
Walnut Creek, CA 94596
Attention: Executive Director

If to the Developer:

Pardee Homes
1250 Corona Pointe Court, Suite 600
Corona, CA 92879
Attention: Chris Courtney

With a copy to:

O'Neil LLP
19900 Macarthur Blvd., Suite 1050
Irvine, CA 92612
Attn: John P. Yeager

Either party may change its address by giving notice in writing to the other party.

Section 4.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 4.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 4.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 4.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 4.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 4.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 4.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

Section 4.15. Non-Liability of Authority. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Acquisition Agreement, except only to the extent amounts are received for the payment thereof from the Special Tax.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

CITY OF BANNING

By: _____
[Authorized Officer]

ATTEST:
City Clerk

By: _____

PARDEE HOMES,
a California corporation

By: _____
(Signature)

(Print Name)

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
[Authorized Officer]

EXHIBIT A TO THE ACQUISITION AGREEMENT

DESCRIPTION OF ACQUISITION IMPROVEMENTS, ELIGIBLE PORTIONS AND FEES

ACQUISITION IMPROVEMENTS¹

Highland Springs Widening and Median
Wilson Street Widening and Medians
Wilson Street Streetscape
Joshua Palmer Relocation
Highland Home Rd St Imps and Medians
Oak Valley Parkway/Oak Lane/H Street Extension
I-10/Highland Springs Interchange Improvements
Highland Springs Streetscape
Highland Springs (Wilson/Oak Valley)
Highland Springs (Highland Home)
Highland Springs (Oak Valley/Cherry Valley)
Traffic Signal - Highland Springs/Starlight
Traffic Signal - Highland Springs/Sundance
Traffic Signal - Highland Springs/Oak Valley
Traffic Signal - Commercial Center (PA 18)
Traffic Signal - Highland Springs / Discovery Way
Traffic Signal – Highland Springs / Cougar Way
Traffic Signal - Wilson / K Street
Traffic Signal - Highland Home Rd / H Street
Traffic Signal - Highland Home Rd / Wilson St
Traffic Signal - Highland Home Rd / F Street
Traffic Signal - Wilson/C St/Apex
3.5m gallon Water Tank (PA 50A)
2.5m gallon Water Tank (PA 52A)
1.5m gallon Water Tank (PA 34)
Ride Share Parking Lots on Highland Springs (PA 38) and Highland Home Road (PA 36)
Parks and/or Trails in PAs 19, 22, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 35A, 35B, 35C, 35D, 35E, 35F, 36, 37, 38, 39, 62, 63, 64, 65 and 67
Open Space Trails (including within SCE easement and inclusive of anti-climbing guards)
Veteran's Memorial Relocation
Fire Station at PA 72 (1.6 ac)
PA 35 & 39 Flood Improvements - DA Sect 5.4
Revised Domestic Water, Recycled Water and Sewer Fee Study
Carollo Study Contribution per DA Sect 5.7.1.1

¹ The description of the Acquisition Improvements and Eligible Portions are general in nature. The final nature and location of the Acquisition Improvements will be determined upon preparation of final plans and specifications and these descriptions may be modified and additional Acquisition Improvements may be added through a written supplement to this Agreement executed by the Developer and Local Agency Engineer.

Domestic Water Contribution for 2010 UWMP update per DA Sect 5.7.1.2
Traffic Control Facility Fee Contribution for TIA and traffic fee prep update per DA Sect 5.7.1.3
Traffic Control Facility Fee Contribution for TIF Study update per DA Sect 5.7.1.4
Traffic Control Facility Fee Contribution for HS/I-10 Studies per DA Sect 5.7.1.5
General Plan Fee Contribution for GPA-Traffic Circulation element per DA Sect 5.7.1.6
Reclaimed water transmission/distribution system
Electrical Connection to Hospital
Pump Equipment at Well NP-1
Existing Wastewater Treatment Facility Upgrades
Satellite Wastewater Treatment Facility
Community Center (PA 39)
Highland Home Rd Storm Drain
Recycled Water per Exhibit 3.8A of SP
Lyons Park Conversion - Reclaimed
SP Potable Water/Master Plan per Sect 3.2/Exh 3.2, 3.3B, C&D and Sect 3.2.5
18" Water Line - Highland Springs
SP Potable Sewer/Master Plan per Sect 3.5.4/Exh 3.11A, Sect 3.5.5
Gas Main Relocation for H Street Improvements
Sewer Line and Lift Station in Wilson/Ramsey/Sunset

CITY OF BANNING DEVELOPMENT IMPACT FEES

- a. Fire Facilities
- b. Police Facilities
- c. Traffic Control Facilities
- d. General Plan
- e. Park Land
- f. General Facilities
- g. Energy Conservation
- h. New Electrical Service
- i. Water Connection
- j. Water Meter
- k. Sewer/Wastewater Connection

1. Any other Capital Improvement, Development Impact, Mitigation, Capacity or Connection Fees and Charges

ELIGIBLE PORTIONS

For each Acquisition Improvement, Eligible Portions shall include each of the following:

- (1) The real property or interest therein that is necessary for the construction of the Acquisition Improvement and/or is required in order to convey Acceptable Title.
- (2) Design, engineering and other soft costs incurred with respect to the Acquisition Improvement prior to the award of the construction contract.
- (3) Installation of discrete horizontal or vertical segments of the Acquisition Improvement such as, depending on the type of Acquisition Improvement, grading and trenching; installation of water, sewer or storm drain lines, lift and pump stations, basins, storage tanks, treatment facilities, initial road paving, final asphalt cap, traffic signals, street lighting, landscaping, park facilities, trails, etc.

EXHIBIT B-1 TO THE ACQUISITION AGREEMENT

DISBURSEMENT REQUEST FORM (Acquisition Improvement or Eligible Portion)

To: [Authority Trustee]
Attention: _____
Fax: _____
Phone: _____

Re: CSCDA Community Facilities District No. _____, Improvement Area No. ____

The undersigned, a duly authorized officer of the CITY OF BANNING hereby requests a withdrawal from the City of Banning Atwell Project Community Facilities District Acquisition and Construction Fund, as follows:

Request Date:	[Insert Date of Request]
Name of Developer:	_____
Withdrawal Amount:	[Insert Acquisition Price/Installment Payment]
Acquisition Improvements:	[Insert Description of Acquisition Improvement(s)/Eligible Portion(s) from Exhibit A]
Payment Instructions:	[Insert Wire Instructions or Payment Address for Developer or Developer's designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). The Local Agency will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. To the extent any of such Improvements are sold to an entity that is not a state or

local government agency, the Local Agency will seek the advice and approval of bond counsel to the Authority prior to any such sale. The Local Agency will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency. The average expected useful life of such Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

CITY OF BANNING

By: _____

Title: _____

EXHIBIT B-2 TO THE ACQUISITION AGREEMENT

DISBURSEMENT REQUEST FORM (Fees)

To: [Authority Trustee]
Attention: _____
Fax: _____
Phone: _____

Re: CSCDA Community Facilities District No. _____, Improvement Area No. _____

The undersigned, a duly authorized officer of the CITY OF BANNING hereby requests a withdrawal from the City of Banning Atwell Project Community Facilities District Acquisition and Construction Fund, as follows:

Request Date:	[Insert Date of Request]
Name of Developer:	_____
Withdrawal Amount:	\$ _____
Fees:	[Insert Breakdown of Withdrawal Amount by Fees]
Payment Instructions:	[For reimbursement of Fees insert Wire Instructions or Payment Address for Developer or Developer's designee as provided by the Developer. For funding of Fees insert Wire Instructions for City]

The undersigned hereby certifies as follows:

The withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

[For prepaid fees to be reimbursed to developer at closing][The fees referenced above have been spent by the Local Agency for a permitted use of the listed fees for public capital improvements as of the date hereof.]/[For fees funded by bond proceeds][The amounts to be disbursed hereunder (i) are reimbursing the Local Agency for amounts spent by the Local Agency for public capital improvements within the timing period described in the Local Agency's tax certification with respect to the bonds that financed the public capital improvements, (ii) will be

used by the Local Agency to make a payment to a person unrelated to the Local Agency for costs of the public capital improvement no later than three days after the disbursement, or (iii) are being disbursed directly to a third party at the direction of the Local Agency to pay the cost of the public capital improvements.

The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). The Local Agency will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. To the extent any of such Improvements are sold to an entity that is not a state or local government agency, the Local Agency will seek the advice and approval of bond counsel to the Authority prior to any such sale. The Local Agency will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency. The average expected useful life of such Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

CITY OF BANNING

By: _____

Title: _____

EXHIBIT C TO THE ACQUISITION AGREEMENT

BIDDING, CONTRACTING AND CONSTRUCTION REQUIREMENTS FOR ACQUISITION IMPROVEMENTS

With respect to construction contracts awarded after approval of the Agreement, bids for construction shall be solicited from at least three (3) qualified contractors, provided at least three (3) qualified contractors are reasonably available. The Developer may also directly solicit bids. The bid package may consist of preliminary plans and specifications.

The bidding response time shall be not less than ten (10) working days.

An authorized representative of the Local Agency shall be provided a copy of the tabulation of bid results upon request.

Contract(s) for the construction of the public Acquisition Improvements shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer.

The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to Labor Code Sections 1770, 1773 and 1773.1. A current copy of applicable wage rates shall be on file in the Office of the Local Agency Clerk, as required by Labor Code Section 1773.2.

The Developer shall provide the Local Agency with certified payrolls.

ATTACHMENT 3

Ordinance 1451 - Development Agreement with Pardee Homes

ORDINANCE NO. 1451

**AN ORDINANCE OF THE CITY COUNCIL CITY OF BANNING,
CALIFORNIA ADOPTING THE DEVELOPMENT AGREEMENT
SUPERSEDING THE DEUTSCH SPECIFIC PLAN DEVELOPMENT
AGREEMENT AND MAKING FINDINGS IN SUPPORT THEREOF**

WHEREAS, Pardee Homes filed an application with the City for an amendment to the Development Agreement for the Deutsch Specific Plan in conjunction with General Plan Amendment No. 11-2501, Zone Change No. 11-3501, and an amendment to the Deutsch Specific Plan to provide for Zoning regulations for the Butterfield Specific Plan, and approval of an EIR to allow the development of up to 5,387 dwelling units (937.4 acres of residential), a golf course and open space (253.9 acres), parks (66.5 acres) and other open space (108.4 acres), two school sites (23.0 acres), an existing utilities substation facility (4.2 acres), a fire station site (1.6 acres) and backbone roadways (113.6 acres). The project also includes the construction of major on-site and off-site infrastructure, including but not limited to: various on-site and off-site street improvements to provide access to and from the project site; various on-site and off-site conveyance pipelines for sewer, water, storm drain; a multi-purpose detention basin, and drainage improvements to Pershing Channel and Smith Creek immediately upstream and downstream of the 1,543 acre project site to accommodate the mixed-use master planned community.

Project Applicant:	Pardee Homes (Authorized Agent Mike Taylor, Vice President of Pardee Homes, 10880 Wilshire Boulevard, Suite 1900, Los Angeles, CA 90024)
Property Owners:	Pardee Homes owns 1,522 acres within the Butterfield Specific Plan.
Project Location:	Northeast Corner of Highland Springs Avenue and Wilson Street
APN Number:	The project includes 34 parcels: 408-030-001 & 005; 408-120-001 through 020, 022, 024, 025, 027 & 033; and 531-080-013 & 014.
Specific Plan Size:	1,543 Acres

WHEREAS, Pardee Homes requests an amendment to the Deutsch Specific Plan Development Agreement as restated in the Development Agreement for the Butterfield Specific Plan in conjunction with General Plan Amendment No. 11-2501, Zone Change 11-3501, and the Butterfield Specific Plan, which would provide the Applicant with a vested right to develop their property consistent with the Butterfield Specific Plan in exchange for the public benefits to the City.

WHEREAS, Chapter 17.60 of the Banning Municipal Code provides for the purpose, application and public hearing procedures, content of the Development Agreement, and environmental review.

WHEREAS, the City Attorney and the City Manager have negotiated the Development Agreement with the Applicant.

WHEREAS, the City Attorney has prepared the Development Agreement consistent with the requirements of Section 17.60.040 of the Banning Zoning Code.

WHEREAS, the approval of the Development Agreement including its companion applications for the General Plan Amendment No. 11-2501, Zone Change No. 11-3501, and an amendment to the Deutsch Specific Plan to replace its zoning regulations with Butterfield Specific Plan Zoning regulations as referenced herein, is considered a project pursuant to CEQA Guidelines Section 21065.

WHEREAS, consistent with Section 15083 of the California Environmental Quality Act ("CEQA") and prior to completing the draft Environmental Impact Report (EIR), the City held an early consultation regarding the issue areas to be considered in the EIR. The City published the Notice of Preparation ("NOP") including the Scoping Meeting in the Record Gazette and on the City's website. The City also mailed the NOP to residents who are located within 300' of the Project site and to members of the public, organizations/groups, public agencies and persons who have requested to be on the mailing lists. As part of early consultation, the City held three (3) public scoping meetings. Two (2) scoping meetings were held on October 16, 2007 from 2 p.m. to 4 p.m. and from 6 p.m. to 8 p.m. Another scoping meeting was held on October 22, 2007 from 6 p.m. to 8 p.m.

WHEREAS, consistent with Section 15086 and 15087 of CEQA, the City published the Notice of Availability ("NOA") of the Draft EIR and made available for a 45-day public review period from June 6, 2011, to July 21, 2011. The NOA was published in the Press Enterprise and the City's website. The City also mailed the NOA to the State Clearinghouse for distribution to State Agencies. Also, the City mailed the NOA to the residents who live within 300' radius of the Project boundaries, groups and organizations, and members of the public who requested to be on the mailing list of the Project.

WHEREAS, prior to the close of the comment period, the City held a public workshop on June 21, 2011, to provide information and answer questions from interested members of the public regarding the Project and the Draft EIR.

WHEREAS, during the public workshop of June 21, 2011, the City received questions and comments mostly on traffic, among other questions about the Project. In response to the oral comments on traffic, the City held another workshop on July 14, 2011 to respond to questions from members of the public regarding the traffic analysis report and conclusions.

WHEREAS, the City received 31 comment letters from members of the public, public agencies, groups/organizations, and persons who requested to be a part of the mailing list of the Project regarding the Draft EIR and the impacts of the Butterfield Specific Plan, including its associated applications referenced herein.

WHEREAS, consistent with Section 15088 of CEQA, the City evaluated the responses received from members of the public, public agencies, groups/organizations, and persons who requested to be a part of the mailing list of the Project and prepared written responses which culminated in a Final EIR for the Project and is referenced herein. The Final EIR was made available for a 10-day public review on Friday, February 24, 2012. The Final EIR was made available at City Hall Community Development Counter, the Banning Public Library, and the City's website.

WHEREAS, on March 7, 2012, the Planning Commission held a duly-noticed the noticed public hearing, at which time the Commission considered the public testimony, staff report, full documentation of the Final EIR and all other documentation relating to the Project, and the Commission unanimously recommended approval of the Project and certification of the Final EIR to the City Council.

WHEREAS, on March 16, 2012, the City gave public notice by advertisement in the Record Gazette newspaper of a public hearing concerning the Project to be held before the City Council. In addition, the City mailed public hearing notices to the owners of properties that are located within a 300' radius of the project boundaries and to interested persons who requested to be on the mailing lists for the project. On March 27, 2012, the City Council held its public hearing on the Project and the Final EIR, to consider public testimony, the staff reports and presentations, full copy of the Final EIR and all other documentation relating to the Project.

NOW THEREFORE, the City Council of the City of Banning does make the following findings and based thereon and the administrative record does ordain as follows:

SECTION 1. ENVIRONMENTAL FINDINGS.

A Final Environmental Impact Report [EIR] (SCH No. 2007091149), including Draft EIR and Mitigation Monitoring and Reporting Program was prepared in accordance with the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines, and the City of Banning Environmental Review Guidelines. City Council Resolution No. 2012-24 as referenced herein provides environmental findings for the project.

SECTION 2. REQUIRED FINDINGS FOR DEVELOPMENT AGREEMENT:

Finding No. 1: The proposed Development Agreement is consistent with the General Plan and Applicable Specific Plan

Finding of Facts: The current zoning for the project is Deutsch Specific Plan. The proposed Development Agreement is inconsistent with the General Plan and the Deutsch Specific Plan in that the Agreement provides for the developer's vested right to develop the property in accordance with the Butterfield Specific Plan. However, in conjunction with the proposed Development Agreement for the Butterfield Specific Plan, the Applicant is requesting a General Plan Amendment No. 11-2501 and Zone Change No. 11-3501 and an amendment to the Deutsch Specific Plan. The General Plan

Amendment and Zone change would replace the zoning on the general Plan Land Use and Zoning Overlay Map and replace it with the Butterfield Specific Plan. The amendment to the Deutsch Specific Plan would replace the Specific Plan with the Butterfield Specific Plan. With approval of the General Plan Amendment No. 11-2501 and Zone Change No. 11-3501, and amendment to the Deutsch Specific Plan, the Development Agreement would be consistent with the intent of the General Plan through designation of the site as Butterfield Specific Plan.

Finding No. 2: The proposed Development Agreement would promote the welfare and interest of the City.

Finding of Facts: The development of the Butterfield Specific Plan requires an up-front and substantial investment in public infrastructure costs. The total initial infrastructure investment cost for the project is estimated to be \$100 million. The ultimate infrastructure investment is approximately \$460 million. The infrastructure to be developed includes streets, sewer, water, storm drain and flood control. In exchange for the investment, the developer is requesting approval of an amendment to the existing development agreement to provide a vested right to develop the project consistent with the Zoning (Butterfield Specific Plan) for the property without worrying that the Zoning will change during the 30-year period.

With the vested right to develop the property, the City will receive the following benefits that promote general welfare and interest of the City:

- A substantial investment in infrastructure as mentioned above.
- New master-planned community that provides a cohesive, well-coordinated development that would provide a sense of place.
- New and variety of home types that includes single-family homes with various lot sizes, homes sizes and design. Additionally, there will be high density housing that could include apartments and condominiums with various designs for existing and future residents.
- Revenue from property tax, sales tax, and development fees since the property will be developed and improved from the current vacant state.
- The developer will provide the City with fully improved parks as part of the development.
- Provide construction jobs for the construction of the homes and for the various trades that are associated with home building which include draftsman, architects, engineers, electricians, plumbing, roofing, interior designer, and home furnishing.
- More home construction provides incentives for future retailers and restaurants to locate in Banning once the homes are occupied. The project would incentivize the local economy.

SECTION 3. CITY COUNCIL ACTION.

The City Council hereby:

1. Adopts Ordinance No. 1451 amending the Deutsch Specific Plan Development Agreement by superseding it with the Development Agreement for the Butterfield Specific Plan as attached hereto as Exhibit "A".

SECTION 4. PUBLICATION

The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days of its adoption cause it, or a summary of it, be published in the Record Gazette, a newspaper published and circulated in the city. Thereupon, this Ordinance shall take effect thirty (30) days after adoption and be in effect according to the law.

PASSED, APPROVED AND ADOPTED this 10th day of April, 2012.



Don Robinson, Mayor
City of Banning

ATTEST:



Marie Calderon, City Clerk
City of Banning, California

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



David A. Aleshire City of Banning
Aleshire & Wynder, LLP
City of Banning

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Ordinance No. 1451 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 27th day of March, 2012 and was duly adopted at a regular meeting of said City Council held on the 10th day of April 2012, by the following vote, to wit:

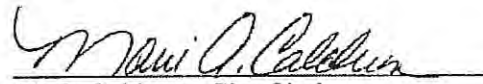
AYES: Councilmembers Botts, Franklin, Machisic, Mayor Robinson

NOES: None

ABSENT: None

ABSTAIN: None

*(Note: Councilmember Hanna recused from voting)
(Conflict of Interest)*


Marie Calderon, City Clerk
City of Banning, California

*RECORDING REQUESTED BY,)

AND WHEN RECORDED MAIL TO:)

CITY CLERK)

City of Banning)

99 E. Ramsey Street)

Banning, CA 92220)

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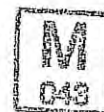
Recorded in Official Records
County of Riverside

Larry W. Ward
Assessor, County Clerk & Recorder



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No Recording Fee Required – Government Code § 27383



DEVELOPMENT AGREEMENT

between

THE CITY OF BANNING

("City")

and

PARDEE HOMES

A California Corporation

("Developer")

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into on March 27, 2012, between the CITY OF BANNING (the "City"), a municipal corporation, and PARDEE HOMES (the "Developer"), a California corporation, pursuant to Article 2.5 of Chapter 4 of Division 1 of Title 7, §§ 65864 through 65869.5 of the Government Code. The City and the Developer shall be referred to within this Agreement jointly as the "Parties" and individually as a "Party."

RECITALS:

A. Capitalized Terms. The capitalized terms used in these Recitals and throughout this Agreement shall have the meaning assigned to them in Section 1. Any capitalized terms not defined in Section 1 shall have the meaning otherwise assigned to them in this Agreement or apparent from the context in which they are used.

B. Development of the Developer's Property. Concurrent with the approval of this Agreement, the City has approved the Specific Plan, which contemplates low, medium and high density residential development, to a maximum total of 5,387 dwelling units, 36 acres of commercial/retail development, schools, parks and supporting infrastructure on 1,543 acres, and a general plan amendment and a zone change and has certified a Final Environmental Impact Report, State Clearinghouse No. 2007091149, for the area described in Exhibit "A" (the "Developer's Property").

C. Legislation Authorizing Development Agreements. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Statute, authorizing the City to enter into an agreement with any person having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein. The legislative findings and declarations underlying the Development Agreement Statute and the provisions governing contents of development agreements state, in Government Code §§ 65864(c) and 65865.2, that the lack of public facilities, including, but not limited to, streets, sewerage, transportation, drinking water, school, and utility facilities is a serious impediment to the development of new housing, and that applicants and local governments may include provisions in development agreements relating to applicant financing of necessary public facilities and subsequent reimbursement over time.

D. Intent of the Parties. The Developer and the City have determined that the Project is a development for which a development agreement is appropriate. The Parties desire to define the parameters within which the obligations of the Developer for infrastructure and public improvements and facilities will be met and to provide for the orderly development of the Developer's Property, assist in attaining the most effective utilization of resources within the City and otherwise achieve the goals of the Development Agreement Statute. In consideration of these benefits to the City and the public benefits of the development of the Developer's Property, the Developer will receive assurances that the City shall grant all permits and approvals required

for total development of the Developer's Property and will provide for the assistance called for in this Agreement in accordance with the terms of this Agreement.

E. Public Benefits of the Project. This Agreement provides assurances that the public benefits identified below in this Recital E will be achieved in accordance with the terms of this Agreement. The Project will provide local and regional public benefits to the City, including, without limitation:

1. Increased Tax Revenues. The development of the Developer's Property in accordance with the terms of this Agreement will result in increased real property and sales taxes and other revenues to the City.

2. Reduced Vehicle Miles Travelled. The Project will reduce vehicle trips by implementing a transportation demand management program that takes advantage of alternative modes of mass transit within the City.

3. Pedestrian Mobility. The Project encourages pedestrian mobility through the provision of walking paths, through signage guiding pedestrians to nearby destinations and through preservation of significant open space to create pleasant environments that will encourage walking.

4. Sustainable Design. The Developer will, to the extent reasonably feasible, include sustainable design for commercial and industrial uses and green building standards for residential construction.

5. Pedestrian Connection. The Project will include a series of public pedestrian trails throughout the Developer's Property.

6. Reduced Traffic Congestion. The Project will include improvements and contribute fees to improvements that will reduce congestion on local streets and the regional transportation network.

7. Public Schools. The Project will allow for the construction of elementary schools in both the Beaumont Unified School District and Banning Unified School District, which will benefit residents both within and outside the Project.

8. Natural Open Space. Over 56 acres of natural open space will be preserved in perpetuity.

9. Parks and Recreation. Park and recreation improvements include:

- a. 58.5 acres of community and neighborhood parks
- b. 8.0 acres devoted to private recreation centers.
- c. 254 acres of public golf course or active open space amenity
- d. 108.4 acres of other open space.

10. Financial Impact Mitigation. Based upon a study of financial impacts on the City, the Project will pay a Services Special Tax to alleviate negative financial impacts of the Project on the City.

F. Public Hearings: Findings. In accordance with the requirements of the California Environmental Quality Act (Public Resources Code § 21000, et seq. ("CEQA")), appropriate studies, analyses, reports and documents were prepared and considered by the Planning Commission and the City Council. The Planning Commission, after a public hearing on March 7, 2012, recommended, and the City Council, after making appropriate findings, certified, by Resolution No. 2012-24 adopted on March 27, 2012 a Final Environmental Impact Report for the Project, more specifically identified as the Final Environmental Impact Report for the Butterfield Specific Plan, State Clearinghouse No. 2007091149, as having been prepared in compliance with CEQA. On March 7, 2012, the Planning Commission, after giving notice pursuant to Government Code §§ 65090, 65091, 65092 and 65094, held a public hearing on the Developer's application for this Agreement. On March 27, 2012, the City Council, after providing the public notice required by law, held a public hearing to consider the Developer's application for this Agreement. The Planning Commission and the City Council have found on the basis of substantial evidence based on the entire administrative record, that this Agreement is consistent with all applicable plans, rules, regulations and official policies of the City.

G. Mutual Agreement. Based on the foregoing and subject to the terms and conditions set forth herein, Developer and City desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and having determined that the foregoing recitals are true and correct and should be, and hereby are, incorporated into this Agreement, the Parties agree as follows:

1. DEFINITIONS

The following words and phrases are used as defined terms throughout this Agreement. Each defined term shall have the meaning set forth below.

1.1 Acquisition Agreement. "Acquisition Agreement" shall have the meaning set forth in Section 5.1 below.

1.2 Anniversary Date. "Anniversary Date" means the date of the anniversary of each year following the Effective Date established in Section 3.5.

1.3 Annual Review. "Annual Review" means the annual review of the Developer's performance of the Agreement in accordance with Section 12.1 of the Agreement and Government Code § 65865.1.

1.4 Applications. "Application(s)" means a complete application for the applicable land use approvals (such as a subdivision map, conditional use permit, etc.) meeting all of the current ordinances of the City provided that any additional or alternate requirements in those ordinances enacted after the Effective Date which affect the Project application shall apply only to the extent permitted by this Agreement.

1.5 Appraisal of Land Value. "Appraisal of Land Value" when referred to herein shall mean the determination by an experienced and independent MAI appraiser retained by City (Developer may veto any appraiser selected by City for good cause), in a written appraisal at fair market value based upon comparable sales of unimproved land, and serviced by the existing infrastructure, and with the development restrictions of the Specific Plan, and with the understanding that such value shall not exceed \$80,000 per acre.

1.6 Assignment. "Assign" shall have the meaning set forth in § 14.1.1 below. All forms of use of the verb "assign" and the nouns "assignment" and "assignee" shall include all contexts of hypothecations, sales, conveyances, transfers, leases, and assignments.

1.7 Authorizing Ordinance. "Authorizing Ordinance" means Ordinance No. 1451 approving this Agreement, introduced on March 27, 2012 and adopted on April 10, 2012.

1.8 Building Permit. "Building Permit," with respect to any building or structure to be constructed on the Developer's Property, means a building permit for not less than the shell and core of such building or structure issued by the City's Division of Building and Safety.

1.9 CC&R's. "CC&R's" shall have the meaning set forth in Section 14.4 below.

1.10 Certificate of Compliance. "Certificate of Compliance" shall have the meaning set forth in Section 12.2 below.

1.11 Certificate of Occupancy. "Certificate of Occupancy," with respect to a particular building or other work of improvement, means the final certificate of occupancy issued by the City with respect to such building or other work of improvement.

1.12 CFD. "CFD" means a community facilities district for the Project allowed to be formed pursuant to the CFD Act by a Local Agency.

1.13 CFD Act. "CFD Act" means the Mello Roos Community Facilities Act of 1982 (Government Code § 53311 et seq.), as it may be amended from time to time, authorizing the imposition of special taxes to fund capital facilities and services.

1.14 City. "City" means the City of Banning, California.

1.15 City Council. The "City Council" means the governing body of the City.

1.16 City Development Agreement Ordinance. "City Development Agreement Ordinance" means Chapter 17.60 of the Zoning Ordinance which establishes a procedure for the consideration and approval of development agreements pursuant to the Development Agreement Statute.

1.17 City Manager. "City Manager" means the City Manager of City.

1.18 City Wide Traffic Improvements. "City Wide Traffic Improvements" means those traffic improvements identified in the Traffic Impact Mitigation Fee established in Article 7.

1.19 Claims or Litigation. "Claims or Litigation" means any challenge by adjacent owners or any other third parties (i) to the legality, validity or adequacy of the General Plan, Land Use Regulations, this Agreement, Development Approvals or other actions of the City pertaining to the Project, or (ii) seeking damages against the City as a consequence of the foregoing actions, for the taking or diminution in value of their property or for any other reason.

1.20 Dedicate or Dedication. "Dedicate" or "Dedication" means to offer the subject land to the City.

1.21 Default. "Default" refers to any material default, breach, or violation of a provision of this Development Agreement as defined in Section 13 below. "City Default" refers to a Default by the City, while "Developer Default" refers to a Default by the Developer.

1.22 Developed Property. "Developed Property" shall mean residential property for which a certificate of occupancy has been issued or a final inspection conducted.

1.23 Development Goals. "Development Goals" shall have the meaning set forth in Section 6.2 below.

1.24 Developer's Property. "Developer's Property" means the 1543 acres of land, more or less, described in Exhibit A in which Developer holds a legal or equitable interest and upon which the Project will be developed.

1.25 Development. "Development" means the improvement of the Developer's Property for purposes of effecting the structures, improvements and facilities composing the Project including, without limitation: grading, the construction of infrastructure and public facilities related to the Project, whether located within or outside the Developer's Property; the construction of structures and buildings; the installation of landscaping; and the operation, use and occupancy of, and the right to maintain, repair, or reconstruct, any private building, structure, improvement or facility after the construction and completion thereof, provided that such repair, or reconstruction takes place during the Term of this Agreement on parcels subject to this Agreement.

1.26 Development Agreement Statute. "Development Agreement Statute" means §§ 65864 through 65869.5 of the Government Code as it exists on the Effective Date.

1.27 Development Approvals. "Development Approvals" means all site-specific (meaning specifically applicable to the Developer's Property only and not generally applicable to some or all other properties within the City) plans, maps, permits, and entitlements to use of every kind and nature. Development Approvals includes, but is not limited to, specific plans, site plans, tentative and final subdivision maps, vesting tentative maps, variances, zoning designations, planned unit developments, conditional use permits, grading, building and other similar permits, the site-specific provisions of general plans, environmental assessments, including environmental impact reports, and any amendments or modifications to those plans,

maps, permits, assessments and entitlements. The term Development Approvals does not include rules, regulations, policies, and other enactments of general application within the City.

1.28 Development Impact Fees. "Development Impact Fees" means the monetary consideration, other than a tax or assessment, charged by the City in connection with mitigating the Project's specific impacts and the development of the public facilities related to the Development of the Project, including those fees, calculated on the basis of the number of residential units or square footage of non-residential development to be constructed, as set forth on Exhibit "D" attached hereto as well as those Development Impact Fees set forth in Exhibit B and being revised. Development Impact Fees do not include Processing Fees.

1.29 Development Plan. "Development Plan" means the Existing Development Approvals, Future Development Approvals and Existing Land Use Regulations.

1.30 Director. "Director" means the City's Director of Community Development or equivalent official.

1.31 Economically Distressed Year. "Economically Distressed Year" means any calendar year in which the number of building permits for single family dwelling units issued in Western Riverside County (includes all cities and unincorporated county territory) are less than 50% of the average number of building permits issued during the prior 25 years, based on the annual report of the California Construction Industry Research Board. For example, for the 25 year period from 1987 to 2011, inclusive, total permits issued were 235,455 and the annual average was 9418. In 2008, 2009, 2010 the total permits issued were 2794, 2717 and 3321, so all three years would have been declared "Economically Distressed" hereunder. If the number of building permits issued in any calendar year are not available from the California Construction Industry Research Board, then the City shall obtain them from any other reliable source measuring the same data over the period.

1.32 Effective Date. "Effective Date" means the date this Agreement becomes effective as set forth in Section 3.5.

1.33 Eligible Facilities. "Eligible Facilities" means the Proposed Project Facilities and other public facilities, fees and contributions for public facilities, as described in the Financing Plan.

1.34 Exaction. "Exaction" means Dedications, payment of Development Impact Fees and/or construction of public infrastructure by the Developer as part of the Development of the Project. The development will be subject to all development and/or in lieu fees currently in the process of being studied by the City as identified in Section 7.22 so long as they are adopted prior to the issuance of building permits for specific portions of the development proposed herein. The amount of the fees shall be as required at the time of issuance of building permits.

1.35 Existing Development Approvals. "Existing Development Approvals" means only the Development Approvals which are listed on Exhibit "B."

1.36 Existing Land Use Regulations. "Existing Land Use Regulations" means those Land Use Regulations applicable to the Property in effect on the Effective Date.

1.37 Financing Plan. "Financing Plan" means Exhibit "H" attached hereto.

1.38 Force Majeure. "Force Majeure" shall have the meaning set forth in Section 19.2 below.

1.39 Future Development Approvals. "Future Development Approvals" means those Development Approvals applicable to the Developer's Property approved by the City after the Effective Date such as tentative tract maps, subdivision improvement agreements and other more detailed planning or engineering approvals.

1.40 General Plan. "General Plan" means the City's General Plan as it exists on the Effective Date, and as expressly amended by (i) General Plan Amendment 11-2501 approved by the City Council concurrently with this Agreement; and (ii) future amendments applicable to the Developer's Property, if permitted, by Article 11.

1.41 Goals and Policies for Financing. "Goals and Policies for Financing" or "Goals and Policies" means the City's goals and policies adopted in accordance with Section 5.2.1.

1.42 Golf Course/Active Open Space. "Golf Course/Active Open Space" means the area containing all of Planning Area 35 and Planning Area 39 as described in the Specific Plan and Sections 5.3 and 5.9.10 below.

1.43 Grading Permit. "Grading Permit" means a permit issued by the City's Division of Building and Safety which allows the excavation or filling, or any combination thereof, of earth.

1.44 Improvement Area. "Improvement Area" shall have the meaning set forth in Section 5.1 below.

1.45 Innocent Owner. "Innocent Owner" shall have the meaning set forth in Section 13.6 below.

1.46 LAFCO. "LAFCO" means the Riverside County Local Agency Formation Commission.

1.47 Land Use Regulations. "Land Use Regulations" means those ordinances, laws, statutes, rules, regulations, initiatives, policies, requirements, guidelines, constraints, codes or other actions of the City which affect, govern, or apply to the Developer's Property or the implementation of the Development Plan. Land Use Regulations include the ordinances and regulations adopted by the City which govern permitted uses of land, density and intensity of use and the design of buildings, applicable to the Property, including, but not limited to, the General Plan, the Specific Plan, zoning ordinances, development moratoria, implementing growth management and phased development programs, ordinances establishing development exactions, subdivision and park codes, any other similar or related codes and building and

improvements standards, mitigation measures required in order to lessen or compensate for the adverse impacts of a project on the environment and other public interests and concerns or similar matters. The term Land Use Regulations does not include, however, regulations relating to the conduct of business, professions, and occupations generally; taxes and assessments; regulations for the control and abatement of nuisances; building codes; encroachment and other permits and the conveyances of rights and interests which provide for the use of or entry upon public property; any exercise of the power of eminent domain; or similar matters.

1.48 Legal or Equitable Interest. "Legal or Equitable Interest" means (i) an option or purchase agreement or (ii) fee title evidenced by appropriate title insurance issued in favor of the Developer.

1.49 LMD. "LMD" means the Landscape and Maintenance District established pursuant to Streets and Highways Code § 22500 et seq. to fund parks, parkways, City rights of way landscaping and common areas.

1.50 Local Agency. "Local Agency" means any public agency authorized to levy, create or issue any form of land secured financing over all or any part of the Project, including, but not limited to, the City.

1.51 Lot. "Lot" means any of the parcels legally created within the Project as a result of any approved final subdivision, parcel or tract map, pursuant to the Subdivision Map Act or recordation of a condominium plan pursuant to Civil Code § 1352 .

1.52 Master Tract Map. "Master Tract Map" (or "A Map") means a large scale tract map covering one or more complete Planning Areas which will include all infrastructure necessary to develop the tract and a phasing plan as to the development of the infrastructure and the subsidiary subdivisions within the tract. The Master Tract Map is a subdivision map within the meaning of the Subdivision Map Act and shall meet the requirements of the Act and of this Agreement. The Master Tract Map may also be a financing map for purpose of financing the development of the Project or the conveyance of large lots and may not require the actual construction of improvements.

1.53 Mortgage. "Mortgage" means a mortgage, deed of trust, sale and leaseback arrangement or other transaction in which all, or any portion of, or any interest in, the Developer's Property is pledged as security.

1.54 Mortgagee. "Mortgagee" refers to the holder of a beneficial interest under a Mortgage.

1.55 Mortgagee Successor. "Mortgagee Successor" means a Mortgagee or any third party who acquires fee title or any rights or interest in, or with respect to, the Developer's Property, or any portion thereof, through foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination, or otherwise from, or through, a Mortgagee. If a Mortgagee acquires fee title or any right or interest in, or with respect to, the Developer's Property, or any portion thereof, through foreclosure, trustee's sale or by deed in lieu of foreclosure and such Mortgagee subsequently conveys fee title to such portion of the Developer's Property to a third party, then such third party shall be deemed a Mortgagee Successor.

1.56 Municipal Code. "Municipal Code" means the City's Municipal Code as it existed on the Effective Date and as it may be amended from time to time consistent with the terms of this Agreement.

1.57 Non-Defaulting Party. "Non-Defaulting Party" shall have the meaning set forth in Section 13.1 below.

1.58 Owner. "Owner" means Pardee Homes and any successors during the period of time that each such person or entity owns fee title to any portion of the Developer's Property prior to the development of such portion of the developer's Property and subject to the terms of this Agreement.

1.59 Park fees. "Park Fees" means Development Impact Fees levied by the City for Open Space and Park Development pursuant to Chapter 15.68 of the Municipal Code.

1.60 Phase. "Phase" shall have the meaning set forth in Section 6.2 below.

1.61 Phasing Plans. "Phasing Plans" shall mean the detailed plans for development of the Proposed Project Facilities and other infrastructure and for the Project which are developed pursuant to Section 6.5 as a part of processing the Subdivision Maps.

1.62 Planning Area. "Planning Area" means each of the 75 planning areas described in the Specific Plan, and shown on Exhibit "A."

1.63 Planning Commission. "Planning Commission" means the City's Planning Commission.

1.64 Pre-Qualified Buyer. "Pre-Qualified Buyer" means a publicly traded builder or developer or a privately held merchant builder with a minimum net financial worth of Five Million Dollars (\$5,000,000) who has constructed at least 75 homes in California during the preceding five year period.

1.65 Property Owner's Association or POA. "Property Owner's Association" or "POA" means one or more association formed among the owners of real estate located within the Property (as the same may be subdivided from time to time), including, but not limited to, one or more associations of homeowners and/or other associations of owners of industrial, commercial, educational and retail property.

1.66 Processing Fees. "Processing Fees" means (i) the City's normal fees for processing, environmental assessment/review, tentative tracts/parcel map review, plan checking, site review, site approval, administrative review, building permit (plumbing, mechanical, electrical, building), inspection and similar fees imposed to recover the City's costs associated with processing, review and inspection of applications, plans, specifications, etc., and (ii) fees and charges levied by any other public agency, utility, district or joint powers authority, whether or not City is a member of such body or such fees are collected by the City, and whether or not such fees are used for maintenance or capital outlay purposes.

1.67 Project. "Project" means the Development of the Developer's Property, pursuant to this Agreement and the Existing Land Use Regulations, as depicted on Exhibit "B" attached hereto.

1.68 Proposed Project Facilities. "Proposed Project Facilities" means those improvements set forth on Exhibit "F" attached hereto or otherwise included in conditions of approval of the maps.

1.69 Reimburse or Reimbursement. "Reimburse" or "Reimbursement" means the provision by the City of cash or credit in return for land, goods or services provided by Pardee Homes.

1.70 Reservations of Authority. "Reservation of Authority" shall have the meaning set forth in Article 11 below.

1.71 Services Special Tax. "Services Special Tax" shall mean the special tax authorized to be levied by the CFD(s) established over the Developer's Property to alleviate the negative fiscal impact of the Project on City services as established by the Fiscal Impact Analysis ("FIA") and as further described in Section 5.3 below.

1.72 Specific Plan. "Specific Plan" means the Butterfield Specific Plan, prepared by RBF Consulting and approved by the City Council by Ordinance No. 1450 introduced on March 27, 2012, adopted on April 10, 2012.

1.73 Subdivision Map. "Subdivision Map" (or "B Map") means the subsidiary subdivision maps for the development of any Tract which shall be consistent with the conditions of the Master Tract Map and shall contain its own phasing plan for the installation of the infrastructure and other improvements within the subdivision. All subdivision maps shall meet the requirements of the Subdivision Map Act including § 66473.7 (See 65867.5).

1.74 Subdivision Map Act. "Subdivision Map Act" means Government Code § 66412 et seq. as implemented by Title 16 of the Municipal Code.

1.75 Taxes. "Taxes" means general or special taxes, including but not limited to ad valorem property taxes, sales taxes, transient occupancy taxes, utility taxes or business taxes of general applicability citywide which do not burden the Developer's Property disproportionately to similar types of development in the City and which are not imposed as a condition of approval of a development project. Taxes do not include Development Impact Fees, Processing Fees or Traffic Control Facility Fees.

1.76 Ten or 10th Year Anniversary Review. "Ten Year Anniversary Review" means the review performed upon each 10th anniversary of the Effective Date as provided in Section 6.6.

1.77 Term. "Term" means that period of time during which this Agreement shall be in effect and bind the Parties, as defined in Article 6.7 below.

1.78 Traffic Control Facility Fee. "Traffic Control Facility Fee" means the fee set forth in Exhibit "B" attached hereto.

1.79 Transfer. "Transfer" shall have the meaning set forth in Article 14 below.

1.80 Trigger Percentages. "Trigger Percentages" shall have the meaning set forth in Section 14.1.1 below.

1.81 TUMF. "TUMF" means the Transportation Uniform Mitigation Fee promulgated by the Western Riverside Council of Governments and implemented by Chapter 15.76 of the Municipal Code.

1.82 Zoning Code. "Zoning Code" means Title 17 of the Municipal Code as it existed on the Effective Date except (i) as amended by any zone change relating to the Developer's Property approved concurrently with the approval of this Agreement, including Zone Change No. 11-3501, and (ii) as the same may be further amended from time to time consistent with this Agreement.

2. EXHIBITS.

The following are the Exhibits to this Agreement:

Exhibit "A": Map and Legal Description of the Developer's Property

Exhibit "B": Existing Development Approvals/Fee Studies

Exhibit "C": Estoppel Certificate

Exhibit "D": Development Impact Fees

Exhibit "E": Additional Agreements Concerning Development

Exhibit "F": Proposed Project Facilities

Exhibit "G": Highland Springs Avenue Improvements

Exhibit "H": Butterfield Project Financing Plan

3. TERM.

3.1 Term. The term of this Development Agreement (the "Term") shall commence on the Effective Date and shall continue for a period of forty (40) years, subject to review, as called for in Section 6.2 below, to determine whether the Development Goals have been met, and reduction in the Term of five (5) years for each time the Development Goals of a Phase are not met and extensions for Economic Distress, as provided in Sections 6.6.5 and 6.7 below.

3.2 Termination Upon Completion of Construction. This Agreement shall terminate with respect to any Lot, and such Lot shall be released and no longer subject to this Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the last building on the Lot or, if no certificate is issued, when the final inspection for the last building on the Lot has taken place.

3.3 Termination for Default. This Agreement may be terminated due to the occurrence of any default in accordance with the procedures in Article 13.

3.4 Extension of the Term: The Term shall be extended by one (1) year for each Economically Distressed Year occurring during any Phase up to a maximum of three (3) years for any Phase.

3.5 Effective Date. This Agreement shall become effective upon the date thirty (30) days after the adoption of the Authorizing Ordinance if no Claim or Litigation have been filed which would prevent the Authorizing Ordinance from taking effect. If such a Claim or Litigation has been filed, then the Effective Date shall be the date that the Claim or Litigation has been successfully resolved in the City's favor, and the time for any further judicial review has run, so that the Authorizing Ordinance shall be effective. The City shall give Developer notice as to the date established as the Effective Date. The Effective Date is not otherwise tolled for any other Force Majeure as described in Section 19.2.

8-29-2015

4. DEVELOPMENT OF THE DEVELOPER'S PROPERTY.

4.1 Right to Develop. During the Term, the Developer shall have a vested right to develop the Developer's Property (subject to Article 11 below) to the full extent permitted by the Development Plan and this Agreement. Except as provided within this Agreement, the Development Plan shall exclusively control the development of the Developer's Property (including the uses of the Developer's Property, the density or intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes and the design, improvement and construction standards and specifications applicable to the Project). The maximum number of residential units authorized to be constructed hereunder and the approximate acreage of commercial development, without regard to any density bonus or incentive or concession for child care pursuant to Government Code §§ 65915 through 65918 or other similar legislation or regulation, is 5,387 units and approximately 36-acres of commercial development. In furtherance of the foregoing, the Developer retains the right to apportion the uses, intensities and densities, between itself and any subsequent Owners, upon the sale, transfer, or assignment of any portion of the Property, so long as such apportionment is consistent with the Existing Land Use Regulations and this Agreement.

4.2 Right To Future Approvals. Subject to the City's exercise of its police power authority as specified in Article 11 below, the Developer shall have a vested right: (i) to receive from the City all future Development approvals for the Developer's Property that are consistent with, and implement, the Existing Land Use Regulations and this Agreement; (ii) not to have such approvals be conditioned or delayed for reasons which are inconsistent with the Existing Land Use Regulations or this Agreement; and (iii) to Develop the Developer's Property in a manner consistent with such approvals in accordance with the Existing Land Use

Regulations and this Agreement. All future Development Approvals for the Developer's Property, including without limitation General Plan amendments, zone changes, or parcel maps or tract maps, shall upon approval by the City, be vested in the same manner as provided in this Agreement for the Existing Land Use Regulations, for the term of this Agreement.

4.3 Existing Development Approvals. Only those items specifically set forth on Exhibit "B" hereto are deemed Existing Development Approvals for purposes of this Agreement. Any approvals not included within Exhibit "B" shall not apply to the Project with the exception of those reservations set forth in Article 11 below.

4.4 Specific Plan. Land use and Development of the Property shall be governed by the Specific Plan and this Agreement. Notwithstanding any other provision of this Agreement, the Developer shall have the right, but not the obligation, to Develop the Developer's Property for the uses specified in the Specific Plan at the locations specified in the Specific Plan.

4.5 Priority Of Specific Plan. The City has determined that the Specific Plan is consistent with the General Plan and the Zoning Code. As such, the Specific Plan shall be the primary document governing the use and Development of the Developer's Property and, in the event of a conflict, shall prevail over any other of the Existing Land Use Regulations except for this Agreement, which prevails over the Specific Plan.

4.6 Later Enacted Measures. This Agreement is a legally binding contract which will supersede any initiative, measure, moratorium, statute, ordinance, or other limitation enacted after the Effective Date, except as provided in Article 11. Any such enactment which affects, restricts, impairs, delays, conditions, or otherwise impacts the implementation of the Development Plan (including the issuance of all necessary Future Project Approvals or permits for the Project) in any way contrary to the terms and intent of this Agreement shall not apply to the Project unless otherwise provided by State law.

4.7 Impact Fee Studies. As provided in Section 7.2, studies for certain Development Impact Fees, listed in Exhibit "D," will be performed after the Effective Date of this Agreement and shall become a part of the Existing Development Approvals. Additionally, Development Impact Fees are subject to review and adjustment as a part of the 10 Year Anniversary Reviews, in accordance with Section 6.6. The cost of performing the studies may be included in the fees.

5. FINANCING AND THE CITY'S OBLIGATIONS.

5.1 Formation of CFD(s) and LMDs. Subject to the provisions of this Article 5, some or all of the Eligible Facilities shall be funded through the City's formation of one or more CFDs and the levy of a special tax of the CFD(s) (the "Facilities Special Tax") and issuance of bonds secured by the Facilities Special Tax (the "Bonds") in accordance with the Financing Plan set forth in Exhibit H. Such CFD(s) shall, pursuant to Section 5.3, also be authorized to finance certain City public services costs (incurred as a result of Development of the Developer's Property) through the levy of a special tax, in the not to exceed amount set forth in the Financing Plan, on each residential unit located within the boundaries of such CFD(s) (the

"Services Special Tax"). Additionally, landscape maintenance districts ("LMDs") may be formed under Section 5.6.

5.1.1. Procedures for Formation. The City and the Developer shall cooperate in good faith to form one or more (i) CFDs and/or designate improvement areas therein (the "Improvement Areas"), (ii) LMDs and designate improvement areas therein (also "Improvement Areas"), and (iii) CFDs for the Special Services Tax (collectively referred to herein as the "Financing Districts"), which are consistent with the Financing Plan and which in the aggregate will encompass and encumber the Developer's Property. Final terms and conditions regarding the formation of the Financing Districts, their boundaries, Improvement Area boundaries, the rate and method of apportionment of the Services Special Taxes and Facilities Special Taxes to be levied in any CFD, LMD and/or Improvement Area (including any tax zones therein), any acquisition or construction agreements related thereto, and the terms of one or more series of Bonds to be issued in conjunction therewith shall be determined jointly by City and the Developer in accordance with the Financing Plan and the City's Goals and Policies for Financing. In conjunction with the formation of any Financing District, the Developer and the City shall cooperate in good faith to negotiate and finalize any acquisition and funding agreement prior to the formation of the first Financing District addressing the terms of construction, acquisition and financing of any of the Eligible Facilities to be funded by the Financing District (such agreement to be referred to herein as the "Acquisition Agreement"). Developer shall cooperate in the establishment of the levy over Developer's Property and not exercise any rights of protest.

5.1.2. Timing of Formation. Developer shall prepare all studies and submit all documents necessary to form the Financing Districts within one year after the adoption of City's Goals and Policies for Financing. After Developer has initiated formation of the Financing Districts, City shall form the Financing Districts consistent with the City's adopted Goals and Policies for Financing and State Law. City shall complete formation proceedings within 180 days after Developer makes the necessary submission. The Developer shall indemnify the City and hold it harmless against Claims or Litigation brought in connection with the formation of the Financing Districts.

5.1.3. Failure to Form Financing Districts. If any of the contemplated Financing Districts are not formed, or formed but not in accordance with the terms of this Agreement, through the failure of one Party to perform its obligations pursuant to Section 5.1, the other Party shall have the right, but not the obligation, to terminate this Agreement upon providing 30 days written notice to the Party which has failed to perform prior to the actual termination date.

5.2 Adoption of Goals and Policies for Financing. Before the Developer undertakes development of any units, the City shall retain a financial advisor and prepare a City-wide policy for undertaking land based CFD and assessment financing. The draft policy will be reviewed with the Developer and the City shall in good faith consider any comments made by the Developer on the draft policy. The goals and policies for Financing shall be adopted within 180 days after the Effective Date and shall be consistent with Exhibit H, including the Financing Parameters described therein. The goals and policies shall be adopted by Council by resolution and thereafter be the Goals and Policies for Financing. The City may amend the Goals and

Polices for Financing from time to time, and will be a part of the Existing Land Use Regulations hereunder, but such amendment shall not apply to the Development unless they are consented to by Developer.

5.3 Services Special Tax. The final Fiscal Impact Analysis prepared by the City's consultant, Willdan Financial Services, dated September 16, 2011, (the "FIA") demonstrates an overall negative fiscal impact on certain City public service costs incurred as a result of Development of the Developer's Property, including without limitation, the City's costs for police and fire services. The FIA demonstrates that such negative fiscal impact can fully be mitigated by an annual Services Special Tax, implemented as required by this Section 5.3 and the Financing Plan set forth in Exhibit "H" attached hereto. The annual services Special Tax shall not exceed \$ 115 per dwelling unit of greater than 1820 square feet of habitable area and \$92 per dwelling unit of 1820 or less square feet of habitable area in fiscal year 2013-14 and shall increase each fiscal year thereafter by 3%. The Services Special Tax may be levied in perpetuity and shall only be levied by the CFD(s) formed pursuant to Section 5.1 on residential parcels classified as Developed Property, but Developer shall cooperate in the establishment of the levy over Developer's Property and not exercise any rights of protest.

5.4 Planning Area 19, 35, 39 and 71 Drainage Facilities. In the event that the Developer, in its sole and absolute discretion, determines that the Golf Course is financially infeasible, the flood control improvements within Planning Areas 35 and 39 shall be considered Proposed Project Facilities and may be funded through the CFD(s). If this occurs, then portions of the land within Planning Areas 35 and 39 will be dedicated as public open space and the remaining portions dedicated to flood control appurtenances, to be transferred to the City or the Riverside County Flood Control District upon completion of the flood control facilities on such site and shall be improved to the Master Plan Standards of District. Plans for developing the necessary improvements shall be developed as a part of the Phasing Plans pursuant to Section 6.5, but improvements may not be required until the City Engineer determines that development will (i) intrude into the flood plan or (ii) cause the alteration of Smith Creek. The City Engineer may approve temporary improvements until the scale of the portion of the Project completed requires permanent structures. Upon transfer of the portions of the Planning Areas relating to the flood control facilities to the City or District, if the CFD(s) are formed or, as soon thereafter as the CFD(s) are formed, the City shall pay the agreed upon construction costs to the Developer from available CFD Proceeds in accordance with the Financing Plan. (Also see Sections 8.1.3. and 8.2.)

5.5 Reimbursement Agreements. If, and to the extent that, the Developer constructs or installs any infrastructure and/or facilities that have a capacity or size in excess of that required to serve the Project or to mitigate its impacts, the City shall reimburse the Developer for all costs and expenses incurred by the Developer in constructing such improvements for that portion of the Dedications, public facilities and/or infrastructure that the City, pursuant to this Agreement, may require pursuant to the Existing Land Use Regulations. The City further shall adopt ordinances, including but not limited to those authorized by Government Code § 66485 et seq., as may be required in order to impose a reimbursement obligation on other properties which may be served or benefited by the oversized infrastructure or facilities. The terms of the Reimbursement Agreements shall otherwise be consistent with the City's forms generally used with all other development projects of over 200 units. Such

reimbursement shall be paid to the Developer at the earliest opportunity out, and upon collection, of available fees from benefited developments so long as consistent with City's other contractual obligations. Repayment shall not extend beyond the Term of this Agreement.

5.6 Landscape Maintenance Districts. The City shall take, and Developer shall support, all steps necessary to establish LMD(s) or other maintenance districts, to fund maintenance of City parks, parkways, City rights of way landscaping, and common areas as provided in Section 5.1. The Developer shall make a deposit to pay the cost for review and approval of all agreements, studies, analysis and actions necessary for the establishment of the LMD(s).

5.7 Reimbursement for Pre-Approval Costs. The City shall provide fee credits to the applicable DIFs, as set forth below, for those residential units for which Commencement of Construction occurs by the twelfth anniversary of the Effective Date, but not more than for the first 1200 units. "Commencement of Construction" as used herein shall have the same meaning as under Section 6.3. The units eligible for fee credits for reimbursement shall be those of the 1200 which are not eligible for the incentive provided for in Section 6.8. If the incentive is taken in accordance with Section 6.8, then the amount of the credit for each unit for each fee shall be determined by taking the amount of cost to be reimbursed and dividing it by 1200 minus the number of units eligible for the incentive. As an example, if the total amount of the cost to be reimbursed is \$227,500 and the number of units eligible for the incentive is 400, then the amount of the credit for each unit after the first 400 within the 12 years following the Effective Date will be $\$227,500 / (1200 - 400) = \$227,500 / 800 = \$284$ rounded to the nearest dollar. These fee reimbursements may be included in the subsequent fee studies performed pursuant to Section 7.2.2. [The per unit figure shown below assumes the credit is taken over 1200 units.]

5.7.1.1 A fee credit against updated Sewer Sanitary Fee and Recycled Water Fee of \$227,500 or \$189.60 per unit for the Corollo Study related to the sewer and recycled water master plans.

5.7.1.2 A fee credit against the updated Domestic Water Fee of \$1,115,000 or \$929.17 per unit for the consultant time related to the preparation of the City's 2010 Urban Water Management Plan.

5.7.1.3 A fee credit against the proposed revised Traffic Control Facility Fee of \$105,000 or \$875 per unit for the consultant time related to the preparation of the Traffic Impact Analysis and related traffic fee prepared documents.

5.7.1.4 A fee credit against the proposed revised Traffic Control Facility Fee of \$45,000 or \$375 per unit for the development of Citywide fees related to the Traffic Impact Fees study or other fee studies required as a result of entitlement activities.

5.7.1.5 A fee credit against the proposed revised Traffic Control Facility Fee or other appropriate fee of \$550,000 or \$462.50 per unit for the consultant time and plan preparation for required studies related to pre-project improvements to Highland Springs near the I-10 freeway.

5.7.1.6 A fee credit against the General Plan Fee of \$187,500 or \$156 per unit for the General Plan Traffic Circulation Element Amendment preparation.

5.8 Obligations of Developer Respecting Financing; No Speculation. Except as specifically provided herein, it is expressly understood that the Developer is fully responsible for the cost of the Project and obtaining any necessary construction or long term financing therefore. The Developer's Property shall be used solely to support the development of the Project and may not be pledged as security to support financing for any other purpose, in accordance with Article 18.

6. TIME FOR CONSTRUCTION AND COMPLETION OF PROJECT.

6.1 Timing of Development. The Parties acknowledge that the substantial public benefits to be provided by the Developer to the City pursuant to this Agreement are in consideration for, and in reliance upon, assurances that the City will permit Development of the Developer's Property in accordance with the terms of this Agreement. Accordingly, the City shall not attempt to restrict or limit the Development of the Developer's Property in any manner that would conflict with the provisions of this Agreement. The City acknowledges that the Developer cannot at this time predict the timing or rate at which the Developer's Property will be Developed. The timing and rate of Development depend on numerous factors such as market demand, interest rates, absorption, completion schedules and other factors, which are not within the control of the developer or the City. In *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465, the California Supreme Court held that a construction company was not exempt from a city's growth control ordinance notwithstanding that the construction company and the city had entered into a consent judgment (tantamount to a contract under California law) establishing the company's vested rights to develop its property in accordance with the zoning. The California Supreme Court reached this result on the basis that the consent judgment failed to address the timing of development. It is the intent of the Parties to avoid the result of the Pardee case by acknowledging and providing in this Agreement that the Developer shall have the vested right to Develop the Developer's Property in such order and at such rate and at such time as the Developer deems appropriate, but in accordance with the Development Goals and the phasing plans developed in accordance with Section 6.5, and in accordance with other terms hereof or in the Development Approvals related to project phasing and timing. In addition to, and not in limitation of, the foregoing, but except as set forth in the following sentence, it is the intent of the Parties that no City moratorium or other similar limitation relating to the rate or timing of the Development of the Developer's Property or any portion thereof, whether adopted by initiative, referendum or otherwise, shall apply to the Developer's Property to the extent that such moratorium, referendum or other similar limitation is in conflict with this Agreement. Notwithstanding the foregoing, the Developer acknowledges that nothing herein is intended or shall be construed as (i) overriding any provision of the Existing Land Use Regulations to the phasing of development of the Project; or (ii) restricting the City from exercising the powers described in Section 11 of this Agreement to regulate development of the Property. Nothing in this Section 6.1 is intended to excuse or release the Developer from any obligation set forth in this Agreement which is required to be performed on or before a specified calendar date or event without regard to whether or not one or more Owners proceeds with any portion of the Project. The City acknowledges that the Project Phasing set forth in the Specific Plan does not require

that the Project be Developed in any specific order but, instead, are illustrative of how the Project may be Developed. The Project Phasing instead is controlled by this Agreement.

6.2 Development Goals. Notwithstanding the provisions of Section 6.1, the Developer must achieve certain goals and objectives in terms of Project development in order to keep the Agreement in place for the full term contemplated in Section 3.1. The development of the Project will be reviewed at each Ten Year Anniversary Review. The Development Goals are as follows:

Phase I (10 th Anniversary)	<ul style="list-style-type: none"> ▪ Development will begin near the corner of Highland Springs and Wilson unless otherwise agreed ▪ 1,200 Residential Units to be constructed ▪ Commercial retail development per 6.2.4 ▪ Outlet for Smith Creek and other improvements in Section 6.2.3.
Phase II (20 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,600 residential units to be constructed
Phase III (30 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,400 residential units to be constructed
Phase IV (40 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,187 residential units to be constructed

6.2.1. Cumulative Measure of Units. The Development Goals for each Phase shall be cumulative, e.g., if the Developer has constructed 2000 Residential Units in Phase I and 1000 Residential Units in Phase II, then the Developer will have met the Development Goal for Phase II even though less than 1500 Residential Units were constructed during Phase II.

6.2.2. More Detailed Phasing Plans Developed. Within each Phase, as defined above, more detailed phasing plans for each subdivision shall be developed in accordance with Section 6.5, and are subject to the City's review and approval as conditions of approval of the Tract or Subdivision Map and, as approved, shall become a part of the Existing Approvals.

6.2.3. Additional Phase I Development. In addition to the residential unit Development Goals, Phase I shall also include: (i) commercial development as specified in Section 6.2.4, (ii) the outlet for the Smith Creek flood control improvements at Wilson, (iii) the preparation and dedication of the Recreation/Emergency Center site described in Section 8.1.4, (iv) the satellite water treatment plant described in Section 8.3, (v) the water tanks described in Section 8.5; and (vi) such other Proposed Project Facilities as required by the Specific Plan and the Phasing Plans approved pursuant to Section 6.5. Notwithstanding the specification of timing as provided herein, with the approval of the City Manager, any public improvement required herein may be deferred for good cause.

6.2.4. Commercial Development. A minimum 23-acre retail-commercial site at the corner of Highland Springs and Wilson (Planning Area 18) will be prepared as a part of Phase I, and concurrently with the development undertaken pursuant to Section 6.8. Site preparation

shall require the grading of the Site, construction of surrounding streets, and bringing all necessary utilities and infrastructure for development. Developer shall also demonstrate a good faith effort undertaken over at least a five (5) year period to market the site for sale or lease to a suitable user. Additionally, Developer shall maintain the potential to expand the site to as much as 88 acres to permit a larger commercial development, provided that such expanded project obtains any necessary entitlements. Developer shall advise City within five (5) years of the Effective Date as to what interest there might be in the expanded project and the parties will mutually agree as to the scope of the project. The timely preparation and attempts to market this site is required for completion of Phase I and is subject to the same treatment as the residential units (i.e. phasing period can be prolonged for economic distress and the Term of Agreement can be shortened pursuant to Section 6.7). The goal of the City is to locate a significant sales tax generating "big box user" as the major tenant of the project. Accordingly, City retains the right to approve the major tenant in the project (tenants over 75,000 sq. ft), in accordance with the provisions in Article 14 as a transferee by lease or sale.

6.2.5. Extensions of Phases. The length of each Phase for the purposes of this Section 6.2 shall be extended by one (1) year for each Economically Distressed Year occurring during the Phase, up to a maximum of three (3) years as provided in Section 6.6.5.

6.3 Development Goals Satisfied By Commencement of Construction. The Development Goals for residential units specified above are satisfied if construction has commenced. "Commencement of Construction" of a residential unit means that building plans have been approved, that a building permit has been issued and that construction has commenced on the unit. The unit shall not be counted if the building permit expires without completion of the unit.

6.4 Public Improvements. The Parties understand and agree that the Specific Plan identifies the public infrastructure and though it contains phasing concepts, it does not specify precisely the phasing of the construction of public infrastructure. The development phasing will be consistent with the Specific Plan and this Agreement. The City desires that required public infrastructure generally be constructed in the early portion of the applicable phase of the development cycle subject to the guidelines specified below. In consideration of the foregoing, notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Future Approvals to require Developer to dedicate necessary land, pay the development fees specified in Article 7, and/or to construct the required public infrastructure ("Exactions"), at such time as City shall determine in accordance with the process in Section 6.5 and subject to the following conditions:

A. The dedication, payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

B. The timing of the Exaction should be reasonably related to the phasing of the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public and the improvements shall be completed based upon the needs of the general public existing from time to time.

When the Developer is required by this Agreement and/or the Development Plan to construct any public improvements which will be dedicated to the City or any other public agency, upon completion, and if required by applicable laws to do so, the Developer shall perform such work in the same manner and subject to the same construction standards as would be applicable to the City or such other public agency should it have undertaken such construction work. The Developer shall pay prevailing wages as required by law.

6.5 Development of Phasing Plans During Subdivision Map Approvals. The phasing and timing requirements for the construction of all development including public improvements shall generally be in accordance with the Development Approvals and applicable provisions of this Agreement (For example, Sections 6.2, 6.4, 6.5, 7.3, 8.0, etc.). Although the overall timing of Project development remains subject to the Developer's discretion based on market conditions in accordance with Section 6.1, there is a logical sequence to the development and certain improvements are required to be complete before phases of the Project can be considered complete and ready for occupancy. The Phasing Plan will be developed over time in accordance with the following process:

6.5.1. Master Phase Tract Map. Each Phase shall have a Master Tract Map which shall be submitted for financing and conveyance purposes only and no improvements may be constructed nor shall development be permitted pursuant to such approved Tract Map except through submission and approval of tentative and final Subdivision Maps. Concurrently with processing of the Master Tract Map, all tentative Subdivision Maps for the Tract shall be submitted and processed.

6.5.2. Subdivision Maps. Each Master Tract Map shall designate future subdivisions within the Tract and the order of subdivision development to the extent that the need for development of public infrastructure dictates the logical progression of subdivision development. Each Subdivision Map shall show all infrastructure necessary for the development of the Subdivision. Each subdivision will have a written Phasing Plan approved by the Director and the City Engineer prior to commencement of development of the subdivision specifying when the lots within the subdivision will be developed and when all public infrastructure within the subdivision will be constructed. Generally all streets, lighting, curbs and gutters, sidewalks, parkway landscaping, asphalt concrete paving, traffic signs and stripping, medians, landscaping, drainage facilities, storm drains, water lines, sewer lines, utility lines, trails and other facilities within the subdivision must be completed before release of any occupancy permits within the subdivision. All conditions which require the provision of Proposed Project Facilities and Subdivision Improvements for the area covered by each tentative Subdivision Map must be satisfied, either through performance or through the provision of suitable security, prior to the approval and recordation of the Subdivision Map.

6.5.3. Proposed Project Facilities. Attached as Exhibit "F" are diagrams showing Proposed Project Facilities and depicting the major public infrastructure of the development, including roadways, detention basins, water lines, sewer lines, recycle water lines, utilities, storm drains and drainage facilities, treatment plants, power substations, community parks, community centers, fire stations, and other infrastructure serving area-wide populations. The Proposed Project Facilities serve multiple subdivisions, and may need to be constructed in the initial phase of a particular Tract, or even before certain Tracts can be developed. The

detailed phasing of construction will be provided through the Master Tract and Subdivision Phasing Plans, and subject to Section 6.4.

6.5.4. Time for Map Submission. The Developer shall submit all applications for tentative, or vesting tentative, Master Tract Maps and, concurrently with each application for a Master Tract Map, the applications for tentative, or vesting tentative, Subdivision Maps thereof within five (5) years of the Effective Date for the City's review and approval.

6.6 Ten Year Anniversary Review.

6.6.1. Generally. On or about each Tenth Anniversary of the Effective Date as provided herein, the City shall conduct the Ten Year Anniversary Review") the City and the Developer review to shall review the performance of this Agreement, and the development of the Project to see if the Development Goals have been met. The cost of the Annual Review shall be borne by the Developer and the Developer shall pay a reasonable deposit in an amount requested by City to pay for such review.

As part of each Ten Year Anniversary Review, sixty (60) days before each tenth anniversary of this Agreement, the Parties shall mutually meet and outline the review process, including (i) the information needed and formats, (ii) the schedule for performing the review, (iii) indentifying any needed consultants and studies, (iv) the adequacy of current DIFs and any anticipated need for changes, (v) any adjustments to needed public infrastructure, (vi) the estimated deposit needed to pay the City's costs of performing the review, and (vii) other matters necessary for the review.

The Developer shall deliver to the City all information reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement and (ii) as required by this Agreement or the Existing Land Use Regulations. The Developer's submittal shall include a written explanation of any reasons why the Development Goals were or were not met, and any request for the modification of future Development Goals in the next 10 year period, and the reasons therefore.

The Developer shall submit its report on or before the Tenth Anniversary. Thereafter, the Director shall prepare and submit to City Council a written report on the performance of the Project. The Developer's written response shall be included in the Director's report. The report and recommendations to Council shall be made within 45 days of the anniversary, and a public hearing shall be held thereon.

6.6.2. Adjustment to DIFs. As provided in Section 7.2.2, all Development Impact Fees are subject to adjustment as put of the Ten Year Anniversary Review provided (i) the adjustment is based on the preparation a suitable analysis by an independent professional consultant experienced in performing such studies demonstrating the basis for the increase, (ii) the study is performed on a City-wide basis and applies to all development projects of 200 or more residential units, (iii) all infrastructure financed is included within the City's General Plan and capital projects master plan, (iv) the study demonstrates a reasonable nexus to

the Project and the fees are proportionate to the benefit received. The Development Impact Fees shall not contain any escalators but the studies justifying the fees may use cost numbers which recognize the ten year horizon of each study.

6.6.3. Parties Can Alter Development Goals Objectives. The Development Goals for the next Ten Year Anniversary Review period as set forth in Section 6.2 may be modified with the mutual agreement of the Parties at the time of the hearing set forth in Section 6.6.1. Unless the Parties reach agreement for modification, the Development Goals will remain as provided therein.

6.6.4. No Other Changes to Development Plan. Other than the Development Impact Fee adjustments provided in Section 6.6.2 which may be unilaterally approved by City subject to performing the required studies, no other changes to the Development Approvals may be made by City without the consent of Developer. Nothing herein shall restrict the City's reservations of rights under Article 11.

6.6.5. Extensions Due to Economic Distress.

6.6.5.1 Determination of Distress. As provided in Section 6.2.4, the Phases can be extended up to three (3) years due to the occurrence of an Economically Distressed Year(s). In any year in which Developer believes conditions exist to warrant Declaration of an Economically Distressed Year, within 30 days following the Anniversary Date, Developer shall submit his request therefore. Additionally, in support thereof, Developer shall provide City with a Report including the following: (i) a written analysis of County-wide data supporting the Declaration; (ii) publicly available reports concerning general market conditions affecting home building; (iii) analysis as to how general market conditions have affected the Project including demand, costs and financing; and (iv) forecasts concerning the next three (3) years. The Report is for informational purposes only and City shall not be permitted to disapprove the Declaration of Economic Distress if the data submitted meets the definition in Section 1.31. Within 30 days the City Manger shall review the Declaration and Report and determine if the data supports the declaration of an Economically Distressed Year. The City Manager's determination is appealable to the Council under Section 13.6.3, but not as a default thereunder.

6.6.5.2 Effect of Determination on 10-Year Review. Generally the effect of the declaration of an Economically Distressed Year shall also toll the performance of the 10 Year Anniversary Review. For example, if during any 10 year cycle, two years had been declared Economically Distressed, then the 10 Year Anniversary Review would be performed on or about the Anniversary Date of the 12th year, as otherwise provided in Section 6.6. The City, however, retains the right to elect to perform the DIF adjustments in accordance with Section 6.6.2 on the 10 Year Anniversary, or to defer the studies and do them in accordance with the general 10 Year Anniversary Review performed on the date to which the Phase has been extended due to the extensions for Economically Distressed Years pursuant to Section 6.2.4.

6.7 Failure to Satisfy Phasing Goals and Objectives. For reasons stated in Section 6.1, failure to achieve the Development Goals in any ten year period shall not be a default hereunder, but it shall cause the term of the Agreement to be shortened five (5) years.

Accordingly, a failure at the first Ten Year Anniversary Review shall cause the term of the Agreement in Section 3.1 to be reduced to 35 years, while a failure at the second review in year 20 (to achieve 3000 units) shall cause the Agreement to be shortened another five (5) years to 30 years (subject to any extension of the Term due to the occurrence of Economically Distressed Years as set forth in Section 3.4), but once the Term has been reduced, the lost time is not reinstated due to production of excess units in later phases.

The termination of this Agreement shall not alter the provisions of the Specific Plan concerning the zoning, density of development or any other regulatory provisions concerning the development of the Project, though the limitations provided in Article 4 on enactment of Future Land Use Regulations would be null and void.

6.8 Developer Incentives for Expedited Development.

6.8.1. Incentive for Early Development. The City wishes to establish new communities in the City and to encourage the early development of the Project, which, in light of current economic conditions, may require economic incentives to be provided to the Developer. Accordingly, the Developer shall be given a credit so that DIFs do not have to be paid for up to 500 residential units, if Commencement of Construction, as that term is defined in Section 6.3, occurs on or before the production dates in Section 6.8.4.

6.8.2. Conditions for Receipt of Credits. To receive the credits, the following conditions must be satisfied: (i) the units must be in Planning Areas 1 and 2 provided that, for good cause, City may approve building the units in alternative Planning Areas, (ii) each Tract containing residential units needs to be developed as a single unit with appropriate entry design features including walls, fountains, landscaping, signage and other features approved by City, (iii) the preparation of the commercial site in Planning Area 18 shall take place pursuant to Section 6.2.4, unless waived by City.

6.8.3. Fees Eligible for Credit. The DIFs eligible for credit are those identified as eligible in Exhibit "D."

6.8.4. Schedule. The credit shall be given for all units for which the Commencement of Construction, as that term is defined in Section 6.3, occurs within five (5) years after the Effective Date.

6.9 City Provided Assistance. The City shall provide the Developer with each of the items set forth in Exhibit "E."

7. FEES, TAXES AND ASSESSMENTS.

7.1 Processing Fees. During the Term of this Agreement, the City may require the Developer to pay all Processing Fees applicable to the Development of the Project at the rates in effect on the applicable application date or as described in this Agreement unless a specific amount is stated herein.

7.2 Development Impact Fees.

7.2.1. Limit on Exactions, Mitigation Measures, Conditions and Development Fees. Except for those fees expressly set forth in Sections 7.3 and 7.5 below, and for the reservations of authority in Article 11, the City shall charge and impose only those Exactions, mitigation measures and conditions, including, without limitation, dedications as are set forth in the Existing Land Use Regulations, and those fees relating to the Development of the Developer's Property as are expressly set forth in Exhibit "D" attached hereto, and no others. Per Section 7.4 below, Park Fees shall not be imposed during the life of this Agreement. The Developer shall pay the stated amount of all other fees shown in Exhibit "D" for the first 10 years of the Term, and subsequently adjusted amounts determined in accordance with Section 6.6.2.

7.2.2. Development Impact Fees to be Established Based on Studies. The City will study and establish DIFs within one year of the effective Date for the following: revised City Traffic Control Facility Fee, revised Domestic Water Fee, new Recycled Water Fee and revised Sanitary Sewer Fee. The Developer shall be obligated to pay the revised fees and the revised DIFs shall be considered part of the Existing land Use Regulations. The initial DIFs shall be established in accordance with fee studies meeting the requirements of Section 6.6.2.

7.2.3. Adjustment at 10 Year Anniversary Review. The Developer shall pay increased fees after the Ten Year Anniversary Review if those fees are adopted on a City wide basis after the preparation of, and are justified by, a suitable analysis demonstrating the basis for the increase in accordance with Section 6.6.2. The City shall be entitled to repeat the process of increasing the fees thereafter upon the same terms, during the Ten Year Anniversary Review in accordance with Section 6.6.2, throughout the Term of this Agreement.

7.2.4. Payment of Development Impact Fees. The Developer shall pay all Development Impact Fees with respect to Development commenced on the portion of the Developer's Property owned by the Developer. The Development Impact Fees set forth on Exhibit "D" attached hereto shall be paid at the issuance of the Certificate of Occupancy for each building. Unless otherwise specified herein, all other fees, including Processing Fees shall be paid when at issuance of building permits or otherwise when required by code.

7.3 Wastewater, Domestic and Reclaimed Water Facilities Development Impact Fees.

7.3.1. Wastewater Fees. The City levies two capital facilities fees related to wastewater: (i) a sewer collection fee; and (ii) a sewer frontage fee, but collectively such fees are referred to herein as sewer collection fees. The sewer collection fee shall be fixed in accordance with Section 7.2.1 above.

7.3.2. Construction of Wastewater Collection Infrastructure in Lieu of Fees. If any additions, improvements and/or upgrades to the City's wastewater collection system outside or within the boundaries of the Developer's Property are required in

connection with any Development of the Project, then with the mutual agreement of the parties, the Developer shall have the option to elect to construct some or all of such additions, improvements and/or upgrades at its sole cost and expense. The City shall develop the project specifications and shall undertake a design process to develop project plans and drawings meeting the City's specifications. The City may utilize the Developer to develop the plans and drawings if the design costs are competitive and Developer has retained competent design professionals who can timely perform the services. If, thereafter, the Developer wishes to construct the improvements, the Developer shall give City a fixed budget and construction schedule, while City obtains competitive bids. City may award the contract to the most competitive entity, considering price, financing, schedule and ability to perform. The contract may include liquidated damages provisions and other requirements to assure the timely and satisfactory completion of the project within budget. If performed by Developer, upon completion of such works of improvement, the Developer shall be entitled to offset the actual costs approved by City and incurred by it for the design, permitting, construction and installation of such works of improvement against any wastewater collection-related Development Impact Fees that may otherwise be payable in connection with future Development of the portion of the Developer's Property owned by the Developer.

7.3.3. Wastewater Treatment Capacity. The City shall use its best efforts to obtain the required permits and to construct the needed improvements to the City's wastewater treatment facilities in order to serve the Project as the need for additional facilities arises. The Developer shall include the construction of the wastewater treatment plant within the phasing plan developed pursuant to Section 6.5. The City estimates that a four year lead time is required with one year for design and one year for permitting with the remaining period needed for construction.

7.3.4. Wastewater, Domestic and Reclaimed Water Facilities and Fees. If any additions, improvements and/or upgrades to the City's water system, either domestic or reclaimed, outside or within the boundaries of the Developer's Property are required in connection with any Development of the Project, then with the City's approval, they may be undertaken by the Developer in accordance with the procedures in Section 7.3.2. Without limiting the generality of the foregoing, this includes the water tanks, pipelines and appurtenant facilities described in Section 8.5.

7.3.5. Recycled and Domestic Water Fees. Recycled and domestic water developer impact fees shall be established in accordance with Section 7.2.1 above. City does not currently have Development Impact Fees for reclaimed water facilities or for domestic water facilities for the Project. Within a year after the Effective Date, the City shall conduct a study to determine the reasonable charge and the Developer's pro rata share of the cost of such improvements. When adopted by the Council, the fees shall be considered incorporated herein as Existing Land Use Regulations, and shall be subject to further review at the Ten Year Anniversary Review as provided in Section 6.2.2.

7.4 Park Fees.

7.4.1. Construction of Facilities. The Developer will be constructing, installing and improving the park and recreation facilities listed below, which are

deemed to be park, recreation and/or open space for the purpose of complying with the Municipal Code's park fee requirements. All parkland and open space shall be maintained by the POA, the Developer, the City, the Golf Course operator or such other entity as approved by the City. Provided that all required parks and recreation facilities are constructed and installed in accordance with the Specific Plan and this Agreement, the Project shall not be subject to the imposition of Park Fees by the City. The City acknowledges that the value of the land and improvements for the park, recreation and open space land and facilities exceeds the aggregate of all park fees which may be charged by the City pursuant to the Municipal Code in connection with the proposed Development of the entire Project. The Developer shall construct and install within the Project's boundaries the following park and recreation facilities:

7.4.1.1 254-acre Golf Course or Active Open Space, as set forth in Sections 5.3 above and 8.1.3 below;

7.4.1.2 22 publicly accessible parks (each ranging in size from approximately less than 1 acre to over 16 acres), equipped by Developer with typical neighborhood park facilities, which may include picnic facilities, shade structures, playgrounds, turf areas, and related facilities as further defined in the Specific Plan and in accordance with the plans developed in Section 8.1;

7.4.1.3 Two private recreation centers, totaling approximately eight acres, which will be gated and accessible only to the residents of the Project. These centers may, but are not required to, include clubhouse facilities, restrooms, and other amenities as further defined in the Specific Plan; and

7.4.1.4 108.4 acres of additional open space as described in the Specific Plan.

7.4.2. Community Recreation Center. The City shall also be entitled to construct a community recreation center in Planning Areas 35 or 39, on any park or open space site or on any site identified for a public facility, such as a fire station or waste water treatment plant, if that site is not used for the public facility. Once the site has been identified, the Developer shall grade it and stub utilities to site. The Developer's obligations are further described in Section 8.1.4.

7.5 Traffic Impact Mitigation.

7.5.1. Fees to be Established. The City has established a Development Impact Fee for the purpose of collecting funds to pay for the cost of constructing localized transportation improvements. At the request of the City, the Developer may initiate a study to expand upon the existing Traffic Control Facility Fee to include additional improvements not currently covered in the fee. The fee includes signal costs and minor roadway improvements. The Developer shall pay the applicable Traffic Control Facility Fee established by the City in effect on the Effective Date or at the time that the new revised fee is established, pursuant to Section 7.2.1 above.

7.5.2. Highland Springs Interim Improvement Project. The Developer has initiated and will complete interim improvements to Highland Springs Avenue between Ramsey Street and the I-10 Freeway. These improvements include, but are not limited to, the synchronization of traffic signals along Highland Springs Avenue, relocation of traffic signals, closings and relocation of Joshua Palmer Way and the restriping and repaving of Highland Springs Avenue. The City believes that the current traffic impacts are caused by the Developer's earlier project in Beaumont. The City shall use its best efforts to coordinate with the City of Beaumont an agreement to reimburse a portion of the improvements either through the appropriate transportation fee credits or other mechanism.

7.5.3. The Developer to Construct Traffic Improvements In Lieu of Paying City Fair Share Fees. In the event the Developer is required to construct traffic improvements in lieu of paying the City's fair share fees, City shall reimburse the Developer for the cost of the completed improvements through Reimbursement Agreements mandating that any project larger than 20 dwelling units pay a prorated share for benefits associated with completion of the Project.

8. DEDICATIONS AND CONVEYANCES OF PROPERTY INTERESTS

8.1 Park Improvements.

8.1.1. Neighborhood/Community Parks. Prior to the construction of any parks, the Developer shall meet with both the Director and the Director of Parks and Recreation to review the provisions set forth in the Specific Plan outlining the facilities to be provided at each park and discuss the Developer's plans for near term construction of the parks. Prior to development of each park, a detailed site plan consistent with the Specific Plan shall be prepared by the Developer and approved by the Director and the Parks and Recreation Commissions. The Developer shall complete the construction of neighborhood parks, Planning Areas 22 through 34, 62, 64 through 67 and 72, and the parks in the SCE easement, Planning Areas 36 through 38, no later than the issuance of the final Certificate of Occupancy for residential units within the adjacent subdivisions. Active use park improvements may not be placed in the SCE easement parks if the Director and Commissions believe there are issues of public health with electro magnetic radiation. A subdivision separated from a park by a street shall not be considered to be adjacent to the park. The Parties shall, mutually, determine what constitutes the adjacent subdivision if a park adjoins more than one subdivision. Upon completion of each neighborhood park, the City shall after the one-year maintenance period has expired, within 10 working days, develop final punch lists of items to be corrected prior to acceptance by the City. Upon correction of final punch list items by the Developer, the City shall accept the park within 30 days of the date of the final inspection.

8.1.2. POA Recreation Centers. The POA Recreation centers identified in Planning Areas 21 and 63 shall be constructed by the Developer in accordance with the Tract Phasing Plan pursuant to Section 6.5.

8.1.3. Golf Course/Active Open Space. The Golf Course shall be constructed at the sole and absolute discretion of the Developer. The determination to construct the Golf Course will take place within the first phase of Phase I of development due to the need to construct of the flood control improvements for Smith Creek. The Golf Course will be maintained by a Developer selected operator and open to the public. The operator may sell annual play memberships. If, as described in Section 5.4 above, the Golf Course is determined to be financially infeasible, the Developer shall notify the Planning Department in writing and the open space and drainage provisions described in the Specific Plan shall dictate the uses allowed on Planning Areas 35 and 39. The revised use of Planning Areas 35 and 39 shall be approved by both the Planning Commission (as the recommending body) and City Council prior to construction. The revised plan shall incorporate active recreational use including biking and pedestrian trails, turnouts for exercise, viewing and educational facilities, all linkable to other tracts, parks and open space, landscaping and providing full public access.

8.1.4. Community Recreation/Emergency Center. The City's Parks Master Plan identifies the need in the Project for a community recreation center, and this is even more necessary if the Golf Course is not developed. This Center would be on an approximately six (6) acre parcel in Planning Area 39 in lieu of the golf clubhouse, or alternatively could be located as a part of a community park or other available site including in Planning Area 71, or in lieu of the waste water treatment plant site in Planning Area 11. Depending on the site selected, the six (6) acres may be reduced so as to not adversely affect the development area of adjacent parcels from the development areas shown in the Specific Plan. The Center is contemplated as a 30,000 sq. foot facility. The plan for the Center shall be included in the Park Master Plan and the site plan shall be processed at the time the chosen Planning Area is developed, subject to the Phasing Plans approved pursuant to Section 6.5, and provided that if the City chooses to put the Center in Planning Area 11, it may be developed as part of Phase I provided that Developer shall satisfy the Phase I obligation by providing a developed Site, and need not fund the construction of the improvements if there are insufficient DIP's for credit. The Developer shall dedicate the site to City without charge. If developed as part of a park it shall be developed at the time required for parks in Section 8.1.1. The Center may include emergency operations and shelter components, and will also include appropriate landscaped grounds and facilities as specified in the Master Plan. The Center may be developed and constructed by Developer in the same manner as for the waste water treatment plant in Section 7.3.2, except as provided above.

8.2 Drainage Facilities. Planning Areas 19 and 71 are required areas of detention, recharge and conveyance of Project created and natural storm flows through the Project as set forth in Section 5.4 above. Planning Area 19 will consist of water quality basins, habitat restoration and flood conveyance facilities as well as the head works for the culvert underneath Wilson Street. This Planning Area may be ultimately transferred to the Flood Control District or City for acceptance and maintenance, but the Developer shall have the right to utilize it until such time as Development has fully or partially occurred for erosion control purposes. Planning Area 71 may be constructed in Phase I of the Project if required for the realignment of Smith Creek. This Planning Area may also consist of a large open reservoir, detention basin and recharge facility that may ultimately be transferred to the City or other appropriate body for acceptance and maintenance. The City shall have no obligation to accept

the facilities if they primarily benefit the Project and are for flood control purposes but City may do so if the recharge facility and reservoir facility is designed for water recharge purposes and City determines in its sole and absolute discretion that they are needed to enhance the City's water supply.

8.3 Satellite Water Treatment Plant. The Director of Public Works Director shall determine the location of a two to five acre portion of Planning Area 11 for the onsite treatment of Project-related and other localized wastewater flows. The City shall have an Appraisal of Land Value determined within one (1) year of the signing of this Agreement. The City shall grant a credit equal to the fair market value determined by the appraisal to the City's waste water impact fee, when that fee is established, which credit may be used by the Developer on a unit by unit basis. Title to the site shall be transferred to the City after the site has been graded by the Developer and utilities are stubbed to the site.

8.4 Fire Station Site. The Specific Plan has identified a site in Planning Area 60 as the possible site for a fire station. The City shall have the an Appraisal of Land Value performed for a site of up to two (2) acres within one (1) year of the signing of this Agreement. The City shall grant a credit equal to the fair market value determined by the appraisal to the City's Fire Facilities Development Fee which credit may be used by the Developer on a unit by unit basis. Title to the site shall be transferred to the City after the site has been graded by the Developer and utilities are stubbed to the site.

8.5 Water Tanks. The City's water facilities and improvements described in Section 7.3.4 include certain water tanks, pipelines, access roads and appurtenant facilities which largely serve the Development and must be located at specific locations and elevations to make the water system function correctly and maintain public health and safety. The water tanks shall be developed as follows:

- A. A 500,000 gallon tank in Planning Area 73 at an high water elevation line of 3237 feet.
- B. A 1.4 million gallon tank in Planning Area 73 at an high water elevation line of 3070 feet.
- C. A 1.6 million gallon tank Planning Area 68 or 50 at an high water elevation line of 2822 feet.

Each tank will require a parcel from 1 to 1.5 acres in area and additional area for access, and shall be dedicated to City without charge after the site has been graded and stubbed out by Developer. The Developer may construct the improvements in accordance with Section 7.3.2 and receive fee credits to the water development impact fee on a unit per unit basis for the construction costs. The water tanks are considered part of the Proposed Project Facilities and shall be constructed in accordance with the Phasing Plans developed in accordance with Section 6.5 provided that the tanks in paragraph C above must be in Phase I.

9. PROCESSING OF REQUESTS AND APPLICATIONS: OTHER GOVERNMENT PERMITS.

9.1 Processing. In reviewing Future Development Approvals which are discretionary, the City may impose only those conditions, exactions, and restrictions which are allowed by the Development Plan and this Agreement. Upon satisfactory completion by the Developer of all required preliminary actions, meetings, submittal of required information and payment of appropriate processing fees, if any, the City shall promptly commence and diligently proceed to complete all required steps necessary for the implementation of this Agreement and the development by the Developer of the Project in accordance with the Existing Development Approvals. In this regard, the Developer, in a timely manner, will provide the City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and will cause the Developer's planners, engineers and all other consultants to submit in a timely manner all required materials and documents therefor. It is the express intent of this Agreement that the parties cooperate and diligently work to implement any zoning or other land use, site plan, subdivision, grading, building or other approvals for development of the Project in accordance with the Existing Development Approvals and those items set forth in Exhibit "E." Notwithstanding the foregoing, nothing contained herein shall be construed to require City to process Developer's Applications ahead of other projects in process in the City and City's obligations hereunder shall be subject to the City's workload and staffing at any given time.

9.2 Developer to Pay for Expedited Processing. If Developer elects, in its sole and absolute discretion, to request the City to incur overtime or additional consulting services to receive expedited processing by the City, the Developer shall pay all such overtime costs, charges or fees incurred by City for such expedited processing.

9.3 General Time Periods for Processing.

9.3.1. General Plan Review and Approval. The City shall provide comments within two weeks for all plan checks for required infrastructure, building, grading, both mass and finished, architectural, erosion control or any other required plan submittal and will not unduly extend amount of plan checks beyond three submittals provided that Developer's consultants are responsive. In the event that consensus between the City and the Developer regarding the content of the plans after the 3rd submittal can not be made, a meeting will be scheduled to discuss how to reconcile the differences.

9.3.2. Architectural Plan Submittal Process. The Developer shall submit architectural plans to the Planning Department for maximum two-week review of the entire plan set for each submittal for a maximum of three plan check reviews to ensure that they conform to the guidelines set forth in Specific Plan provided that Developer's consultants are responsive. In the event that consensus can not be made after the third plan check, a meeting will be coordinated with the plan checker, Planning Department and the Developer or the Developer's representative. The Planning Department, upon determining compliance with the guidelines set forth in the Specific Plan, shall approve the plans. This review is a ministerial action. Additional architectural enhancements that are above and beyond the design guidelines

will be implemented at the Developer's sole and absolute discretion but are subject to review by City if proposed.

9.4 Precise Grading/Plot Plan Revisions. In the event that the Developer wishes to revise house plan type or elevation on an approved plot plan or revised grading plan, City Engineering and Planning staff review and approval shall be done over the counter.

9.5 Additional Inspectors and Plan Checkers. In the event that the Developer requests it, the City shall permit overtime, including both additional days and hours, for inspections and plan checking at the Developer's expense. In the event that the City is unable to provide inspectors or plan checkers capable of meeting the demand for inspections or plan checks required for the Development of the Project in a timely fashion, the City shall, if requested to do so by the Developer and at the Developer's expense, employ additional private entities or persons to perform such services.

9.6 Tentative Subdivision Maps. The City shall extend through the Term hereof (pursuant to Government Code § 66452.6) all Master Tract Maps and all tentative and vesting tentative Subdivision Maps applied for by the Developer during the term of this Agreement and approved by the City in the future.

9.7 Multiple Final Subdivision Maps: The Developer may file as many final maps over a tentative Subdivision Map as it deems appropriate in its sole and absolute discretion.

9.8 Financing and Conveyance Maps: The Developer may have a Master Tract Map approved for the purpose of conveying portions of the Developer's Property to others and/or for the purpose of creating legal lots which may be used as security for loans to develop the Developer's Property and as provided in Section 6.5.1. Any such map shall not authorize any Development and shall not be subject to any conditions, Exactions or restrictions, other than monumentation and conditions which do not require the payment of money or the installation or construction of improvements.

9.9 Water Availability. Any final subdivision map prepared for the Developer's Property, or any portion of the Developer's Property, shall comply with the provisions of Government Code § 66473.7.

9.10 Other Governmental Permits. The Developer shall apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with the Developer in its efforts to obtain such permits and approvals.

9.11 Public Agency Coordination. The City and Developer shall cooperate and use reasonable efforts in coordinating the implementation of the Development Plan with other public agencies, if any, having jurisdiction over the Property or the Project.

9.12 Annexation. This Agreement's effectiveness over land within the Developer's Property that is currently not within the City nor within its sphere of influence is subject to the annexation of that land into the City. If the land is annexed into the City, the terms

of this Agreement shall automatically apply to all portions of that land upon its annexation. In the event that annexation of portions of the Developer's Property not currently within the City is not approved by LAFCO, or for any other reason is not annexed to the City, then any such portions shall be excluded from this Agreement. With the exception of land within Planning Area 43B, the City shall, subject to the negotiation of a tax allocation agreement with the County of Riverside acceptable to City, use its best efforts to expeditiously accomplish the annexation of those portions of the Developer's Property not within the City, or such portions thereof as may be approved by the developer, to the City.

10. AMENDMENT AND MODIFICATION OF DEVELOPMENT AGREEMENT.

10.1 Initiation of Amendment. Either Party may propose an amendment to this Agreement.

10.2 Procedure. Except as set forth in Section 10.4 below, the procedure for proposing and adopting an amendment to this Agreement shall be the same as the procedure required for entering into this Agreement in the first instance, and meet the requirements of the Development Agreement Statute § 65867.

10.3 Consent. Except as expressly provided in this Agreement, no amendment to all or any provision of this Agreement shall be effective unless set forth in writing and signed by duly authorized representatives of each of the Parties hereto and recorded in the Official Records of Riverside County.

10.4 Minor Modifications.

10.4.1. Flexibility Necessary. The provisions of this Agreement require a close degree of cooperation between the City and the Developer. Implementation of the Project may require minor modifications of the details of the Development Plan and affect the performance of the Parties under this Agreement. The anticipated refinements to the Project and the Development of the Developer's Property may demonstrate that clarifications to this Agreement and the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and the Developer. The Parties desire to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. Therefore, non-substantive and procedural modifications of the Development Plan shall not require modification of this Agreement.

10.4.2. Non-Substantive Changes. A modification will be deemed non-substantive and/or procedural if it does not result in a material change in fees, maximum residential density, maximum intensity of use, permitted uses, the maximum height and size of buildings, the reservation or dedication of land for public purposes, or the improvement and construction standards and specifications for the Project, including density transfers between phases. A "material change" is generally one which does not change the standard by ten percent (10%) or more. For example, for a height limit of 20 feet, a change of less than two feet is deemed non-material.

10.4.3. Hearing Rights Protected. Notwithstanding the foregoing, City will process any change to this Development Agreement consistent with state law and will hold public hearings thereon if so required by state law and the parties expressly agree nothing herein is intended to deprive any party or person of due process of law.

10.5 Effect of Amendment to Development Agreement. Except as expressly set forth in any such amendment, an amendment to this Agreement will not alter, affect, impair, modify, waive, or otherwise impact any other rights, duties, or obligations of either Party under this Agreement.

11. RESERVATIONS OF AUTHORITY.

11.1 Limitations, Reservations and Exceptions. Notwithstanding anything to the contrary set forth hereinabove, in addition to the Existing Land Use Regulations, only the following Land Use Regulations adopted by City hereafter shall apply to and govern the Development of the Developer's Property ("Reservation of Authority"):

11.1.1. Future Regulations. Future Land Use Regulations which (i) are not in conflict with the Existing Land Use Regulations, (ii) which would be applicable under the Development Agreement statute (§ 65866); (iii) if in conflict with the Existing Land Use Regulations but the application of which to the Development of the Developer's Property has been consented to in writing by Developer.

11.1.2. State and Federal Laws and Regulations. Where state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of the Development Agreement, those provisions shall be modified, through revision or suspension, to the extent necessary to comply with such state or federal laws or regulations.

11.1.3. Public Health and Safety/Uniform Codes.

11.1.3.1 Adoption Automatic Regarding Uniform Codes. This Agreement shall not prevent the City from adopting Future Land Use Regulations or amending Existing Regulations which are uniform codes and are based on recommendations of a multi-state professional organization and become applicable throughout the City, such as, but not limited to, the Uniform Building, Electrical, Plumbing, Mechanical, or Fire Codes.

11.1.3.2 Adoption Regarding Public Health and Safety/Uniform Codes. This Development Agreement shall not prevent the City from adopting Future Land Use Regulations respecting public health and safety to be applicable throughout the City which directly result from findings by the City that failure to adopt such Future Land Use Regulations would result in a condition injurious or detrimental to the public health and safety and that such Future General Regulations are the only reasonable means to correct or avoid such injurious or detrimental condition.

11.1.3.3 Adoption Automatic Regarding Regional Programs. This Agreement shall not prevent the City from adopting Future Land Use Regulations or amending Existing Regulations which are regional codes and are based on recommendations of a county or regional organization and become applicable throughout the region, such as Western Riverside Council of Governments.

11.1.4. Amendments to Codes for Local Conditions. Notwithstanding the foregoing, no construction within the Project shall be subject to any provision in any of the subsequent Uniform Construction Codes, adopted by the State of California, but modified by the City to make it more restrictive than the provisions of previous Uniform Construction Codes of the City, notwithstanding the fact that the City has the authority to adopt such more restrictive provision pursuant to the California Building Standards Law, including, but not limited to, Health and Safety Code § 18941.5, unless such amendment applies City-wide. The City shall give Developer prior written notice of the proposed adoption of such amendment and Developer shall have the right to present its objections to the amendment.

11.2 Regulation by Other Public Agencies. It is acknowledged by the Parties that other public agencies not within the control of the City possess authority to regulate aspects of the Development of the Developer's Property separately from, or jointly with, the City and this Agreement does not limit the reasonable authority of such other public agencies.

11.3 Fees, Taxes and Assessments. Notwithstanding any other provision herein to the contrary, the City retains the right (i) to impose or modify Processing Fees and Development Impact Fees as provided in Article 7, (ii) to impose or modify business licensing or other fees pertaining to the operation of businesses, (iii) to impose or modify taxes and assessments which apply City-wide such as utility taxes, sales taxes and transient occupancy taxes, (iv) to impose or modify fees and charges for City services such as electrical utility charges, water rates, and sewer rates, (v) to impose or modify a community wide or area-wide assessment district which does not predominately apply to the Developer's Property, and (vi) to impose or modify any fees, taxes or assessments similar to the foregoing.

12. ANNUAL REVIEW.

12.1 Annual Monitoring Review. Following commencement of construction, the City and the Developer shall review the performance of this Agreement, and the Development of the Project, on or about each anniversary of the Effective Date (the "Annual Review"). The cost of the Annual Review shall be borne by Developer and Developer shall pay a reasonable deposit in an amount requested by City to pay for such review. As part of each Annual Review, within ten (10) days after each anniversary of this Agreement, the Developer shall deliver to the City all information reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement and (ii) as required by the Existing Land Use Regulations.

The Director shall prepare and submit to Developer and thereafter to City Council a written report on the performance of the Project, and identify any deficiencies. If any deficiencies are noted, or if requested by a Councilmember a public hearing shall be held before the City Council on the report to Council. The Developer's written response shall be included in the Director's report. The report to Council shall be made within 45 days of the anniversary date.

If the City determines that the Developer has substantially complied with the terms and conditions of this Agreement, the Annual Review shall be concluded. If the City finds and determines that the Developer has not substantially complied with the terms and conditions of this Agreement for the period under review, the City may declare a default by the Developer in accordance with Section 13.1.

12.2 Certificate of Compliance. If, at the conclusion of an Annual Review, the City finds that the Developer is in substantial compliance with this Agreement, the City shall, upon request by the Developer, issue an Estoppel Certificate to the Developer in the form shown on Exhibit "C."

12.3 Failure to Conduct Annual Review. The failure of the City to conduct the Annual Review shall not be a Developer Default unless Developer fails to cooperate in providing necessary information.

13. DEFAULT, REMEDIES AND TERMINATION.

13.1 Rights of Non-Defaulting Party after Default. The Parties acknowledge that both Parties shall have hereunder all legal and equitable remedies as provided by law following the occurrence of a Default or to enforce any covenant or agreement herein except as provided in Section 13.2 below. Before this Agreement may be terminated or action may be taken to obtain judicial relief the Party seeking relief ("Non-Defaulting Party") shall comply with the notice and cure provisions of this Article 13.

13.2 No Recovery for Monetary Damages. The nature of a development agreement under the Development Agreement Statute is a very unusual contract involving promoting a very large development project facing many complex issues including geologic, environmental, finance, market, regulatory and other constantly evolving factors over an extremely long time frame. The high level of uncertainty and risk involved justify the extraordinary commitments made to the Developer. However, the original persons representing the parties and approving the transaction are only likely to be involved with the Project for a limited time in comparison to the over-all life of the Project.

It is highly likely that misunderstandings will develop over time. Moreover, municipal budgets are extremely constrained, and a threat of recovery of damages against a municipal entity may pressure a municipality with limited resources to settle in a manner adverse to its interests and those of its citizens. Finally, the municipal entity represents the public welfare of the entire community, a community who cannot directly represent themselves. The City Council has come to believe that entering into a development agreement with the Developer vesting the Developer with the extraordinary rights provided herein is in the best interests of the community

through the Developer's active engagement with the community and open communications over several years. It is critical to the success of this Project that as inevitable obstacles are met, and the persons implementing the Project change over the 40 year time span of the Project, that close working relationships be maintained. Accordingly, in this Agreement, the rights of enforcement are limited as follows (i) the remedy of monetary damages is not available to either Party, and (ii) there is no shortcut to a mediation or arbitration procedure where a nonelected representative can arbitrarily determine land use development issues.

For purposes of enforcement, stated positively, the Parties shall have the equitable remedies of specific performance, injunctive and declaratory relief, or a mandate or other action determining that the City has exceeded its authority, and similar remedies, other than recovery of monetary damages, to enforce their rights under this Agreement. The Parties shall have the right to recover their attorney fees and costs pursuant to Section 19.9 in such action. Moreover, the Developer shall have the right to a public hearing before the City Council before any default can be established under this Agreement, as provided in Section 13.6.

13.3 Recovery of Monies Other Than Damages.

13.3.1. Restitution of Improper Exactions. In the event any actions, whether monetary or through the provision of land, good or services, are imposed on the Development of the Developer's Property other than those authorized pursuant to this Agreement, the Developer shall be entitled to recover from City restitution of all such improperly assessed exactions, either in kind or the value in lieu of the exaction, together with interest thereon at the rate of the maximum rate provided by law per year from the date such exactions were provided to City to the date of restitution.

13.3.2. Monetary Default. In the event the Developer fails to perform any monetary obligation under this Agreement, City may sue for the payment of such sums to the extent due and payable. The Developer shall pay interest thereon at the lesser of: (i) ten percent (10%) per annum, or (ii) the maximum rate permitted by law, from and after the due date of the monetary obligation until payment is actually received by the City.

13.4 Compliance with the Claims Act. Compliance with this Article 13 shall constitute full compliance with the requirements of the Claims Act, Government Code § 900 et seq., pursuant to Government Code § 930.2 in any action brought by the Developer.

13.5 Notice and Opportunity to Cure. A Non-Defaulting Party in its discretion may elect to declare a Default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other Party ("Defaulting Party") to perform any material duty or obligation of the Defaulting Party under the terms of this Agreement. However, the Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in Default under this Agreement, if the breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such default within thirty (30) days after the date of such notice or ten (10) days for monetary defaults (or such lesser time as may be specifically provided in this Agreement).

However, if such non-monetary Default cannot be cured within such thirty (30) day period, and if and, as long as the Defaulting Party does each of the following:

1. Notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;
2. Notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the default;
3. Promptly commences to cure the default within the thirty (30) day period;
4. Makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure;
5. Diligently prosecutes such cure to completion, and

Then the Defaulting Party shall not be deemed in breach of this Agreement.

Notwithstanding the foregoing, the Defaulting Party shall be deemed in default under this Agreement if the breach or failure involves the payment of money but the Defaulting Party has failed to completely cure the monetary default within ten (10) days (or such lesser time as may be specifically provided in this Agreement) after the date of such notice.

13.6 Dispute Resolution.

13.6.1. Meet & Confer. Prior to any Party issuing a Default Notice hereunder, the Non-Defaulting Party shall inform the Defaulting Party either orally or in writing of the Default and request a meeting to meet and confer over the alleged default and how it might be corrected. The Parties through their designated representatives shall meet within ten (10) days of the request therefore. The Parties shall meet as often as may be necessary to correct the conditions of default, but after the initial meeting either Party may also terminate the meet and confer process and proceed with the formal Default Notice.

13.6.2. Termination Notice. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any default, or fail to diligently pursue such cure as prescribed above, the Nondefaulting Party may, in its discretion, provide the Defaulting Party with a written notice of intent to terminate this Agreement and other Agreements ("Termination Notice"). The Termination Notice shall state that the Nondefaulting Party will elect to terminate the Agreement and such other Agreements as the Non-defaulting Party elects to terminate within thirty (30) days and state the reasons therefor (including a copy of any specific charges of default) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the Non-defaulting Party's election to terminate Agreements will only be waived if (i) the Defaulting Party fully and completely cures all defaults prior to the date of termination, or (ii) pursuant to Section 13.6.3 below.

13.6.3. Hearing Opportunity Prior to Termination. Prior to any termination, a termination hearing shall be conducted as provided herein ("Termination Hearing"). The Termination Hearing shall be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within thirty (30) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At said Termination Hearing, the Defaulting Party shall have the right to present evidence to demonstrate that it is not in default and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at the Termination Hearing, the Council may, by adopted resolution, act as follows:

- A. Decide to terminate this Agreement.
- B. Determine that the alleged Defaulting Party is innocent of a default and, accordingly, dismiss the Termination Notice and any charges of default; or
- C. Impose conditions on a finding of default and a time for cure, such that Defaulting Party's fulfillment of said conditions will waive or cure any default.

Findings of a default or a condition of default must be based upon substantial evidence supporting the following three findings: (i) that a default in fact occurred and has continued to exist without timely cure, (ii) that the Non-Defaulting Party's performance has not excused the default; and (iii) that such default has, or will, cause a material breach of this Agreement and/or a substantial negative impact upon public health, safety and welfare, or the financial terms established in the Agreement, or such other interests arising from the Project. Notwithstanding the foregoing, nothing herein shall vest authority in the City Council to unilaterally change any material provision of the Agreement.

Following the decision of the City Council, any Party dissatisfied with the decision may seek judicial relief consistent with this Article 13.

13.7 Waiver of Breach. By not challenging any Development Approval within 90 days of the action of City enacting the same, Developer shall be deemed to have waived any claim that any condition of approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement. By recordation of a final map on all or any portion of the Developer's Property, the Developer shall be deemed to have waived any claim that any condition of approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement.

13.8 Limitations on Defaults. Notwithstanding any provision in this Agreement to the contrary, a Default by one Owner shall not constitute a Default by an Owner of a portion of the Developer's Property, which is not the owner of the portion of the Developer's Property that is the subject of the Default (an "Innocent Owner"). Likewise, a Default by an Owner with respect to a Lot (or group of Lots) it owns or leases shall not constitute a Default by an Innocent Owner, nor shall the Default by another Owner of a portion of the Developer's Property not owned by an Innocent Owner constitute a Default of the Innocent Owner. Therefore, (i) no Innocent Owner shall have any liability to the City for, or with respect to, any

Default by another Owner or any Default of any other Owner, (ii) an Innocent Owner shall have no liability to the City for, or with respect to, any Default by any other Owner, and (iii) the City's election to terminate this Agreement as a result of a Default by an Owner shall not result in a termination of this Agreement with respect to either (x) any portion of the Developer's Property not owned by such Owner or (y) those Lots owned or leased by an Innocent Owner until such time that this Agreement would otherwise terminate in accordance with its terms.

13.9 Venue. In the event of any judicial action, venue shall be in the Superior Court of Riverside County.

14. ASSIGNMENT.

14.1 Right to Assign.

14.1.1. General. Neither Party shall assign (as hereinafter defined) or transfer (as hereinafter defined) its interests, rights or obligations under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. The term "assignment" as used in this Agreement shall include successors-in-interest to the City that may be created by operation of law. Notwithstanding the foregoing, the City shall have the right to sell, assign or transfer its interest in any real property dedicated or transferred to the City pursuant to the terms of this Agreement or to another public agency.

As used in this Section, the term "transfer" shall include the transfer to any person or group of persons acting in concert of more than seventy percent (70%) of the present equity ownership and/or more than fifty percent (50%) of the voting control of the Developer (jointly and severally referred to herein as the "Trigger Percentages") or any general partner of the Developer in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family. A transfer of interests (on a cumulative basis) in the equity ownership and/or voting control of the Developer in amounts less than the Trigger Percentages shall not constitute a transfer subject to the restrictions set forth herein. In the event the Developer or any general partner of the Developer or its successor is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of the Developer, or of beneficial interests of such trust; in the event that Developer or any general partner of the Developer is a limited or general partnership, such transfer shall refer to the transfer of more than the Trigger Percentages in the limited or general partnership interest; in the event that the Developer or any general partner is a joint venture, such transfer shall refer to the transfer of more than the Trigger Percentages of such joint venture partner, taking all transfers into account on a cumulative basis.

The Developer shall not transfer this Agreement or any of the Developer's rights hereunder, or any interest in the Developer's Property or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of City, and if so purported to be transferred, the same shall be null and void. In considering whether it will grant approval to any transfer by Developer, which transfer requires City approval, City shall consider factors such as (i) the financial strength and capability of the

proposed transferee to perform the obligations hereunder; and (ii) the proposed transferee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects. In no event shall the City's approval of any transfer be unreasonably withheld or delayed.

In addition, no attempted assignment of any of the Developer's obligations hereunder shall be effective unless and until the successor party signs and delivers to the City an assumption agreement, in a form approved by the City, assuming such obligations. No consent or approval by City of any transfer requiring the City's approval shall constitute a further waiver of the provision of this Section 14.1.1 and, furthermore, the City's consent to a transfer shall not be deemed to release the Developer of liability for performance under this Agreement unless such release is specific and in writing executed by City. In no event shall the City's release of the Developer from liability under this Agreement upon a transfer be unreasonably withheld or delayed.

Notwithstanding any provision of this Agreement to the contrary, City approval of a Transfer or Assignment of any portion of the Developer's Property under this Agreement shall not be required in connection with any of the following provided that such person or entity transferee or assignee assumes in writing all of the Developer's obligations under this Agreement and notifies the City in writing of the same:

A. Any mortgage, deed of trust, sale/lease-back, or other form of conveyance for financing and any resulting foreclosure therefrom.

B. The granting of easements or dedications to any appropriate governmental agency or utility or permits to facilitate the development of the Developer's Property.

C. A sale or transfer resulting from, or in connection with, a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.

D. A sale or transfer of less than the Trigger Percentages between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the trustor or transfers to a corporation or partnership in which the immediate family members or shareholders of the transferor who owns at least ten percent (10%) of the present equity ownership and/or at least fifty percent (50%) of the voting control of Developer.

E. A transfer of common areas to a POA.

F. Any transfer to an entity or entities in which the Developer retains a minimum of 51% of the ownership or beneficial interest and retains management and control of the transferee entity or entities.

G. Any transfer of interests in Owner for estate planning purposes to the heirs of Owner, provided that the heirs retain a minimum of 51% of the ownership or beneficial interest of the transferor entity and retain management and control of the transferee entity.

H. Any transfer of interest to a Pre-Qualified Buyer.

14.1.2. Subject to Terms of Agreement. Following any such Transfer or Assignment of any of the rights and interests of the Developer under this Agreement, in accordance with Section 14.1.1 above, the exercise, use and enjoyment of such rights and interests shall continue to be subject to the terms of this Agreement to the same extent as if the assignee or transferee were the Developer.

14.1.3. Release of Developer. Upon the written consent of the City to the complete assignment of this Agreement or the transfer of a portion of the Developer's Property and the express written assumption of the assigned obligations of the Developer under this Agreement by the assignee, the Developer shall be relieved of its legal duty from the assigned obligations under this Agreement with respect to the portion of the Developer's Property transferred, except to the extent the Developer is in default under the terms of this Agreement prior to the transfer.

14.1.4. No Approval of Terms of Loan by City. Notwithstanding anything to the contrary set forth herein with regards to the approval by the City of hypothecation, encumbrances or mortgages, the City shall only have the right to approve the identity of the Developer's lender, which approval will not be unreasonably withheld, taking into consideration such lender's financial strength, reputation, and other relevant factors. The City shall not have any right to approve any of the terms or conditions of the Developer's financing arrangements with third party lenders.

14.2 Sale to Pre-Qualified Buyer. Nothing herein shall prevent the Developer from selling a portion of the Developer's Property for residential development subject to any approved final subdivision map to a Pre-Qualified Buyer for construction of houses in accordance with the terms of this Agreement provided that the transferee must enter into appropriate agreements with the City to assure that all Development restrictions hereunder will be met.

14.3 Termination of Agreement With Respect to Individual Parcels Upon Sale to Public. Notwithstanding any provisions of this Agreement to the contrary, this Agreement shall terminate as to any Lot which has been finally subdivided and improved with all required public improvements and which is individually (and not in "bulk") sold to an owner-user and thereupon, and without the execution or recordation of any further document or instrument, such Lot shall be released from and no longer be subject to the provisions of this Agreement; provided, however, that CC&R's are placed of record in accordance with Section 14.4 below.

14.4 Declaration of Covenants, Conditions and Restrictions. Prior to the transfer of any portion of the Project to a third party, the Developer shall submit a proposed form of Declaration of Covenants, Conditions and Restrictions to be recorded against the applicable subdivision to the City for its review and approval ("CC&RS"). The CC&RS must be recorded prior to issuance of certificates of occupancy, and Developer shall pay City's review costs. It is anticipated that the CC&RS will contain, among other things, protective covenants to protect and preserve the integrity and value in the subdivision, including but not limited to use restrictions, maintenance covenants, EIR mitigation measures, restrictions under this Development Agreement which will continue to apply to the subdivision, covenants for construction and completion of the improvements and a provision giving the City the right to enforce the CC&RS, including the right to recover its enforcement costs if there is noncompliance following notice and the opportunity to cure.

15. RELEASES AND INDEMNITIES.

15.1 The City's Release As To Actions Prior To Effective Date. The City forever discharges, releases and expressly waives as against the Developer and its attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort, or other theories of direct and/or of agency liability (including but not limited to principles of respondent superior) that it has now or has had in the past, arising out of or relating to this Agreement and the development agreement approved in 1993, and the currently existing land use plans for the Developer's Property or any portion thereof.

15.2 The Developer's Release As To Actions Prior To Effective Date. The Developer forever discharges, releases and expressly waives as against the City and its respective councils, boards, commissions, officers, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort or other theories of direct and/or of agency liability (including but not limited to principles of respondent superior) that they have now or have had in the past, arising out of or relating to this Agreement and the development agreement approved in 1993, and the currently existing land use plans for the Developer's Property or any portion thereof.

15.3 Third-Party Litigation.

15.3.1. Non-liability of City. As set forth above, the City has determined that this Agreement is consistent with the General Plan and that the General Plan and Development Approvals meets all of the legal requirements of State law. The Parties acknowledge that:

A. In the future there may be challenges to legality, validity and adequacy of the General Plan, the Development Approvals and/or this Agreement; and

B. If successful, such challenges could delay or prevent the performance of this Agreement and the development of the Developer's Property.

In addition to the other provisions of this Agreement, including, without limitation, the provisions of this Section 15, the City shall have no liability under this Agreement for any failure of the City to perform under this Agreement or the inability of the Developer to develop the Developer's Property as contemplated by the Development Plan or this Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, the Land Use Regulations, the Development Approvals, this Agreement, or portions thereof, are invalid or inadequate or not in compliance with law.

15.3.2. Revision of Land Use Restrictions. If, for any reason, the General Plan, Land Use Regulations, Development Approvals, this Agreement or any part thereof is hereafter judicially determined, as provided above, to not be in compliance with the State or Federal Constitution, laws or regulations and, if such noncompliance can be cured by an appropriate amendment thereof otherwise conforming to the provisions of this Agreement, then this Agreement shall remain in full force and effect to the extent permitted by law. The Development Plan, Development Approvals and this Agreement shall be amended, as necessary, in order to comply with such judicial decision.

15.3.3. Participation in Litigation: Indemnity. The Developer shall indemnify the City and its elected boards, commissions, officers, agents and employees and will hold and save them and each of them harmless from any and all actions, suites, claims, liabilities, losses, damages, penalties, obligations and expenses (including but not limited to attorneys' fees and costs) against the City and/or Agent for any such Claims or Litigation (as defined in Section 1.10) and shall be responsible for any judgment arising therefrom. The City shall provide the Developer with notice of the pendency of such action and shall request that the Developer defend such action. The Developer may utilize the City Attorney's office or use legal counsel of its choosing, but shall reimburse the City for any necessary legal cost incurred by City. The Developer shall provide a deposit in the amount of 150% of the City's estimate, in its sole and absolute discretion, of the cost of litigation, including the cost of any award of attorneys fees, and shall make additional deposits as requested by City to keep the deposit at such level. The City may ask for further security in the form of a deed of trust to land of equivalent value. If the Developer fails to provide or maintain the deposit, the City may abandon the action and the Developer shall pay all costs resulting therefrom and City shall have no liability to the Developer. The Developer's obligation to pay the cost of the action, including judgment, shall extend until judgment. After judgment in a trial court, the parties must mutually agree as to whether any appeal will be taken or defended. The Developer shall have the right, within the first 30 days of the service of the complaint, in its sole and absolute discretion, to determine that it does not want to defend any litigation attacking this Agreement or the Development Approvals in which case the City shall allow the Developer to settle the litigation on whatever terms the Developer determines, in its sole and absolute discretion, but Developer shall confer with City before acting and cannot bind City. In that event, the Developer shall be liable for any costs incurred by the City up to the date of settlement but shall have no further obligation to the City

beyond the payment of those costs. In the event of an appeal, or a settlement offer, the Parties shall confer in good faith as to how to proceed. Notwithstanding the Developer's indemnity for claims and litigation, the City retains the right to settle any litigation brought against it in its sole and absolute discretion and the Developer shall remain liable except as follows: (i) the settlement would reduce the scope of the Project by 10% or more, and (ii) the Developer opposes the settlement. In such case the City may still settle the litigation but shall then be responsible for its own litigation expense but shall bear no other liability to the Developer.

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

15.5 Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement for any reason other than the City's Default.

16. EFFECT OF AGREEMENT ON TITLE.

16.1 Covenant Run with the Land. Subject to the provisions of Sections 14 and 18 and pursuant to the Development Agreement Statute (§ 65868.5):

A. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any rights or interests in the Developer's Property, or any portion thereof, whether by operation of laws or in any manner whatsoever and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns;

B. All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law; and

C. Each covenant to do or refrain from doing some act on the Developer's Property hereunder (i) is for the benefit of and is a burden upon every portion of the Developer's Property, (ii) runs with such lands, and (iii) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person having any interest therein derived in any manner through any owner of such lands, or any portion thereof, and each other person succeeding to an interest in such lands.

17. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION.

17.1 Non-liability of City Officers and Employees. No official, agent, contractor, or employee of the City shall be personally liable to the Developer, 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 Developer or to its successor, or for breach of any obligation of the terms of this Agreement.

17.2 Conflict of Interest. 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 this Agreement which affects the financial interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any state statute or regulation.

17.3 Covenant Against Discrimination. The Developer 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. The Developer shall take affirmative action to insure that employees are treated during employment without regard to their race, color, creed religion, sex, marital status, national origin or ancestry.

18. MORTGAGEE PROTECTION.

18.1 Definitions. As used in this Section, the term "mortgage" shall include any mortgage, whether a leasehold mortgage or otherwise, deed of trust, or other security interest, or sale and lease-back, or any other form of conveyance for financing. The term "holder" shall include the holder of any such mortgage, deed of trust, or other security interest, or the lessor under a lease-back, or the grantee under any other conveyance for financing.

18.2 No Encumbrances Except Mortgages to Finance the Project. Notwithstanding the restrictions on transfer in Section 14, mortgages required for any reasonable method of financing of the construction of the improvements are permitted but only for the following: (i) for the purpose of securing loans of funds used or to be used for financing the acquisition of a separate lot(s) or parcel(s), (ii) for the construction of improvements thereon, in payment of interest and other financing costs, and (iii) for any other expenditures necessary and appropriate to develop the Project under this Agreement, or for restructuring or refinancing any for same. No map permitted herein, even if for financing purposes, shall permit financing for other than purposes of developing the Project solely. The Developer (or any entity permitted to acquire title under this Agreement) shall notify the City in advance of any future mortgage or any extensions or modifications thereof. Any lender which has so notified the City shall not be bound by any amendment, implementation, or modification to this Agreement without such lender giving its prior written consent thereto. In any event, the Developer shall promptly notify the City of any mortgage, encumbrance, or lien that has been created or attached thereto prior to completion of construction, whether by voluntary act of the Developer or otherwise.

18.3 Developer's Breach Not Defeat Mortgage Lien. The Developer's breach of any of the covenants or restrictions contained in this Agreement shall not defeat or render void the lien of any mortgage made in good faith and for value but, unless otherwise provided herein, the terms, conditions, covenants, restrictions, easements, and reservations of this Agreement shall be binding and effective against the holder of any such mortgage whose interest is acquired by foreclosure, trustee's sale or otherwise.

18.4 Holder Not Obligated to Construct or Complete Improvements. The holder of any mortgage shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Project or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

18.5 Notice of Default to Mortgagee. Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer hereunder, the City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage who has previously made a written request to the City therefor, or to the representative of such lender as may be identified in such a written request by the lender. No notice of default shall be effective as to the holder unless such notice is given.

18.6 Right to Cure. Each holder (insofar as the rights of City are concerned) shall have the right, at its option, within ninety (90) days after the receipt of the notice, and one hundred twenty (120) days after the Developer's cure rights have expired, whichever is later, to:

A. Obtain possession, if necessary, and to commence and diligently pursue the cure until the same is completed, and

B. Add the cost of said cure to the security interest debt and the lien or obligation on its security interest;

provided that, in the case of a default which cannot with diligence be remedied or cured within such cure periods referenced above in this Section 18.6, such holder shall have additional time as reasonably necessary to remedy or cure such default.

In the event there is more than one such holder, the right to cure or remedy a breach or default of the Developer under this Section shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of the Developer under this Section.

No holder shall undertake or continue the construction or completion of the improvements (beyond the extent necessary to preserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the City by written agreement satisfactory to City with respect to the Project or any portion thereof in which the holder has an interest. The holder must agree to complete, in the manner required by this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the City that it has the qualifications and financial responsibility necessary to perform such obligations.

18.7 City's Rights upon Failure of Holder to Complete Improvements. In any case where one hundred eighty (180) days after default by the Developer in completion of construction of improvements under this Agreement, the holder of any mortgage creating a lien or encumbrance upon the Project or portion thereof has not exercised the option to construct afforded in this Section or, if it has exercised such option and has not proceeded diligently with construction, the City may, after ninety (90) days' notice to such holder and if such holder has not exercised such option to construct within said ninety (90) day period, purchase the mortgage, upon payment to the holder of an amount equal to the sum of the following:

- A. The unpaid mortgage, debt plus any accrued and unpaid interest (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings, if any);
- B. All expenses, incurred by the holder with respect to foreclosure, if any;
- C. The net expenses (exclusive of general overhead), incurred by the holder as a direct result of the ownership or management of the applicable portion of the Project, such as insurance premiums or real estate taxes, if any;
- D. The costs of any improvements made by such holder, if any; and
- E. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence to the date of payment by the City.

If the City has not purchased the mortgage within ninety (90) days of the expiration of the ninety (90) days referred to above, then the right of the City to purchase shall expire.

In the event that the holder does not exercise its option to construct afforded in this Section, and if the City elects not to purchase the mortgage of holder, upon written request by the holder to the City, the City shall use reasonable efforts to assist the holder in selling the holder's interest to a qualified and responsible party or parties (as determined by City), who shall assume the obligations of making or completing the improvements required to be constructed by the Developer, or such other improvements in their stead as shall be satisfactory to the City. The proceeds of such a sale shall be applied first to the holder of those items specified in subparagraphs A through E hereinabove and any balance remaining thereafter shall be applied as follows:

(1) First, to reimburse the City for all costs and expenses actually and reasonably incurred by the City, including, but not limited to, payroll expenses, management expenses, legal expenses, and others;

(2) Second, to reimburse the City for all payments made by City to discharge any other encumbrances or liens on the applicable portion of the Project or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Developer, its successors or transferees;

(3) Third, to reimburse the City for all costs and expenses actually and reasonably incurred by the City, in connection with its efforts assisting the holder in selling the holder's interest in accordance with this Section; and

(4) Fourth, any balance remaining thereafter shall be paid to the Developer.

18.8 Right of City to Cure Mortgage Default. In the event of a default or breach by the Developer (or entity permitted to acquire title under this Section) prior to completion of the Project or the applicable portion thereof, and the holder of any such mortgage has not exercised its option to complete the development, the City may cure the default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer or other entity of all costs and expenses incurred by the City in curing the default, to the extent permitted by law, as if such holder initiated such claim for reimbursement, including legal costs and attorneys' fees, which right of reimbursement shall be secured by a lien upon the applicable portion of the Project to the extent of such costs and disbursements. Any such lien shall be subject to:

A. Any Mortgage; and

B. Any rights or interests provided in this Agreement for the protection of the holders of such Mortgages;

provided that nothing herein shall be deemed to impose upon the City any affirmative obligations (by the payment of money, construction or otherwise) with respect to the Project in the event of its enforcement of its lien.

18.9 Right of the City to Satisfy Other Liens on the Developer's Property After Conveyance of Title. After the conveyance of title and prior to completion of construction and development, and after the Developer has had a reasonable time to challenge, cure, or satisfy any liens or encumbrances on the Project, the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Project or any portion thereof to forfeiture or sale.

19. MISCELLANEOUS.

19.1 Estoppel Certificates. Either Party (or a Mortgagee under Section 18) may at any time deliver written notice to the other Party requesting an Estoppel Certificate stating:

A. The Agreement is in full force and effect and is a binding obligation of the Parties;

B. The Agreement has not been amended or modified either orally or in writing or, if so amended, identifying the amendments; and

C. There are no existing defaults under the Agreement to the actual knowledge of the party signing the Estoppel Certificate.

A Party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting Party within thirty (30) days after receipt of the request. The Planning Director may sign Estoppel Certificates on behalf of the City. An Estoppel Certificate may be relied on by assignees and Mortgagees. The Estoppel Certificate shall be substantially in the same form as Exhibit "C."

19.2 Force Majeure. The time within which the Developer or the City shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days during which performance of such act is delayed due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, natural disasters, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions on priority, initiative or referendum, moratoria, processing with governmental agencies other than the City, unusually severe weather, third party litigation as described in Section 15.3 above, or any other similar causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if written notice by the party claiming such extension is sent to the other Party within thirty (30) days of knowledge of the commencement of the cause. Any act or failure to act on the part of a Party shall not excuse performance by that Party.

19.3 Interpretation.

19.3.1. Construction of Development Agreement. The language of this Agreement shall be construed as a whole and given its fair meaning. The captions of the sections and subsections are for convenience only and shall not influence construction. This Agreement shall be governed by the laws of the State of California. This Agreement shall not be deemed to constitute the surrender or abrogation of the City's governmental powers over the Developer's Property.

19.3.2. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and this Agreement supersedes all previous negotiations, discussions, and agreements between the Parties. No parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement.

19.3.3. Recitals. The recitals in this Agreement constitute part of this Agreement and each Party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Agreement.

19.3.4. Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefitted thereby of the covenants to be performed hereunder by such benefitted Party.

19.4 Severability. If any provision of this Agreement is adjudged invalid, void or unenforceable, that provision shall not affect, impair, or invalidate any other provision, unless such judgment affects a material part of this Agreement in which case the parties shall comply with the procedures set forth in Section 15.3.3 above.

19.5 Joint and Several Obligations. All obligations and liabilities of the Developer hereunder shall be joint and several among the obligees.

19.6 No Third Party Beneficiaries. The only Parties to this Agreement are the Developer and the City and their successor and assigns. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

19.7 Notice.

19.7.1. To Developer. Any notice required or permitted to be given by the City to the the Developer under this Development Agreement shall be in writing and delivered personally to the Developer or mailed, with postage fully prepaid, registered or certified mail, return receipt requested, addressed as follows:

Pardee Homes.
10880 Wilshire Boulevard, Suite 1900
Los Angeles, CA 90024
Attention: Legal department

With a copy to:

Kenneth B. Bley, Esq.
Cox, Castle & Nicholson LLP
2049 Century Park East, 28th Floor
Los Angeles, CA 90067-3284

or such other address as the Developer may designate in writing to the City.

19.7.2. To the City. Any notice required or permitted to be given by the Developer to the City under this Development Agreement shall be in writing and delivered personally to the City Clerk or mailed with postage fully prepaid, registered or certified mail, return receipt requested, addressed as follows:

City of Banning
99 E. Ramsey Street
Banning, CA 92220
Attention: Planning Director

With a copy to:

David J. Aleshire, Esq., City Attorney
Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612

or such other address as the City may designate in writing to the Developer.

Notices provided pursuant to this Section shall be deemed received at the date of delivery as shown on the affidavit of personal service or the Postal Service receipt.

19.8 Relationship of Parties. It is specifically understood and acknowledged by the Parties that the Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property and the owner of such private property.

19.9 Attorney's Fees. If either Party to this Agreement is required to initiate or defend litigation against the other Party, 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 a final judgment.

19.10 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

19.11 Time of Essence. Time is of the essence in:

A. The performance of the provisions of this Agreement as to which time is an element; and

B. The resolution of any dispute which may arise concerning the obligations of the Developer and the City as set forth in this Agreement.

19.12 Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

19.13 Execution.

19.13.1. Counterparts. This Agreement may be executed by the parties in counterparts which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument.

19.13.2. Recording. The City Clerk shall cause a copy of this Agreement to be executed by the City and recorded in the Official Records of Riverside County


no later than ten (10) days after the Effective Date (Gov't Code § 65868.5). The recordation of this Agreement is deemed a ministerial act and the failure of the City to record the Agreement as required by this Section and the Development Agreement Statute does not make this Agreement void or ineffective.

19.13.3. Authority to Execute. 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 sign and deliver this Agreement on behalf of the Party he or she represents, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, (iv) the entering into of this Agreement does not violate any provision of any other Agreement to which the Party is bound and (v) there is no litigation or legal proceeding which would prevent the Parties from entering into this Agreement.

(SIGNATURES ON THE NEXT PAGE.)

IN WITNESS WHEREOF, the City and the Developer have executed this Agreement on the date first above written.

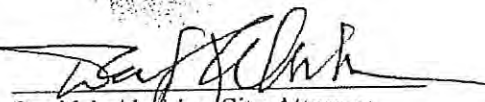
CITY OF BANNING

BY: 
Don Robinson, Mayor

ATTEST:

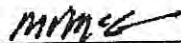

Marie Calderon, City Clerk

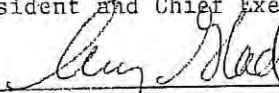
Approved as to form:
ALESHIRE & WYNDER, LLP


David J. Alexhrie, City Attorney

"DEVELOPER"

PARDEE HOMES, a California corporation

BY: 
~~President~~ Michael V. McGee
President and Chief Executive Officer

BY: 
~~Secretary~~ Amy Glad
Senior Vice President-Governmental
Affairs

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

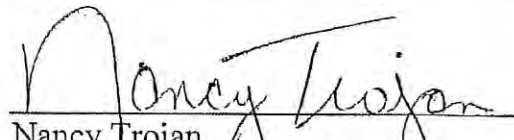
State of California
County of Los Angeles

On April 24, 2012, before me, Nancy Trojan, Notary Public personally appeared Michael V. McGee, President and Chief Executive Officer and Amy Glad, Senior Vice President-Governmental Affairs who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entities upon behalf of which the persons 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


Nancy Trojan
Notary Public in and for said State.

-----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.

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Development Agreement – City of Banning
Signers are Representing: Pardee Homes
Signer(s) other than named above:

CAPACITY CLAIMED BY SIGNER

Name of Signer: Michael V. McGee and Amy Glad
Corporate Officers Title: President and Chief Executive Officer and Senior Vice President-Governmental Affairs

EXHIBIT "A"
MAP AND LEGAL DESCRIPTION OF DEVELOPER'S PROPERTY

LEGAL DESCRIPTION

Those certain parcels of land situated in the City of Banning, County of Riverside, State of California, being Lots 1 through 20 of Tract No. 34330 as shown on a map thereof filed in Book 429, Pages 84 through 103 of Maps in the Office of the County Recorder of said Riverside County.

EXHIBIT "A" **MAP OF DEVELOPER'S PROPERTY**

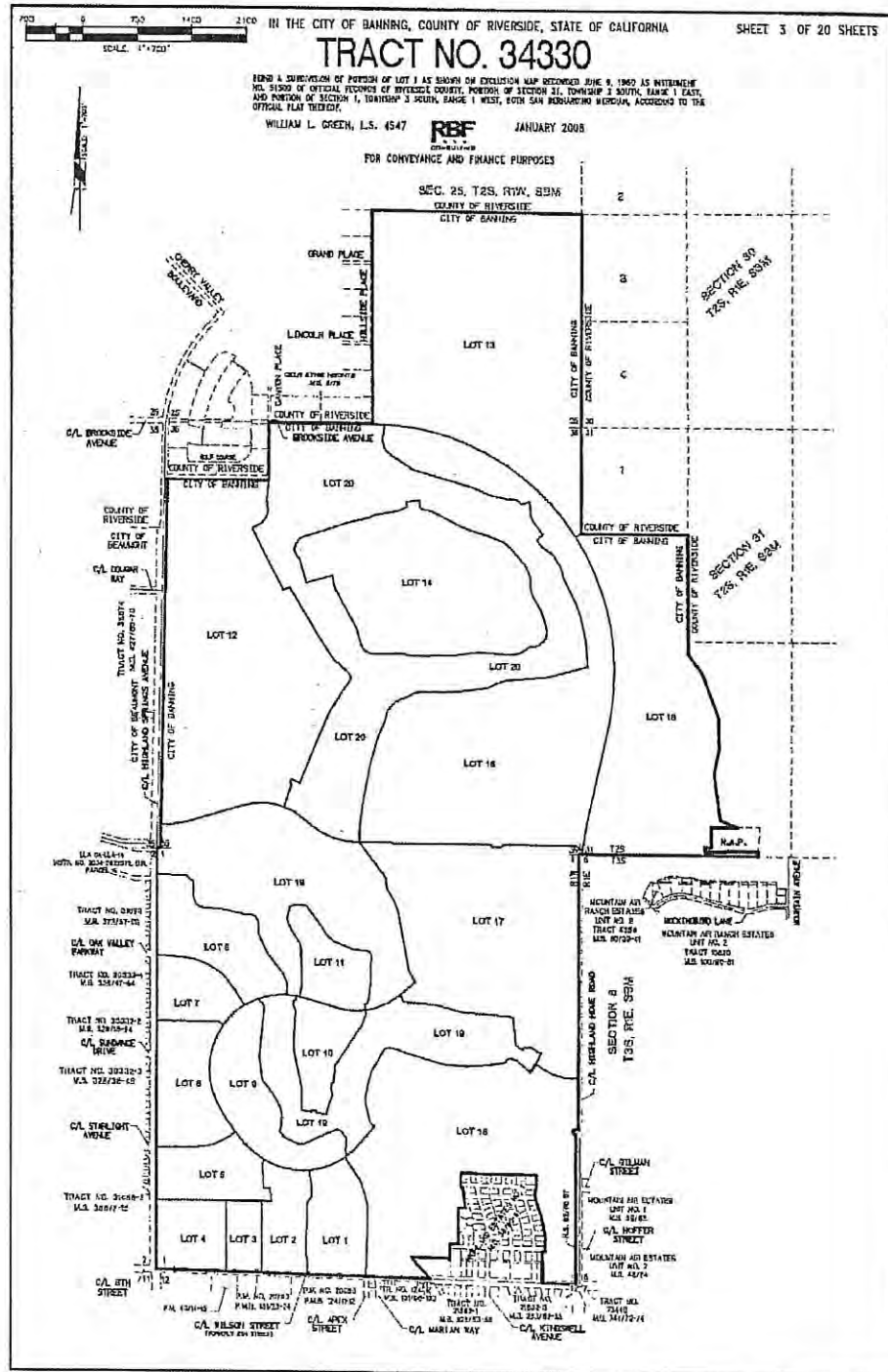
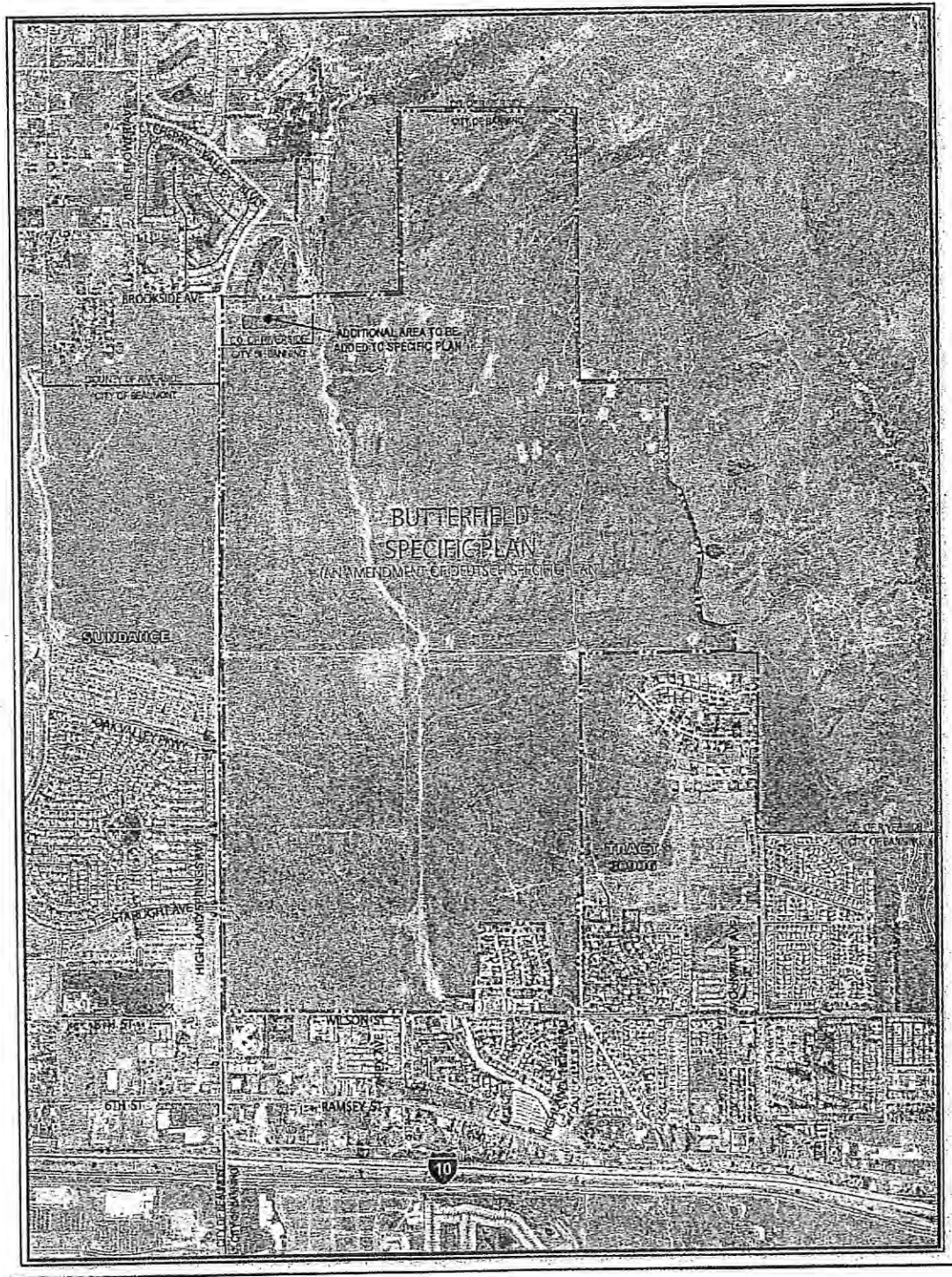


EXHIBIT "A"
PARDEE BANNING PROPERTY



SPECIFIC PLAN MAP

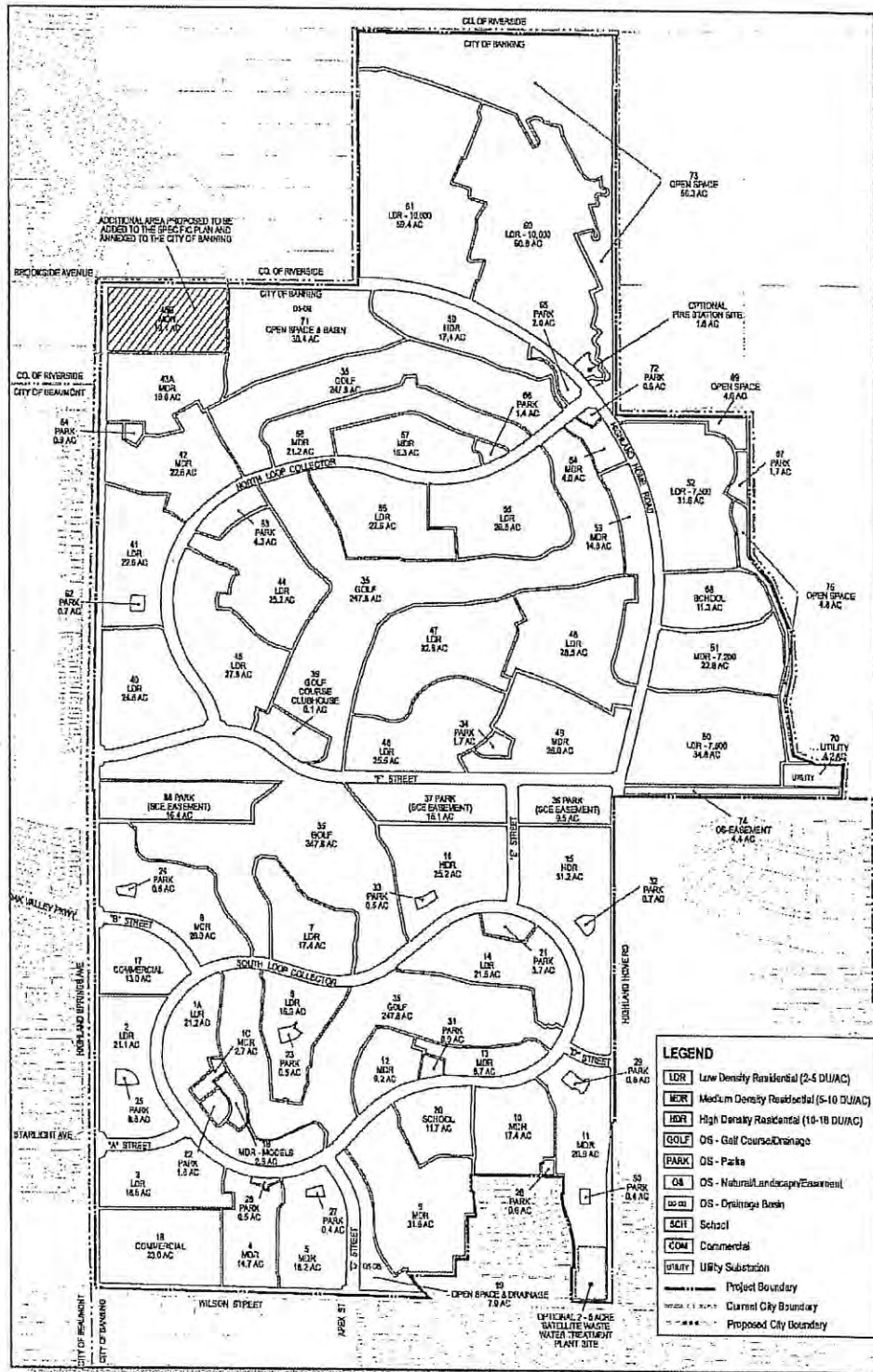


EXHIBIT "B"
EXISTING DEVELOPMENT APPROVALS/FEE STUDIES

A. EXISTING DEVELOPMENT APPROVALS (DA Section 1.35)

1. General Plan Amendment No. 11-2501
2. Zone Change No. 11-3501
3. Butterfield Specific Plan
4. Development Agreement

B. DEVELOPMENT FEE STUDIES IN PROCESS (DA Sections 1.28, 4.7)

Studies being prepared in accordance with Section 7.2.

1. General Facilities Fee*
2. Fire Facilities Fee*
3. Police Facilities Fee*
4. Traffic Control Fee*
5. Park Land Fee
6. Road and Bridge Fee
7. Recycled Water Fee
8. Water Connection*
9. Waste Water Connection* (Collection Fee)
10. Waste Water Frontage Fee
11. Emergency Shelter Fee

* Also included in Exhibit D and are subject to Developer Incentive Credit under Section 6.8.

EXHIBIT "C"
ESTOPPEL CERTIFICATE

Date Requested: _____

Date of Certificate: _____

On _____, 2012, the City of Banning approved the Development Agreement between Pardee Homes, a California corporation and the City of Banning (the "Development Agreement").

This Estoppel Certificate certifies that, as of the Date of Certificate set forth above:

[CHECK WHERE APPLICABLE]

- ____ 1. The Development Agreement remains binding and effective.
- ____ 2. The Development has not been amended.
- ____ 3. The Development Agreement has been amended in the following aspects: _____

- ____ 4. To the best of our knowledge, neither Developer nor any of its successors is in default under the Development Agreement.
- ____ 5. The following defaults exist under the Development Agreement: _____

This Estoppel Certificate may be relied upon by an transferee or mortgagee of any interest in the property which is the subject of the Development Agreement.

CITY OF BANNING

BY: _____
PLANNING DIRECTOR

EXHIBIT "D"
DEVELOPMENT IMPACT FEES

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DESCRIPTION OF FEE	CURRENT FEE	UNIT	RESOLUTION/ ORDINANCE #	EFFECTIVE DATE
Fire Facilities				
Residential				
Single Family Detached	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 579.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 506.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 450.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 405.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 841.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 792.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 748.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 821.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 685.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 640.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 468.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 363.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 259.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 186.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 144.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 32.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 73.00	per bed	Reso. 2006-075	8/8/2006
Police Facilities				
Residential				
Single Family Detached	\$ 823.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 626.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 913.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 500.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 472.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 413.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 358.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 307.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 192.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 164.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 140.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 379.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 184.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 134.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 73.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 40.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 52.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 152.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DESCRIPTION OF DEVELOPMENT	DEVELOPMENT FEE	UNIT	RESOLUTION / ORDINANCE	EFFECTIVE DATE
Lodging	\$ 95.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 47.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 24.00	per bed	Reso. 2006-075	8/8/2006
Traffic Control Facilities				
Residential				
Single Family Detached	\$ 250.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 153.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 172.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 130.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 1,176.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 1,029.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 891.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 764.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 479.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 409.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 349.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 944.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 459.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 333.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 182.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 130.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 379.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 238.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 117.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 62.00	per bed	Reso. 2006-075	8/8/2006
Parkland				
Residential				
Single Family Detached	\$ 1,955.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 1,485.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 2,168.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 1,187.00	per unit	Reso. 2006-075	8/8/2006
Commercial/Industrial	\$ 1,233.00	per acre	Reso. 2006-075	8/8/2006
General City Facilities				
Residential				
Single Family Detached	\$ 478.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 363.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 530.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 290.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 208.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 182.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 162.00	per 1,000 SF	Reso. 2006-075	8/8/2006

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DISCUSSION OF FEE	CURRENT FEE	UNIT	RESOLUTION/ORDINANCE	EFFECTIVE DATE
Corn/Shopping Ctr over 200,001 SF	\$ 146.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 302.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 285.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 269.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 295.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 246.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 230.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 168.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 130.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 93.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 67.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 52.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 12.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 26.00	per bed	Reso. 2006-075	8/8/2006
Water Connection				
Water system connection fee	\$ 7,232.00	per equivalent dwelling unit	Ord. # 1320	12/14/2004
Wastewater Connection				
Wastewater connection fee	\$ 2,786.00	per equivalent dwelling unit	Ord. # 1321	1/13/2005

* Fee shall be revised annually based on the average percentage change over the previous calendar year set forth in the Construction Price Index for the Los Angeles metropolitan area.

EXHIBIT "E"
ADDITIONAL AGREEMENTS CONCERNING DEVELOPMENT

In addition to the other terms and conditions concerning the City's assistance to the Project, the City shall accommodate and expedite the development of the Developer's Property as follows:

1.0 CONSTRUCTION CONDITIONS

1.1 Provision of Utility Connections. The City shall provide, at the Developer's expense, any necessary temporary and permanent utility connections requested by the Developer for power, water service and sewer service prior to recordation of final map.

1.2 Allowance of Transformers. The City shall allow the setting of transformers without requiring adjacent streets to be fully paved. It is anticipated that 6' feet of curb and gutter will be placed adjacent to the transformer to ensure correct elevation of the transformer pad. In the event that the location or elevation change, the Developer shall incur the full costs of relocation of both the curb and transformer.

1.3 Temporary Water Pipes. Temporary above ground pipes for construction water and temporary fire hydrants will be acceptable for model and production homes prior to the first certificate of occupancy in the construction phase being developed.

1.4 Provision of Construction Water. The City shall provide "jumpers" or temporary construction water at the City's normal rate.

1.5 Temporary Use of City Sewer System. The City shall allow the temporary connection of construction trailers to the permanent City sewer system.

1.6 Temporary Use of City Water System. The City shall allow temporary connection of construction trailers to the permanent City water system, provided that all required backflow devices are installed to protect the integrity of the system.

2.0 MAINTAINENCE

2.1 Maintenance of Construction Activities. The Developer shall contract directly for all work required for the maintenance of construction related activities, including but not limited to recycling of construction materials, erosion control, temporary fence installation, and temporary power installation. The selection and retention of the contractor, subcontractor or other person or entity to do such work shall be made by the Developer in its sole and absolute discretion. Trash removal will be coordinated directly with City franchisee. In regards to recycled materials, the Developer will produce for the City, at its request, a manifest to confirm the location, type and amount of materials recycled.

3.0 STREETS

3.1 Timing of Street Paving. The Developer shall be allowed to begin construction of model and production homes without first paving streets. Paved streets shall be required as a condition for the issuance of the certificate of occupancy for the first production home in each construction phase. The Developer shall install all-weather access for construction and emergency personnel, which, during dry months, may, include maintained dirt roads.

3.1 Final Lift of Pavement. The City shall allow the installation of the final 1" of asphalt pavement through coordination with the Developer and the City's Public Works officials. If the final 1" of pavement is installed early in the Development of specific in-tract or on backbone streets, and if no structural failures have occurred within the street system, the City may require a fog coat seal prior to exoneration of any outstanding bonds.

4.0 GRADING/DRAINAGE

4.1 At Risk Grading. After the first plan check comments on either the rough or mass grading plans are received by the Developer, the City shall allow the Developer to begin grading operations for the area that is the subject of the plan check. The Developer acknowledges that any changes that may be required by the City will be made at the sole expense of the Developer.

4.2 Erosion Control. The Developer shall Develop the Developer's Property in such a way as to confine all storm water within the Project and shall, do so in a manner which adequately protects all construction within the Project. The Developer shall prepare an erosion control plan that will demonstrate methods that may be incorporated in the Development of the Project to protect downstream watersheds. The Developer shall manage and determine when erosion control measures need to be installed and maintained, but Developer shall comply with any order of City.

4.3 Drainage. Reverse lot drainage on lots that back up to open space, the Golf Course or parks shall be allowed provided that these areas are privately maintained by the Property Owners Association.

5.0 DEVELOPMENT CONDITIONS

5.1 Lot Line Adjustments. In the event that lot line adjustments are required for model complexes or adjustments to open space lots after the recordation of a final map, the City shall review the requested adjustment over the counter with City Engineering staff and the Developer or the Developer's representative. This will not be allowed for the construction of regular production homes.

5.2 Rear Residential Slopes. The Developer shall stabilize according to the City Grading and Landscape Ordinance the rear slope of all residential Lots prior to issuance of a Certificate of Occupancy but shall not be required to landscape and/or irrigate the slopes. It is the intention that rear yard landscaping will be required and installed within the time specified in the CCC & R's by the homeowner.

5.3 Use of Joint Trenches. The City shall allow the Developer, to utilize joint trenches if it deems it necessary for Internet capabilities and/or telecommunication purposes.

5.4 Curbs. The construction of wedge, rolled curb, or mountable curbs within residential and multifamily zoned Planning Areas shall be permitted at the Developer's sole and absolute discretion.

6.0 GOLF COURSE

6.1 Golf Course/Active Open Space Drainage Facilities. It is the Developer's intention that the flood control facilities proposed within this area will be constructed consistent with all applicable design standards for such facilities with their maintenance being the responsibility of either the POA, the operator of the Golf Course, the Developer or the City and not the responsibility of the Riverside County Flood Control District (the "RCFCD") unless the facility has been identified as a Drainage Master Plan Facility by RCFCD.

6.2 Golf Course Water. The financial viability of the Golf Course will be dependent upon the costs to operate and maintain the Golf Course. The City shall provide water to the Project at a per unit rate not to exceed the cost highest tiered rate for irrigation water for the Golf Course for the Term of this Agreement.

7.0 PERMITTING

7.1 Fire Sprinkler Inspections. The City's Building and Safety Division shall serve as Special Fire Marshall for this project. Building and Safety shall be responsible for enforcing the then applicable provisions of the California Fire Code, and the California Building Standards Codes.

7.2 Bond Exoneration. Upon request by the Developer, the City shall generate a one-time punch list of items required for the full or partial exoneration of all Project-related improvement bonds, for improvements both within and outside of the Property. The City shall, within 5 days of receipt of a written request from the Developer, provide an inspector to determine if the punch list items have been corrected. Once it has been determined that they have been corrected, the City shall expeditiously exonerate the bonds, partially or fully, as applicable. No additional punch lists shall be generated once an improvement has been inspected and a punch list generated.

7.3 Building Permit Refunds. If a Building Permit has expired without construction having started on the structure for which the Building Permit was issued, the Developer shall be entitled to a refund of the building permit fee less 20% for an administrative fee. No refund will be provided if the request for the refund has not been provided to the City within 30 days of the Building Permit's expiration.

8.0 PREVAILING WAGES

The Developer shall pay prevailing wages in connection with the construction of the Project as required by law. To the extent that it is determined that Developer has not paid, or does not pay, prevailing wages required by law for any portion of the Project, Developer shall defend and hold the City harmless from and against any and all increase in construction costs, or other liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of any action or determination that the Developer failed to pay prevailing wages in connection with the construction of the Project.

Developer acknowledges and agrees that should any third party, including but not limited to the Director of the Department of Industrial Relations ("DIR"), require Developer or any of its contractors or subcontractors to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the DIR under Prevailing Wage Law, then Developer shall indemnify, defend, and hold City harmless from any such determinations, or actions (whether legal, equitable, or administrative in nature) or other proceedings, and shall assume all obligations and liabilities for the payment of such wages and for compliance with the provisions of the Prevailing Wage Law. The City makes no representation that any construction or Site uses to be undertaken by Developer are or are not subject to Prevailing Wage Law.

9.0 COST OF DEVELOPMENT AGREEMENT

Developer has previously deposited approximately \$200,000 with the City to pay all the City's outside consulting costs, costs of the environmental and legal review, and costs to process and obtain the Development Approvals, including this Agreement. As of March 1, such costs in aggregate exceed the amount deposited by \$20,000, and additional costs are anticipated by the end of the approval process. Accordingly, before this Development Agreement shall be executed by the City, the Finance Director shall prepare a final written statement of costs incurred by City in the processing and approval of the Project, and Developer shall pay such amount in good money to City.

EXHIBIT "F"
PROPOSED PROJECT FACILITIES

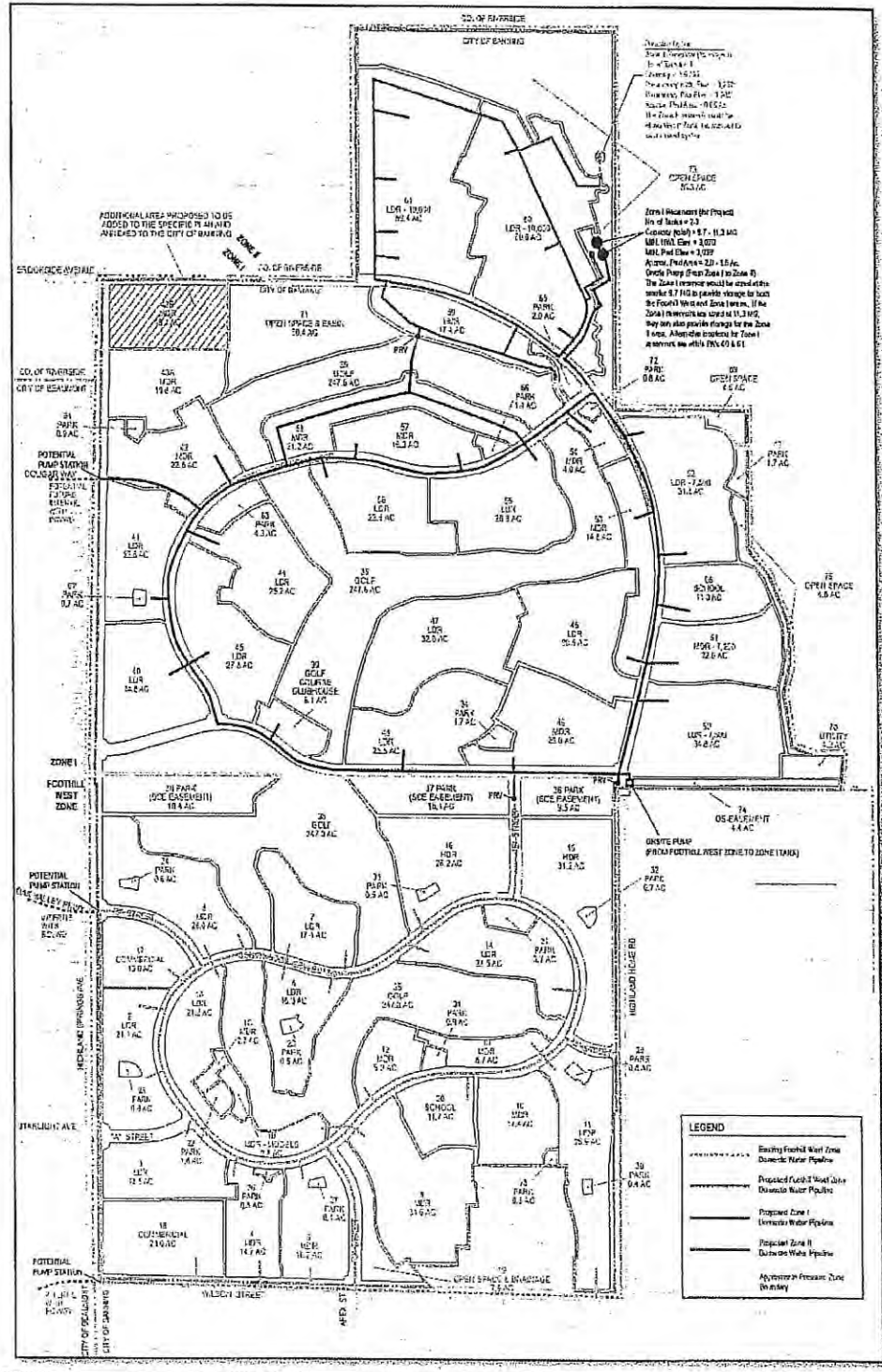


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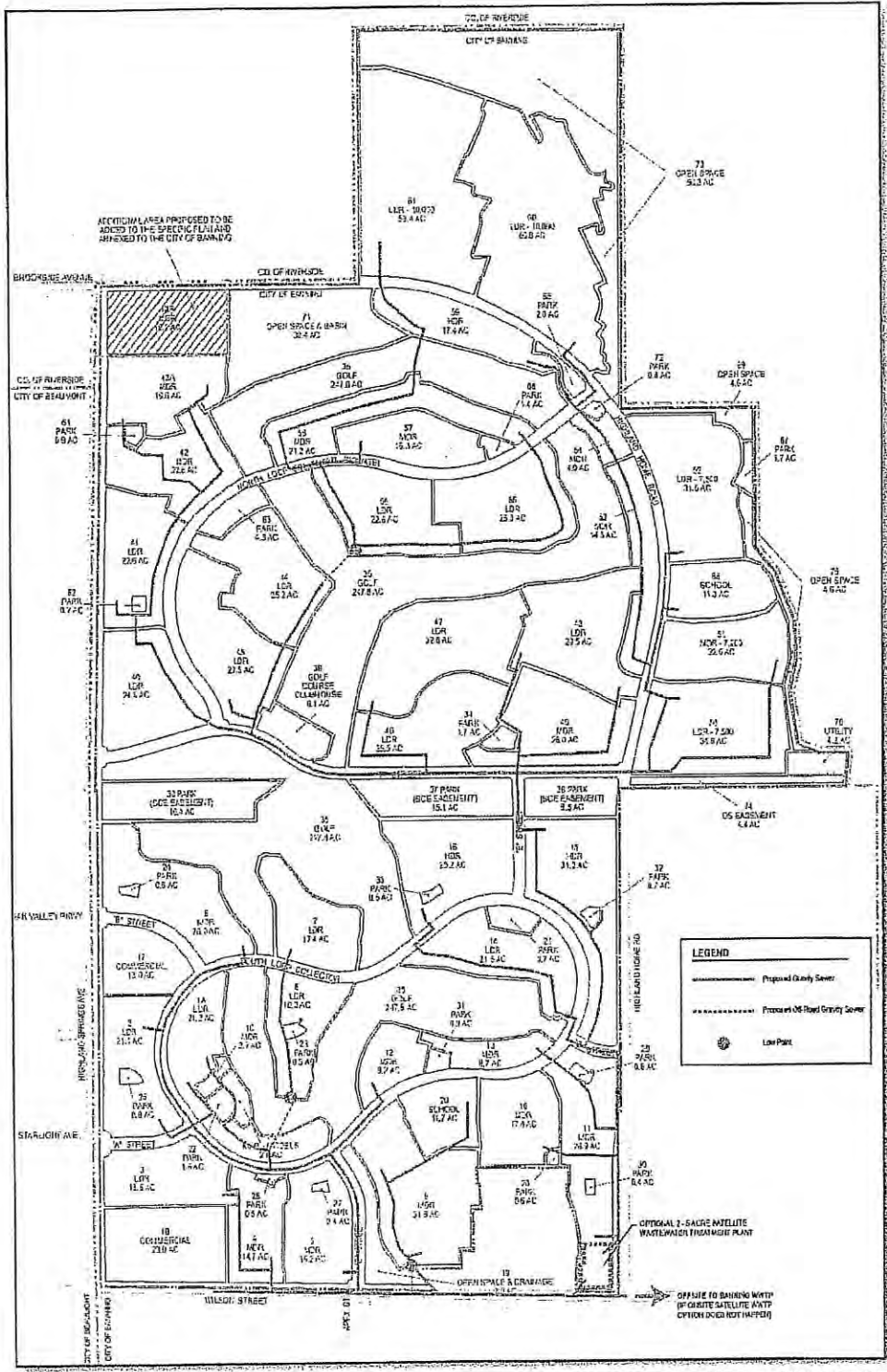


EXHIBIT "F" **PROPOSED PROJECT FACILITIES**

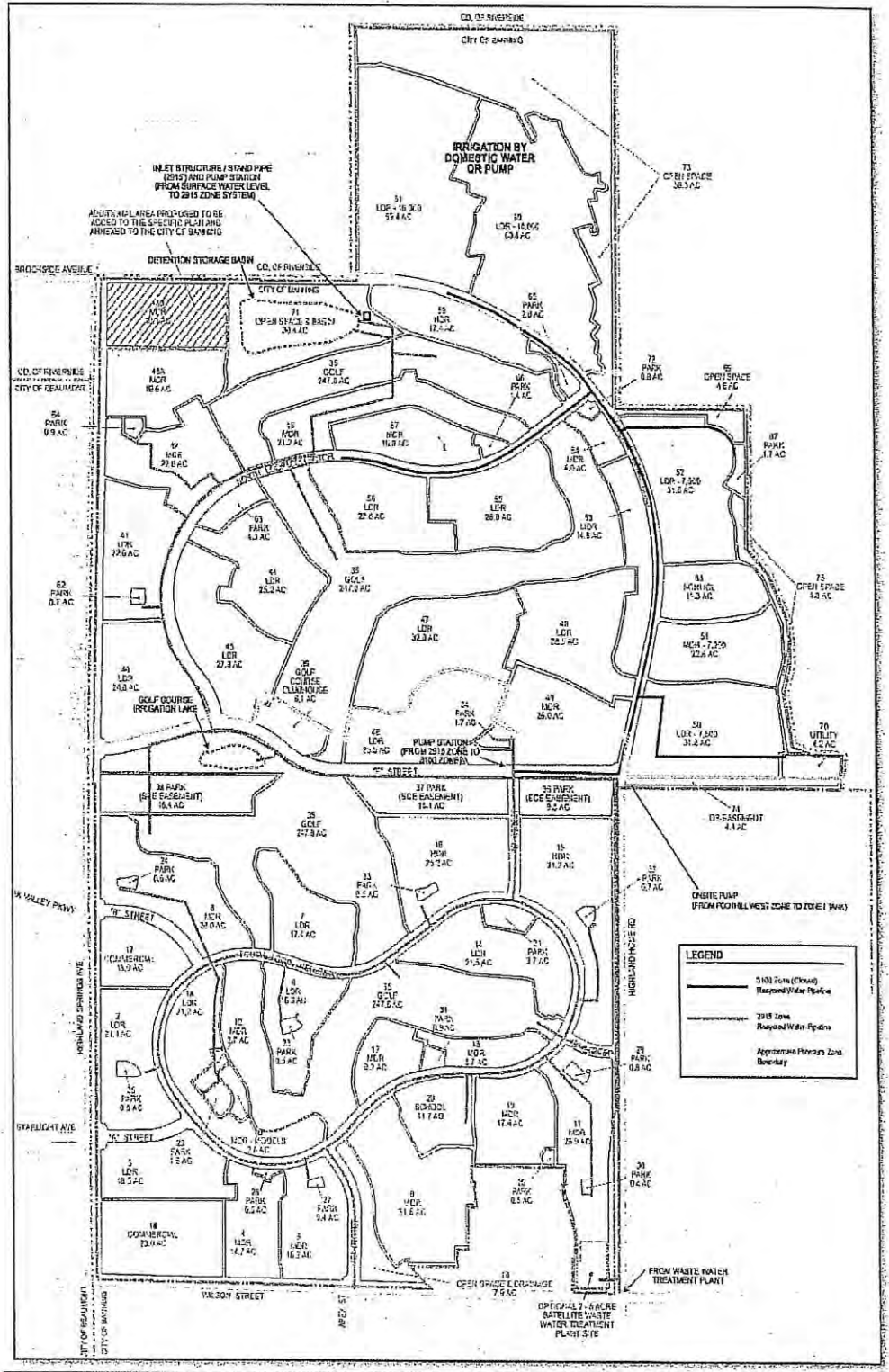


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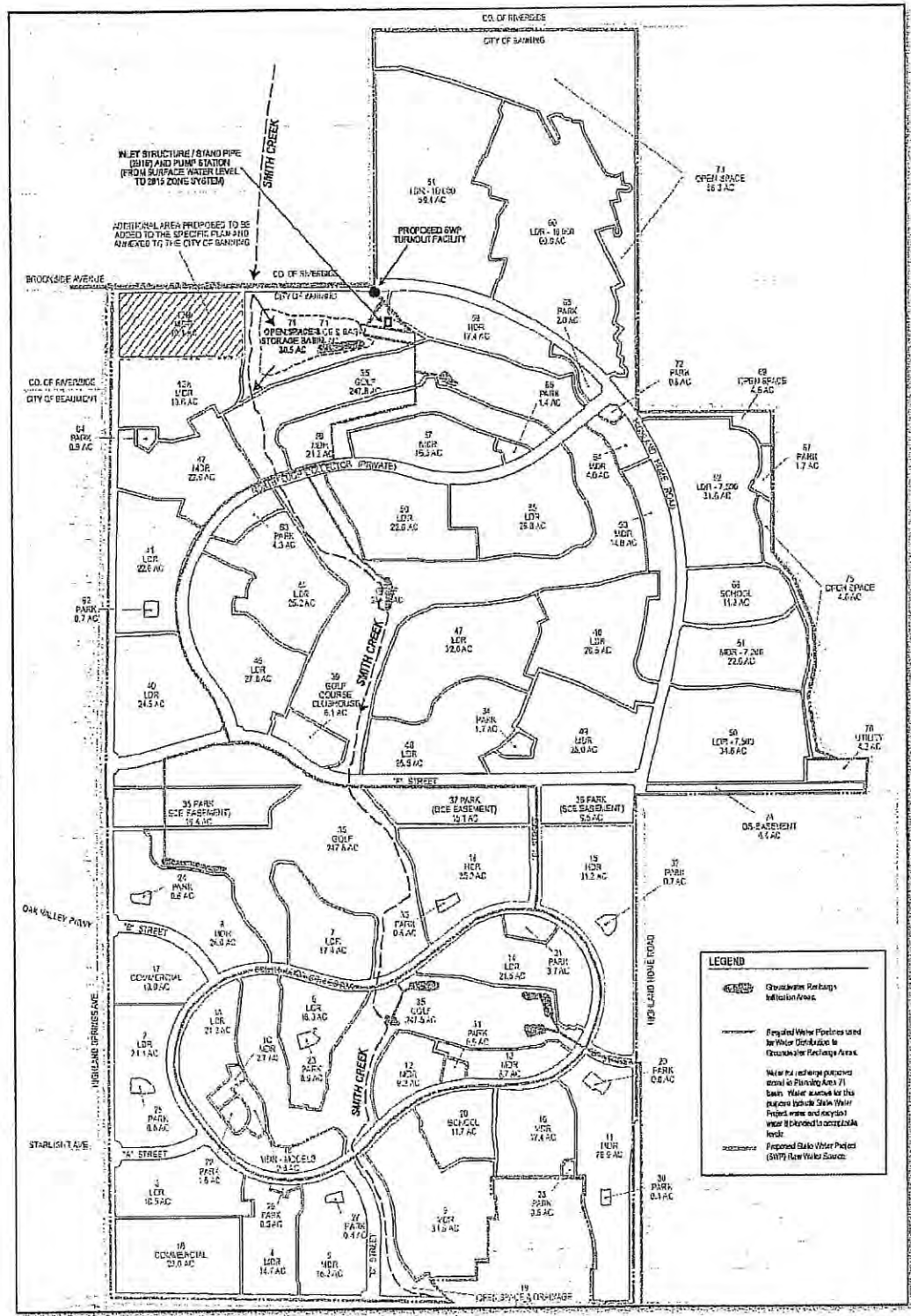


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PROPOSED PROJECT FACILITIES

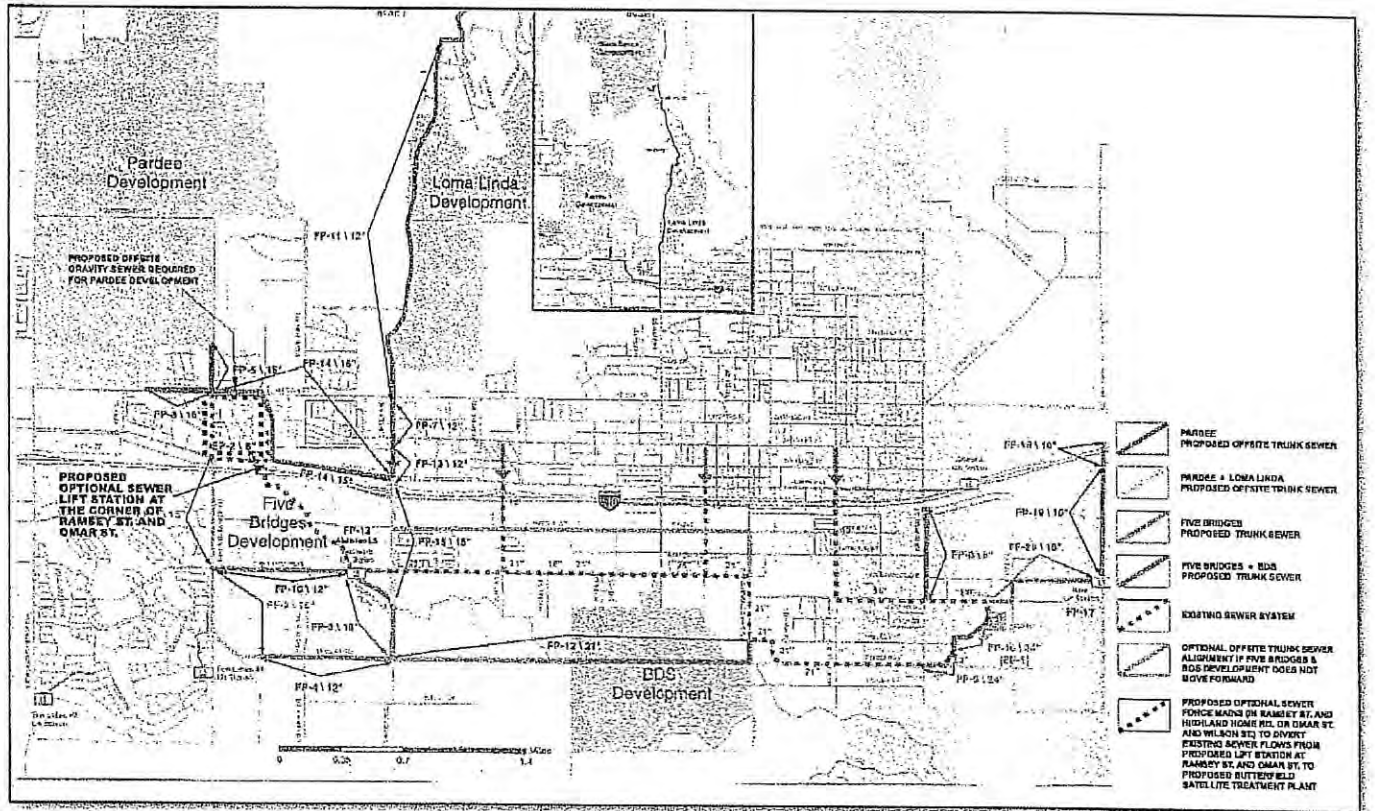


EXHIBIT "G"
HIGHLAND SPRINGS IMPROVEMENTS

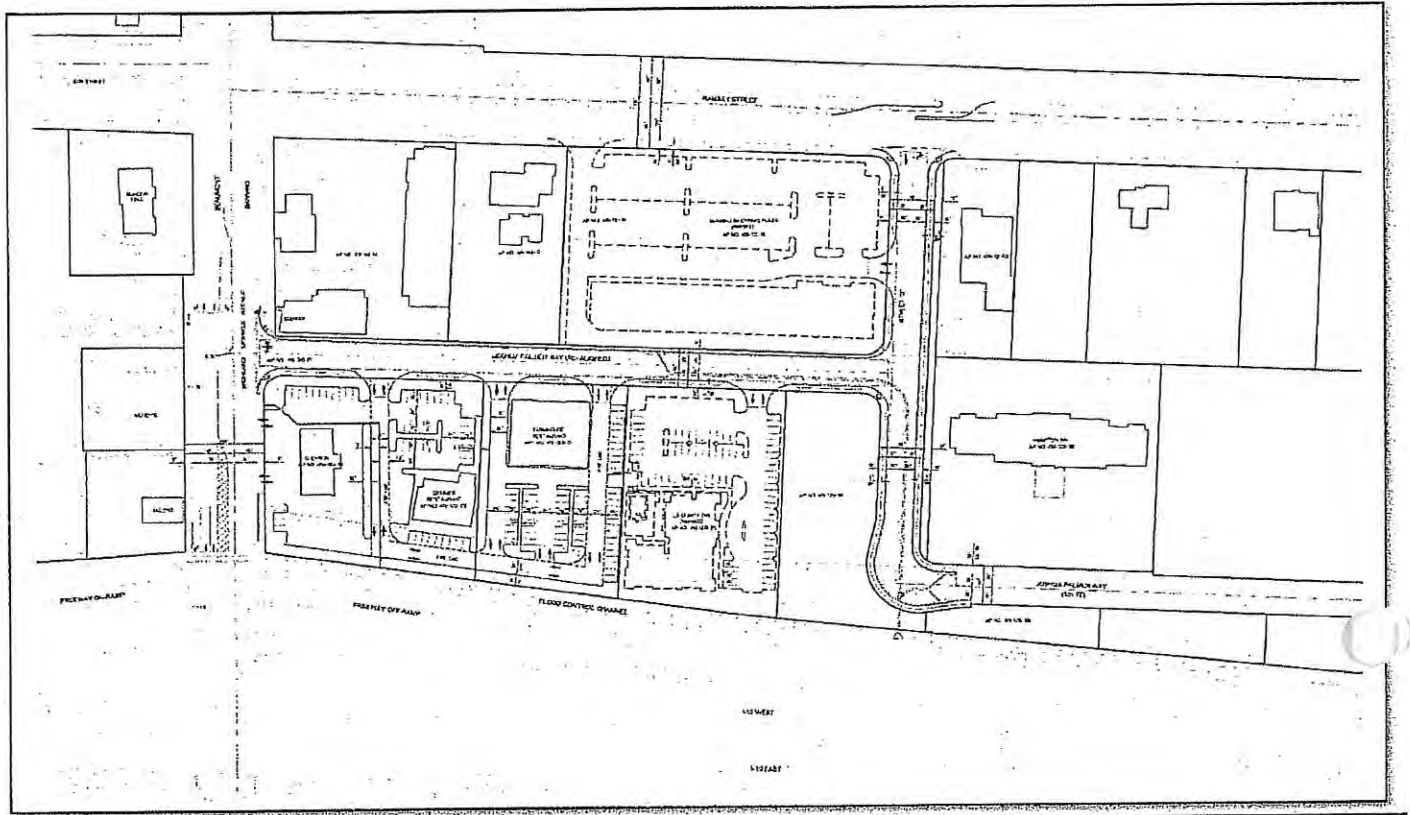


EXHIBIT "H"
BUTTERFIELD PROJECT FINANCING PLAN

This Financing Plan sets forth the basic terms and conditions pursuant to which City and Developer will cooperate to establish one or more CFD(s) and designate Improvement Areas therein pursuant to the CFD Act to finance the Eligible Facilities in connection with the Project and to levy the Services Special Tax. Capitalized terms not otherwise defined in this Financing Plan shall be defined as provided in the Development Agreement.

1. Goals and Policies for Financing. The City will adopt general Goals and Policies for establishing CFDs. The Goals and Policies for Financing shall apply on a City-wide basis and may be amended from time to time. This Financing Plan shall be consistent with the City's Goals and Policies for Financing. The principal objectives of this Financing Plan are to:

- a. Provide City and Developer reasonable certainty that each CFD will be established in accordance with the Goals and Policies and this Financing Plan.
- b. Provide basic parameters for the levy of (i) the Facilities Special Tax (defined below) within each CFD or Improvement Area to pay directly for Eligible Facilities and to secure the issuance of bonds of each CFD or Improvement Area secured by and payable from the Facilities Special Tax in order to finance the Eligible Facilities ("Bonds") and (ii) the Services Special Tax.
- c. Provide basic parameters for the issuance of Bonds by or for the CFD(s) and any Improvement Areas therein.

2. Formation. City shall initiate proceedings to establish a CFD, upon Developer's petition request pursuant to the CFD Act and submittal of City's standard application form and receipt of an advance from Developer in an amount determined by City to pay for City's estimated costs to be incurred in undertaking the proceedings to establish the CFD ("Formation Proceeding Costs"). City agrees that all such advances for Formation Proceeding Costs so long as the costs are reasonable and not due to the actions of developer, incurred in connection with the formation of such CFD shall be eligible for reimbursement out of the first available proceeds of Surplus Special Taxes (defined below) and Bonds of the CFD and/or Facilities Special Taxes to the extent approved by the City's Bond Counsel ("CFD Proceeds"). The exact terms and conditions for the advance of funds by Developer and the reimbursement of such advances shall be memorialized in a separate agreement between City and Developer. City agrees to use its best efforts to complete the proceedings to form each CFD and record the notice of special tax lien for the CFD and each Improvement Area therein within 210 days after City's receipt of Developer's complete application and deposit.

3. Boundaries. The CFD boundary, or the boundaries of all CFDs if more than one is formed, shall encompass the Project. Each CFD may contain multiple Improvement Areas based on phasing of the Project within the CFD.

4. Eligible Public Facilities and Discrete Components. Subject to the City's adopted Goals and Policies for Financing, and review by Bond Counsel, conditions set forth in the following paragraph, City may authorize the CFDs to finance the acquisition or construction of the Eligible Facilities, which may include the following:

- a. public streets and other related improvements within the public right-of-way
- b. water facilities
- c. storm drain facilities
- d. sewer facilities
- e. public parks, open space and landscaping
- f. electrical facilities to be extent reasonable
- g. any public facility to be constructed by City for which Developer is required to make a cash contribution pursuant to the Project's conditions of approval or this Agreement or which is included in any City capital improvement fee program and which public facility is to be owned by the City, subject to credit against the corresponding fee.

The costs of any Eligible Facility to be constructed by Developer that are eligible to be financed with CFD Proceeds ("Actual Costs") shall include the following if permissible under the Act:

- (i) The actual hard costs for the construction or the value of the Proposed Eligible Facility, including labor, materials and equipment costs;
- (ii) The costs of grading related to the Eligible Facility;
- (iii) The costs incurred in designing, engineering and preparing the plans and specifications for the Eligible Facility;
- (iv) The costs of environmental evaluation and mitigation of or relating to the Eligible Facility;
- (v) Fees paid to governmental agencies for, and costs incurred in connection with, obtaining permits, licenses or other governmental approvals for the Eligible Facility;
- (vi) Costs of construction administration and supervision;
- (vii) Professional costs associated with the Eligible Facility, such as engineering, legal, accounting, inspection, construction staking, materials and testing and similar professional services; and
- (viii) Costs of payment, performance and/or maintenance bonds and insurance costs directly related to the construction of the Eligible Facility.

- (ix) Any other costs permitted by law.

The Eligible Facilities constructed by Developer, and for which Developer elects to submit payment requests, shall be bid, contracted for and constructed in accordance with the Acquisition Agreement to be entered into between City and Developer at the time of formation of the first CFD. The Acquisition Agreement shall provide additional detail, consistent with the provisions of the Goals and Policies for Financing and this Development Agreement, with respect to the acquisition and construction of the Eligible Facilities, including a more detailed description of the specific Eligible Facilities that will be eligible to be financed through the CFD and discrete components of each Eligible Facility that may be reimbursed prior to the completion of the entire Eligible Facility. The Acquisition Agreement will also provide additional detail with respect to the financing of the City's construction of Eligible Facilities in satisfaction of corresponding City capital improvement fees, as elected by Developer. The CFD financing of the acquisition of an Eligible Facility constructed by Developer that is included in a City Capital improvement fee program or required by the Project conditions of approval, shall not preclude the Developer's receipt of corresponding fee credits.

5. Financing Parameters. Each CFD shall be authorized to levy Facilities Special Taxes of each Improvement Area and issue Bonds of each CFD or Improvement Area in one or more series to finance the Eligible Facilities in accordance with the basic parameters set forth below:

- a. A precondition to the issuance of Bonds shall be that the value of the real property subject to Facilities Special Taxes required to repay the Bonds shall be at least three times the amount of the Bonds.
- b. Each series of Bonds shall have a term of at least thirty (30) years and include escalating annual debt service commensurate with any annual escalation in the Facilities Special Taxes.
- c. The total effective tax rate within each Improvement Area applicable to any residential parcel on which a residential dwelling has or is to be constructed, taking into account all ad valorem property taxes, voter-approved ad valorem property taxes in excess of one percent (1%) of assessed value, the annual special taxes of existing community facilities districts and community facilities districts under consideration and reasonably expected to be established (but excluding the Services Special Tax), the annual assessments (including any administrative surcharge) of existing assessment districts and assessment districts under consideration and reasonably expected to be established (but excluding assessments for maintenance and services), and the Facilities Special Taxes, shall equal two percent (2.00%) of the projected initial sales price of the residential dwelling unit and such parcel, as estimated at the time of formation of the applicable CFD, or such lesser amount requested by Developer. The Facilities Special Taxes may escalate by up to 2% per year.

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Rochelle Clayton, Interim City Manager

MEETING DATE: June 12, 2018

SUBJECT: City Policy Development on the Negotiation and Execution of Agreements with other Agencies

RECOMMENDED ACTION:

Discuss and provide input to staff on the development of a City Policy regarding negotiation and execution of agreements with other agencies.

JUSTIFICATION:

The Riverside County Grand Jury issued a report to the Banning City Council on April 30, 2018. One recommendation was that 'The City immediately discontinue and prohibit the use of undocumented and informal "handshake" agreements. The City adopt strict policies for formalizing agreements and/or contracts with private parties. Stricter policies would preclude the appearance of the gifting or misuse of public funds.'

Staff is developing policy not only for entering into agreements with private parties, but for all agencies. The report calls for a response from the City within ninety (90) days.

BACKGROUND:

In the past, the City has entered into agreements with both governmental and private parties that did not establish a term, did not establish clear expectations or requirements by one or both parties, or established an agreement for an excessive term.

This policy is to establish requirements as well as guidelines for negotiating and establishing any type of agreement with a private or public entity. Items that will be addressed in the policy will include:

- A maximum term, with possible extensions and the parameters of such
- Early termination parameters
- Fiscal responsibility – obligations and liabilities applicable to the negotiation and execution of contracts
- Insurance responsibility
- Policy Statement
- Exclusions
- Procedures
- Agreement format/template
- Guidelines based on entity type
- Review
- Approval authority
- Agreement/Contract monitoring and/or auditing
- Record Keeping

Staff is developing the policy and will incorporate any input provided by Council and return at a future meeting with a draft policy.

FISCAL IMPACT:

None.

ATTACHMENTS:

None.

Approved by:

A handwritten signature in blue ink, appearing to read 'Rochelle Clayton', is written over a horizontal line.

Rochelle Clayton, Interim City Manager



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Patty Nevins, Community Development Director

MEETING DATE: June 12, 2018

SUBJECT: Potential Ballot Measure to be Placed on the November 2018 Ballot by the City Council to Allow Retail Cannabis Businesses to Operate in the City Subject to a City Gross Receipts Tax and Various Zoning and Other Regulations

RECOMMENDED ACTION:

Staff recommends that the City Council:

1. Discuss the possible placement of a second City Council proposed ballot measure on the November 2018 ballot to allow and tax retail cannabis businesses in the City subject to a cannabis conditional use permit, and other regulations. This would be in addition to the already planned City Council ballot measure to allow and tax commercial cannabis cultivation, manufacturing and laboratory testing uses.
2. If the City Council determines that it would like to propose a ballot measure to allow and tax retail cannabis businesses, then provide direction to staff regarding zoning, separation requirements, tax rate, and other issues.
3. If the City Council does want to allow and tax retail cannabis businesses in the City, then direct staff to prepare a proposed retail cannabis tax measure to be placed on the November 2018 ballot for consideration at the June 26, 2018 City Council meeting.
4. If the City Council does not want to place a second ballot measure on the November 2018 ballot to allow and tax retail cannabis businesses, then take no action.

BACKGROUND:

On April 19, 2018, Mr. Nick Fraser submitted a notice of intent to circulate petition for placement of a cannabis measure on the ballot. On May 21, 2018, Mr. Fraser submitted an affidavit of publication of his notice of intent that commenced the 180-day period to circulate petitions to qualify his measure for the ballot. On May 23, 2018, Mr. Fraser submitted a corrected page of his proposed initiative petition. Mr. Fraser's proposed cannabis initiative measure would allow up to three types of commercial cannabis businesses to operate in the City. Two of those types would be commercial cultivation and retail sales of adult use cannabis, and the third type is unspecified. The cannabis initiative does not include a tax on these businesses but would impose a flat \$5,000.00 fee per business per year. A copy of the City Attorney's Ballot Title and Summary of the proposed cannabis initiative is attached along with a copy of Mr. Fraser's proposed measure.

At this time, it is unclear whether Mr. Fraser is collecting or will be able to collect sufficient signatures to qualify for placement of the cannabis initiative on the November 2018 ballot. It is believed that he would need to collect approximately 1,271 valid signatures from registered voters in Banning on his petitions to meet the required 10% threshold of registered Banning voters that would qualify his measure for the ballot. He also needs to turn in those petitions within a limited time so as to permit time for the signature verification process (up to 30 days) and to allow the City Council to ask for and obtain a City staff prepared fiscal impact report of his proposed measure (which can also take up to 30 days). All of these steps would need to occur before August 10, 2018 (the deadline to place a measure on the November 2018 ballot.) If he fails to meet this timing deadline, but he does gather sufficient signatures within a 180 time period, his measure could qualify for a subsequent election ballot.

In response to the proposed cannabis initiative, on June 5, 2018, the Cannabis Ad Hoc Committee met to discuss whether the City Council should consider allowing cannabis retail businesses to operate in the City if they are limited to certain areas of the City, properly regulated, and taxed to raise revenue for the City.

COMMITTEE RECOMMENDATION:

The Cannabis Ad Hoc Committee recommended that the City Council should consider allowing cannabis retail businesses to operate in the City, based on the concept that if retail cannabis businesses are likely to operate in the City, it would be better to have lawful businesses operating that pay a tax rather than illegal operators that don't pay a tax and attempt to evade law enforcement controls. With this in mind, the Cannabis Ad Hoc Committee recommended that if the City Council wants to consider allowing retail cannabis uses in the City, these businesses should be subject to the following requirements and restrictions:

A. Zoning Limitation. The Cannabis Ad Hoc Committee recommended that cannabis retail businesses be prohibited in all zones in the City except for the Highway

Serving Commercial zone along Ramsey Street, generally between the N. 8th Street and N. Sunset Avenue, where they would be conditionally permitted subject to the issuance of a regulatory permit, a Cannabis Conditional Use Permit approved by the City Council, and a State license to operate in the City. A map is attached that shows the Highway Serving Commercial zone.

B. Separation Standards. Additionally, the Cannabis Ad Hoc Committee discussed imposing separation requirements from sensitive uses such as parks and residences, as well as separation from other cannabis retail businesses. The Cannabis Ad Hoc Committee discussed that the separation requirements for cannabis retail businesses could be similar to the separation requirements for businesses that hold an Alcohol Beverage Control (“ABC”) license. Pursuant to Banning Municipal Code section 17.12.050(B)(2), establishments holding an ABC license shall not be located within 500 feet of any religious institution, school, or public park within the City.

State law provides that a cannabis business shall not be located within a 600-foot radius of a school providing instruction in kindergarten, or grades 1 through 12, a day care center, or a youth center that is in existence at the time the State cannabis license is issued, unless a local jurisdiction specifies a different radius. Should the City Council wish to allow cannabis retail businesses to operate in the City, it could consider imposing the following separation requirements:

- 600 feet from a school, day care center or youth center (consistent with state law)
- 500 feet from a public park or religious institution (consistent with CUP restrictions on alcohol uses)
- 200 feet from a residence (intended to avoid secondary impacts to residences and residential neighborhoods)

C. Tax Rate. The Cannabis Ad Hoc Committee recommended that the City Council should place a cannabis tax measure on the ballot that allows for the taxation of cannabis retail businesses. The Cannabis Ad Hoc Committee recommended that the tax rate should initially be set at 10% of the gross receipts of the cannabis retail business, but allow the City Council to modify the tax rate between a range of 6% and 15% of gross receipts. Another approach that could be considered is to initially set the tax at 10% of gross receipts, and allow the City Council discretion to lower, increase, or suspend the tax, so long as the tax does not exceed 15% of gross receipts.

D. Separate Ballot Measure from Other City Cannabis Measure. The Cannabis Ad Hoc Committee discussed whether the new proposed retail cannabis tax measure should be included in the same ballot measure as the City Council’s other measure to allow and tax commercial cannabis cultivation, manufacturing and testing laboratory uses. The Cannabis Ad Hoc Committee recommended that the two issues (whether the voters want to allow commercial cannabis cultivation, manufacturing and testing laboratories and whether they want to allow retail cannabis businesses) be separate so that if some voters desire one group of commercial cannabis uses but not the other, they have a choice to vote for one group of uses but not the other. For

example, if some voters want to allow commercial cultivation, manufacturing and testing laboratories in warehouses in the Industrial Zone but are not in favor of retail cannabis businesses in portions of the Highway Serving Commercial zone, they can vote for the first measure but not the second. Similarly, if some voters want only retail cannabis operations in the Highway Service Commercial Zone and do not want commercial cultivation, manufacturing and laboratory testing in Industrial Zone, they can vote for the second measure but not the first. This would permit the popularity (or lack thereof) for one group of commercial cannabis uses to not affect the likelihood of passage of the other measure. This approach will also provide the voters with more options as to what types of cannabis businesses they want or don't want to allow in the City.

OTHER ISSUES

As a general rule, if two competing ballot measures appear on the same ballot, and both measures are approved by the voters, the one that garners the most votes will control over the other if the two measures conflict. The City's Council's two proposed ballot measures would be designed to be complementary and not conflict with each other such that if both pass, the provisions of each would go into effect. In contrast, if both the citizen's ballot measure and the City Council's ballot measure to allow retail cannabis businesses both appear on the November 2018 ballot and both pass, they are likely to conflict and, with respect to conflicting provisions, the one with the most votes will control over the other.

NEXT STEPS:

Should the City Council provide direction that it would like to consider an ordinance to allow the operation of cannabis retail businesses in the City, subject to a tax, then at the June 26, 2018 City Council meeting, staff would provide a draft resolution calling the election and placing the cannabis retail tax on the November 6, 2018 ballot. This ballot measure would be considered at the same time that the ballot measure to tax cannabis cultivation, manufacturing, and testing laboratory facilities is considered by the voters.

City staff would work with the City Attorney's office to also draft separate zoning and regulatory ordinances for retail cannabis businesses that would be considered by the Planning Commission and City Council, and that would only go into effect if the voters approve the tax on retail cannabis businesses in the City. Those implementing zoning and regulatory ordinances will be prepared and processed later this summer through the Planning Commission (for the zoning regulations) and then up to the City Council for consideration and adoption by the City Council. Similar to how the other group of implementing ordinances for commercial cultivation, manufacturing and testing laboratories are structured, the zoning and regulatory ordinances to provide for retail cannabis uses would only take effect if the voters approve the tax measure on retail sales that would appear on the November 2018 ballot.

ATTACHMENTS:

1. Ballot Title and Summary of Cannabis Initiative and Copy of proposed Initiative as proposed by Mr. Fraser
2. Map of Highway Serving Commercial zone

Approved by:



Rochelle Clayton
City Manager

ATTACHMENT 1

Affidavit of Publication and Ballot Title and
Summary of Cannabis Initiative

Record Gazette
218 N. Murray St.
Proof of Publication
(2015.5 C.C.P.)

155088 PROPOSED MEASURE

State of California)
County of Riverside) ss.

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer and publisher of Record Gazette, a newspaper published in the English language in the City of Banning, County of Riverside, and adjudicated a newspaper of general circulation as defined by the laws of the state of California by the Superior Court of the County of Riverside, under the date October 14, 1966, Case No. 54737. That the notice, of which the annexed is a copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

May 18, 2018

Executed on: 05/18/2018

At Banning, CA

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



Initiative Measure to be Submitted Directly to the Voters

The Banning City Attorney has prepared the following ballot title and summary of the chief purposes and points of the proposed Initiative measure:

Ballot Title

AN INITIATIVE MEASURE TO LEGALIZE AND REGULATE THE COMMERCIAL CULTIVATION AND RETAIL SALE OF ADULT-USE CANNABIS IN THE CITY OF BANNING, AND TO AUTHORIZE ONE OTHER TYPE OF COMMERCIAL CANNABIS ACTIVITY TO OCCUR IN THE CITY, AND TO ESTABLISH A \$5,000 ANNUAL CITY BUSINESS LICENSE AND INSPECTION FEE ON EACH OF THESE BUSINESSES.

Summary of

Proposed Measure

Medicinal and adult-use commercial cannabis activities, including medicinal cannabis dispensaries, adult-use retail businesses and commercial cultivation of cannabis are currently illegal in the City of Banning. Limited cultivation for personal use in residential and accessory structures is currently allowed in the City subject to state law and City permit requirements.

Proposition 64 was enacted by the voters of California in 2016 and permits cities to regulate or prohibit "Commercial Cannabis Activities." If a City ordinance or regulation allows these uses, they become legal uses in the City once the businesses obtain operating permits from the State.

This Initiative measure would authorize up to three types of commercial cannabis businesses to operate in the City. Two of those types would be commercial cultivation and retail sales of adult use cannabis. The third type is not specified in the measure but could include processing and manufacturing of cannabis products, testing, transporting, delivery, and distributing cannabis and cannabis products for medicinal and adult use. The initiative calls all of these uses "Commercial Cannabis Activities."

This measure does not impose a limit on the number of cannabis businesses that could operate in the City. However, the measure states that no Commercial Cannabis Activity could be located within 600 feet of a school, 200 feet of a park or 100 feet of a residence. The measure provides that commercial cannabis permit holders would not be permitted to participate in Commercial Cannabis Activity in more than two locations within the City and only in areas of the City zoned for commercial uses. The measure states that it prohibits deliveries of medicinal cannabis outside the City, but allows the delivery of medicinal marijuana to a qualified patient within City limits by a licensed marijuana dispensary.

Each commercial cannabis business would be required to apply for and obtain a Commercial Cannabis Activity Permit. An application fee could be charged by the City. The measure would establish application requirements, including criteria for approval and denial, and enforcement provisions that could be undertaken by the City. The measure would not impose a municipal tax on commercial cannabis activities. The measure would impose a flat annual City licensing and inspection fee of \$5,000 on each Cannabis Commercial Activity Permit holder. The measure would supersede any conflicting provisions contained in the Banning Municipal Code.

Published in
The Record Gazette
No. 155088
05/18/2018

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Summary of Proposed Measure

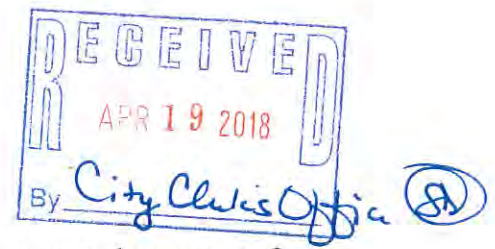
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Each commercial cannabis business would be required to apply for and obtain a Commercial Cannabis Activity Permit. An application fee could be charged by the City. The measure would establish application requirements, including criteria for approval and denial, and enforcement provisions that could be undertaken by the City. The measure would not impose a municipal tax on commercial cannabis activities. The measure would impose a flat annual City licensing and inspection fee of \$5,000 on each Cannabis Commercial Activity Permit holder. The measure would supersede any conflicting provisions contained in the Banning Municipal Code.



Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Banning for the purpose of repealing Chapter 5.34 of the Banning Municipal Code and replacing it with an amended Chapter 5.34.

A statement of the reasons of the proposed action as contemplated in the petition is as follows:

Chapter 5.34 of the Banning Municipal Code allows cultivation of cannabis. The purpose of this initiative is to allow BOTH cultivation of cannabis and adult retail sales of cannabis, consistent with State Law.

The full language of the initiative is attached to this Notice of Intent.

Dated: April 19, 2018

Nick Fraser

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING,

I. AMENDING BANNING MUNICIPAL CODE CHAPTER 5.34

Chapter 5.34 of the Banning Municipal Code is hereby repealed, and Title 5 of the Banning Municipal Code is hereby amended to read as follows:

A. It is the purpose of this chapter to amend and reenact Chapter 5.34 of the Banning Municipal Code to add the italicized words, and delete the words appearing in strikeout font.

This amendment shall be deemed a repeal of Chapter 5.34 of the Banning Municipal Code, without the re=enactment of substantially similar provisions.

No prosecutions for alleged violation of the Banning Municipal Code, Chapter 5.34 §5.34.090 shall be continued after the effective date of this ordinance, and all cases prosecuting any person and entity for alleged violation of any provision of Chapter 5.34 of the Banning Municipal Code shall be dismissed upon the effective date of this ordinance.

B. BMC §5.34.010 to BMC §5.34.090 are hereby repealed and

C. BMC Chapter 5.34 is hereby repealed, and re-enacted to read:

Chapter 5.34 - MARIJUANA CULTIVATION *AND COMMERCIAL CANNABIS ACTIVITY*

5.34.010 - Purpose.

A. The purpose of this chapter is to prevent community-wide adverse impacts including, but not limited to, increased criminal activity, fire and chemical hazards, objectionable odors, late night traffic, and the general deterioration of neighborhoods associated with marijuana cultivation. B. Marijuana cultivation in the city can adversely affect the health, safety and well-being of city residents. Therefore, reasonable regulation of marijuana cultivation is proper and necessary to avoid the concentration of substantial amounts of marijuana in one place and to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells, and indoor electrical fire hazards that may result from unregulated marijuana cultivation.

B. The purpose of this chapter is to regulate commercial cannabis activity in the commercial zones of the city, to prevent community-wide adverse impacts including, but not limited to, increased criminal activity, fire and chemical hazards, objectionable odors, late night traffic, and the general deterioration of neighborhoods associated with unregulated commercial cannabis activity.

5.34.020 - Definitions.

For the purpose of carrying out the intent of this chapter, words, terms and phrases shall be deemed to have the meaning ascribed to them in the following sections. When not inconsistent with the context, words used in the present tense include the future, words in the singular number include the plural number, and words used in the plural number include the singular number. Words used in the masculine gender include the feminine gender, and words

used in the feminine gender include the masculine gender. The word "shall" is always mandatory and not merely directive.

For the purposes of this chapter, the following definition shall apply:

"Childcare center" shall mean any licensed childcare center, daycare center, childcare home, or any preschool.

"Church" shall mean any structure or leased portion of a structure, which is used primarily for religious worship and related religious activities.

"Commercial cannabis activity" shall mean the possession, processing, transporting, obtaining, purchasing or giving away, storing, cultivation, or manufacture of marijuana for compensation or sale. "Commercial cannabis activity" shall also mean the laboratory testing, distribution, delivery, dispensing, mobile dispensing, or mobile delivery of marijuana.

"Community center" shall mean any facility open to the public at which classes, social activities, recreational activities, educational activities, support and public information are offered for all residents of the community.

"Detached accessory structure" shall mean a building completely detached from a residence that complies with the California Building Code and has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more locale doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two-inch by four-inch or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Exterior walls must be constructed with nontransparent material. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement.

"Enforcement officer" shall mean the chief of police, building official, code enforcement official, environmental health department director, public health officer, agricultural commissioner, fire chief, clerk of the board of supervisors, or their designees.

"Indoors" shall mean within a fully enclosed and secure building.

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

"Marijuana cultivation" or "marijuana cultivation activities" shall mean the planting, growing,

harvesting, drying, processing, or storage of one or more marijuana plants or any part thereof.

"Marijuana cultivation permit" shall mean a permit issued by the city to a person over the age of twenty-one for the purposes of engaging in marijuana cultivation activities pursuant to this chapter.

"Marijuana cultivation permit holder" shall mean the applicant named on the application for a ~~massage~~ marijuana cultivation permit.

"Commercial Cannabis permit" shall mean a permit issued by the city to a person over the age of twenty-one for the purposes of permitting and regulating commercial cannabis activity by said permittee.

"Commercial Cannabis permit holder" shall mean the applicant named on the application for a commercial cannabis activity permit.

"Marijuana plant" shall mean any mature or immature marijuana plant, or any marijuana seedling.

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

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

"Primary caregiver" shall have the same meaning as set forth in Health and Safety Code sections 11362.5 and 11362.7, et seq.

"Qualified patient" shall have the same meaning as set forth in Health and Safety Code sections 11326.5 and 11362.7, et seq.

"Rear yard" shall mean the rear open space portion of any premises, whether fenced or unfenced.

"Residential unit" means any building or portion thereof legally existing which contains living facilities, including provisions for sleeping, eating, cooking, and sanitation on a premises or legal parcel located within a residential or agricultural-residential zoning district.

"Responsible party" shall mean: (1) each person committing the violation or causing a condition on a premises located within the jurisdiction of the city which violates this chapter; (2) each person who has an ownership interest in that premises; or (3) each person who, although not an owner, nevertheless occupies or has a legal right or a legal obligation to exercise possession or control over that premises. In the event a person who commits the violation or causes the

violation is a minor, then the minor's parents or legal guardian shall be deemed the responsible party.

"School" shall mean any institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education; excluding home school, vocational or professional institution of higher education, including a community college, junior college, college or university.

(Ord. No. 1506, § 1, 3-14-17)

5.34.030 - Site location, operation, and development standards.

Non-commercial cultivation of small amounts of marijuana for personal use is only permitted in the Ranch Agriculture (R/A), Ranch Agriculture -Hillside (R/A/H), Rural Residential (RR), Rural Residential - Hillside (RR/H), Very Low Density Residential (VLDR), Low Density Residential (LDR), Medium Density Residential (MDR) and High Density Residential (HDR) zones when all of the following conditions and standards are met:

A. Generally.

1. Marijuana cultivation is permitted only on parcels with residential units where the marijuana cultivation permit holder resides full-time. Marijuana cultivation permit holders shall not participate in marijuana cultivation in more than one location within the city. Marijuana cultivation activities may only occur within a residential unit, garage or self-contained accessory structure that is secured, locked and fully enclosed.
2. From the public right-of-way, there shall be no exterior evidence of marijuana cultivation.
3. Prior to the commencement of any marijuana cultivation, the party responsible for the marijuana cultivation shall provide the city with adequate proof of a city marijuana cultivation permit.
4. The marijuana cultivation area shall not adversely affect the health or safety of the nearby residents by creating dust, glare, excessive light, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to the use of storage of materials, processes, products or waste.
5. Cultivation shall not exceed six marijuana plants of any size per residential unit, and subject to the issuance of marijuana cultivation permit. The maximum number of plants shall be limited regardless of the number of qualified patients or primary caregivers residing on the property.
6. Marijuana cultivation activities shall not be upon any property or parcel containing a childcare center, school or church. Furthermore, the marijuana cultivation activities do not take place within one thousand feet of any school, childcare center, public park, government building, or church. The one thousand feet shall be measured from the closest property line of the school, childcare center, public park, government building or church, to the closest property line of the cultivation parcel.
7. Indoor grow lights shall not exceed one thousand two hundred watts and shall comply with the California Building, Electrical and Fire Codes as adopted by the city.

8. Any location used for marijuana cultivation must have a ventilation and filtration system installed that shall prevent marijuana plant odors from exiting the interior of the structure and shall comply with California Building Code section 402.3 (Mechanical Ventilation). The ventilation and filtration system must be approved by the enforcement officer and installed prior to the commencement of marijuana cultivation activities.
9. Marijuana cultivation activities shall not be accessible to persons under eighteen years of age. B. Marijuana cultivation within residential units, specifically. In addition to those requirements listed in Subsection A. of this section,
 - A. marijuana cultivation activities within a residential unit shall also comply with the following requirements:
 1. The residential unit shall, at all times, maintain a kitchen, bathroom, and primary bedroom(s) for their intended purpose, and shall not be used for marijuana cultivation.
 2. Any marijuana cultivation activities shall not create humidity, mold, or other nuisance condition.
 - ~~C.~~
 - B. Marijuana cultivation within detached accessory structures, specifically. In addition to those requirements listed in Subsection A. of this section, marijuana cultivation activities within a detached accessory structure shall also comply with the following requirements:
 1. The structure shall be no smaller than one hundred twenty square feet in size.
 2. The structure shall be located within the rear yard area of any legal parcel or premises.
 3. The structure shall maintain a minimum setback of ten feet from any property line.
 4. The structure shall be fully-enclosed and the area surrounding the structure must be enclosed by a solid fence at least six feet in height. The fence must be adequately secure to prevent unauthorized entry. Bushes, hedgerows, plastic sheeting, tarps or cloth material shall not constitute an adequate fence under this subsection.
 5. The structure shall maintain adequate mechanical or electronic security systems, approved by the enforcement officer, and shall install such systems prior to the commencement of cultivation.
 6. Any accessory structure used for marijuana cultivation must have a valid building permit issued by the city building official. The building official shall consult with the planning director and enforcement officers in consideration of any building permit application seeking a building permit for the construction or alteration of any detached accessory structure to be used for marijuana cultivation.

B. Generally, Commercial Cannabis Activity is permitted only in the Commercial Zones of the City. Commercial Cannabis activity permit holders shall not participate in Commercial Cannabis activity in more than two locations within the city. Commercial Cannabis activity may

only occur within a premises zoned for commercial activity, that is appropriately secured, locked and fully enclosed.

5.34.040 - Other applicable regulations.

- A. There shall be no variances or deviations permitted to any standards or requirements for *marijuana cultivation* within this chapter.
- B. Nothing in this chapter is intended to authorize the cultivation, possession, or use of marijuana in violation of state law.
- C. The Planning Commission make allow such variances or deviations permitted to any standards or requirements for *Commercial Cannabis Activity as would be permitted for any other commercial activity in the commercial zones of this City.*

5.34.050 - Marijuana cultivation permit.

- A. Prior to commencing any marijuana cultivation, the person(s) owning, leasing, renting, occupying, or having charge or possession of any legal parcel or premises where marijuana cultivation is proposed to occur must apply for a marijuana cultivation permit within the city. The following information will be required with the initial permit application and subsequent permit extensions:
 - 1. Adequate proof that the permit holder is twenty-one years of age or older;
 - 2. Notarized signature from the owner of the property consenting to the cultivation of marijuana at the premises on a form acceptable to the city;
 - 3. The name of each person owning, leasing, occupying or having charge of any legal parcel or premises where marijuana will be cultivated;
 - 4. The physical site address of where marijuana will be cultivated;
 - 5. A signed consent form, acceptable to the city, authorizing enforcement officers to conduct an inspection of the detached accessory structure used for marijuana cultivation upon twenty-four hours' notice;
- B. The permit shall be valid for no more than one year and may be extended in increments of two years.
- C. The enforcement officer may, in his or her discretion, deny any application for a marijuana cultivation permit, or extension thereof, where he or she finds, based on articulated facts, that the issuance of such permit, or extension thereof, would be detrimental to the public health, safety, or welfare. The enforcement officer shall deny an application for a marijuana cultivation permit, or extension thereof, which does not demonstrate satisfaction of the minimum requirements of this chapter. The denial of any permit application or extension shall be subject to appeal by the city council.
- D. The city council may establish a fee or fees required to be paid upon filing of an application for a marijuana cultivation permit, as provided by this chapter, which fees shall not exceed the reasonable costs of administering this chapter.
- E. *Prior to commencing any commercial cannabis activity, the person(s) owning, leasing, renting, occupying, or having charge or possession of any legal parcel or premises where marijuana cultivation is proposed to occur must apply for a commercial cannabis activity permit within the city. The following information will be required with the initial permit application and subsequent permit extensions:*
 - 1. *Adequate proof that the permit holder is twenty-one years of age or older;*

2. *Notarized signature from the owner of the property consenting to the cultivation of marijuana at the premises on a form acceptable to the city;*
 3. *The name of each person owning, leasing, occupying or having charge of any legal parcel or premises where marijuana will be cultivated;*
 4. *The physical site address of where marijuana will be cultivated;*
 5. *A signed consent form, acceptable to the city, authorizing enforcement officers to conduct an inspection of the detached accessory structure used for marijuana cultivation upon twenty-four hours' notice;*
- F. *The Commercial Cannabis Activity permit shall be valid for no more than five years and may be extended in increments of two years.*
- G. *The enforcement officer may only deny any application for a Commercial Cannabis Activity permit or extension thereof, where he or she finds, based on articulated facts, that the issuance of such permit, or extension thereof, would be detrimental to the public health, safety, or welfare. The enforcement officer shall deny an application for a Commercial Cannabis Activity permit, or extension thereof, which does not demonstrate satisfaction of the minimum requirements of this chapter. The denial of any permit application or extension shall be subject to appeal by the permit applicant or permit holder to the city council.*
- H. *The city council may establish a fee or fees required to be paid upon filing of an application for a Commercial Cannabis Activity permit, as provided by this chapter, which fees shall not exceed the reasonable costs of administering this chapter.*

5.34.060 - Revocation of marijuana cultivation permit or *Commercial Cannabis Activity permit*.

- A. Any marijuana cultivation permit or *Commercial Cannabis Activity Permit* granted by the city shall become null and void if the city receives and substantiates two complaints of noxious odors resulting from indoor marijuana cultivation within a twelve month period. These complaints must originate from at least two separate individuals and two separate properties adjoining, or within proximity to, the property engaging in marijuana cultivation.
- B. Upon revocation of a marijuana cultivation permit, the responsible party, property owner, tenant, or permittee shall remove all marijuana plants from the premises within thirty days of official notice from any enforcement officer.

5.34.070 - Appeals.

Any person aggrieved by the requirements of this chapter may file an appeal pursuant to the requirements of Chapter 5.04 of the Banning Municipal Code.

5.34.080 - Prohibited activities declared a public nuisance.

- A. It is unlawful and a public nuisance for any person owning, leasing, renting, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the city to cause or allow such parcel or premises to be used for the outdoor cultivation of marijuana plants. *It shall be unlawful and a violation of the municipal code for any person owning, leasing, renting, occupying, or having charge or possession of any legal parcel or premises within any zoning district in the city to cause or allow such parcel or premises to be used for the Commercial Cannabis Activity by an individual who has not*

- applied for and was not subsequently awarded a Commercial Cannabis Activity permit.*
- B. It is unlawful and a public nuisance for any person to cultivate marijuana inside any residential building or structure without a marijuana cultivation permit issued by the city.
 - C. It is unlawful and a public nuisance for any person to engage in commercial cannabis activity in any area of the city *without first applying for and obtaining a permit for such activity.*
 - D. It is unlawful and a public nuisance for any person to use gas products, such as CO₂, butane, propane, and natural gas, for the cultivation, extraction, or processing of marijuana.
 - E. ~~It is unlawful and a public nuisance for any person to use generators for marijuana cultivation activities.~~
 - F. In addition to the foregoing, any use or condition caused or permitted to exist in violation of any of the provisions of this chapter shall be and is hereby declared a public nuisance and, *if an immediate threat to the health safety and welfare of the community,* may be abated by the city or subject to any available legal remedies, including but not limited to, civil injunctions. ~~The prohibitions outlined in this chapter shall be imposed regardless of the number of qualified patients or primary caregivers residing at the premises or participating directly or indirectly in the cultivation. Further, this prohibition shall be imposed notwithstanding any assertion that the person(s) cultivating marijuana are the primary caregiver(s) for qualified patients or that such person(s) are collectively or cooperatively cultivating marijuana.~~

5.34.090 - Enforcement, violations and penalties.

~~In the discretion of the enforcement officer,~~ any person violating the provisions of this chapter *regarding marijuana cultivation, without prior violation,* shall be issued an administrative citation pursuant to Banning Municipal Code Chapter 1.20.

Each ~~such~~ violation shall be deemed a separate offense. This section provides a civil penalty remedy that is in addition to all other legal remedies, criminal or civil, which may be pursued by the city to address any violation of this chapter.

Any person violating the provisions of this chapter regarding Commercial Cannabis Activity, without prior violation which was sustained on appeal, shall be issued an administrative citation pursuant to Banning Municipal Code Chapter 1.20.

Each violation sustained on appeal shall be deemed a separate offense. This section provides a civil penalty remedy that is in addition to all other legal remedies, criminal or civil, which may be pursued by the city to address any violation of this chapter.

5.34.100 *Locational Criteria*

Commercial Cannabis Activity shall not be located within certain distances of sensitive uses.

- A. *For the purposes of this chapter, all distances shall be measured in a straight line, without regard for intervening structures, from the nearest exterior wall of the unit or building containing the Marijuana Dispensary to the nearest property line of a sensitive use or zone as listed in this section, or to the nearest corner of any traffic intersection named herein.*

B. The establishment or maintenance of Commercial Cannabis Activity shall be subject to the locational criteria setting forth minimum distances from sensitive uses as follows:

- 1. School: 600 feet.*
- 2. Park: 200 feet.*
- 3. Residence: 100 feet.*

If a school, park or residence is established within the minimum distances set forth above after the establishment of a Commercial Cannabis Activity, said Commercial Cannabis Activity shall be deemed a legal nonconforming use.

5.34.110 Design and Performance Standards

The establishment of a Commercial Cannabis Activity shall comply with the applicable site development standards, including parking, of the zone in which the dispensary is located, the building code, fire code, and the health and safety code of the city. A Commercial Cannabis Activity shall comply with the applicable city permit and inspection procedures. In addition, Commercial Cannabis Activity shall comply with the following design and performance standards:

- A. No Alcohol or Tobacco Sales. No alcohol or tobacco may be sold by a Commercial Cannabis Activity*
- B. Mandatory Warning Sign. A sign shall be posted in a conspicuous location inside each Commercial Cannabis Activity stating as follows: "The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery."*
- C. Intentionally left blank*
- D. No Marijuana Visible from Outside. No marijuana may be visible by the naked eye from the exterior of any Commercial Cannabis Activity .*
- E. Smoking Prohibition. While Labor Code Section 6404.5 only prohibits the smoking of tobacco products in the workplace this regulation will prohibit the smoking of marijuana in all workplaces including Commercial Cannabis Activity. However, recognizing that some qualified patients may have an immediate need, consumption of edible marijuana products, marijuana tinctures, and/or vaporizing of marijuana is permitted.*
- F. Restriction on Underage Dispensing. No Commercial Cannabis Activity may dispense marijuana to anyone under the age of 18 unless he or she is a qualified patient and is accompanied by a parent or legal guardian in accordance with California law.*
- G. Appearance. The exterior appearance of the structure housing any Commercial Cannabis Activity shall be compatible with surrounding structures in the immediate vicinity to ensure against blight, deterioration, or substantial diminishment or impairment of*

property values in the area.

- H. *City Enforcement Access. All local code enforcement officers, police officers, and other agents or employees of the City of Banning requesting admission for the sole purpose of determining compliance with the provisions of this Section shall be given unrestricted access upon reasonable notice.*

Indemnification of City.

To the fullest extent permitted by law, the City of Banning shall assume no liability whatsoever, and expressly does not waive sovereign immunity, with respect to any medical marijuana dispensed through any Marijuana Dispensary, or for the activities of any Marijuana Dispensary. Upon receiving a business permit, the primary operator (or officer or board, depending on the legal structure) of each Marijuana Dispensary shall sign an agreement indemnifying and holding the City of Banning harmless to the fullest extent permitted by law, on behalf of the Marijuana Dispensary.

There shall be a maximum of 3 (three) Commercial Cannabis Activities permitted within the City of Banning.

5.34.120 *Permit approval - Findings*

The City shall only deny the approval of a permit for Commercial Cannabis Activity for the following reasons:

That an applicant is under 18 years of age;

That an applicant has not paid the filing fee required for a standard city business permit;

That an applicant has failed to provide information required by this chapter or the permit application for the issuance of the permit, or that the applicant has knowingly made any false, misleading or fraudulent statement of material facts in the permit application or any other document required by the city in conjunction therewith;

That the premises to be used for the Marijuana Dispensary have not been approved as being in compliance with health, fire, building or zoning codes by the department or agency responsible under law for investigating the compliance;

That the use is not permitted in the zone in which it is proposed to be located or is not in conformity with the applicable development standards of that zone, including:

That the use is not in conformity with the zoning criteria set forth in the Banning Municipal code.

That the design of the site and proposed improvements are not in compliance with all applicable design provisions of the Banning Municipal Code.

That the proposed conduct of the Commercial Cannabis Activity is not in compliance with all applicable performance standards of the Banning Municipal Code.

Provided the applicant complies with the findings of this section as set forth above, the applicant shall be granted a permit to conduct and operate Commercial Cannabis Activity and a business license shall be issued to the applicant for this purpose.

Prior to occupancy of the building approved for Marijuana Dispensary usage, the applicant shall obtain all applicable city permits and licenses.

If the City denies the application, the planning director shall notify the applicant in writing of the denial and state the reason(s) for the denial.

The City shall be guided only by the law of the State of California and this Section of the Municipal Code of Banning to make its determination to approve or deny an application. The administrative committee is expressly prohibited from using any Federal law, statute, or Federal agency guideline as a reason to deny an application for a Marijuana Dispensary.

5.35.130 Time limits for Action

An application for a permit for Commercial Cannabis Activity shall be reviewed and acted upon in accordance with the following time limits:

Review of the Application for Completeness.

Not later than 14 calendar days after submittal of an application for a Commercial Cannabis Activity permit, the planning director shall notify the applicant, by mail in writing, if the application is not complete. If it is not complete, the planning director shall specify those parts of the application which are incomplete and shall identify the manner by which it can be made complete. If a written determination is not mailed to the applicant within 14 calendar days after it is submitted, the application shall be deemed complete. Additional 14-day notice requirements shall apply to any subsequent submittals until the applicant files a complete Commercial Cannabis Activity permit application.

The City shall take action to approve, conditionally approve, or deny a Commercial Cannabis Activity permit application within 30 days after a determination has been made that the application is complete.

Permit Streamlining Act.

If the permit requested is for a development project for construction or reconstruction subject to the Permit Streamlining Act (Government Code Section 65920 et seq.), the time limits provided in the Permit Streamlining Act shall apply to the Commercial Cannabis Activity permit approval or denial, except as to the shorter time period set forth in this section.

5.35.140 Suspension of Commercial Cannabis Activity Permit

The City may suspend a Commercial Cannabis Activity permit for a period not to exceed 30 days or until the violation has been corrected, whichever is later, if the evidence presented establishes that one or more of the following conditions exist:

That the conduct of the Commercial Cannabis Activity does not comply with the city's fire, building, zoning or health and safety codes; or the locational criteria or design and

performance standards as set forth in this chapter;

That there was not a responsible person over 18 years of age on the premises to act as a manager at all times during which the Commercial Cannabis Activity was open; or

That the permittee, manager, partner, director, officer, stockholder or manager has violated any provision of this chapter.

The review of a Commercial Cannabis Activity permit for its possible suspension shall be conducted by the City. The City shall make its written determination including findings therefore, in accordance with the findings indicated in this section of this chapter within 10 business days. A copy of the written determination and the findings therefore shall be provided to the permittee.

The City shall be guided only by the law of the State of California and this Section of the Municipal Code of Banning to make its determination to suspend a Commercial Cannabis Activity Permit. The administrative committee is expressly prohibited from using any Federal law, statute, or Federal agency guideline as a reason to suspend a permit for a Commercial Cannabis Activity.

5.34.150 Deliveries only by Banning Licensed Marijuana Dispensaries

In recognition that some qualified patients are homebound and unable to procure the medicine they need, delivery of medical marijuana to a qualified patient within the city limits of the City of Banning will be allowed only by licensed Marijuana Dispensaries within the City of Banning that are in compliance with this code. All other deliveries of medical marijuana within the City of Banning, whether by licensed Marijuana Dispensaries outside the City of Banning or unlicensed Marijuana Dispensaries of any kind shall be subject to a \$1,000.00 fine for each and every occurrence .

5.34.160 Annual Licensing and Inspection Fee

In recognition that Commercial Cannabis Activity may require greater oversight than other businesses in the City of Banning, an annual Licensing and Inspection fee of \$5,000 (Five Thousand Dollars) will be due from any Commercial Cannabis Activity that has been granted a business license and approved for operation by the City of Banning. The initial Licensing and Inspection Fee shall be due within 10 days of the City's approval and issuance of the initial business license to the dispensary. Subsequent annual renewal fees of the Licensing and Inspection Fee shall be due in two installments. For the subsequent annual renewal fee, the first installment of the annual Licensing and Inspection Fee of \$2,500 (Two thousand five hundred dollars) shall be due February 15th of the calendar year. The second installment of the annual Licensing and Inspection Fee of \$2,500 (Two thousand five hundred dollars) shall be due on June 31st of the calendar year.

5.24.170 Prompt judicial review

After denial of a Commercial Cannabis Activity permit application, or the suspension or revocation of a Commercial Cannabis Activity permit, the applicant or permittee may seek prompt judicial review of such administrative action through the planning commission or city council. If the denial, suspension, or revocation is affirmed upon review, the administrative action shall be promptly reviewed by the court.

5.34.180 Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

5.34.190.

Any provision of the Banning Municipal Code inconsistent with the provisions of this initiative are hereby amended to state "except as otherwise provided in Chapter 5.34 of the Banning Municipal Code, per the Voter Initiative of 2018".

Effective Date. This Ordinance shall become effective thirty (30) days from its adoption .

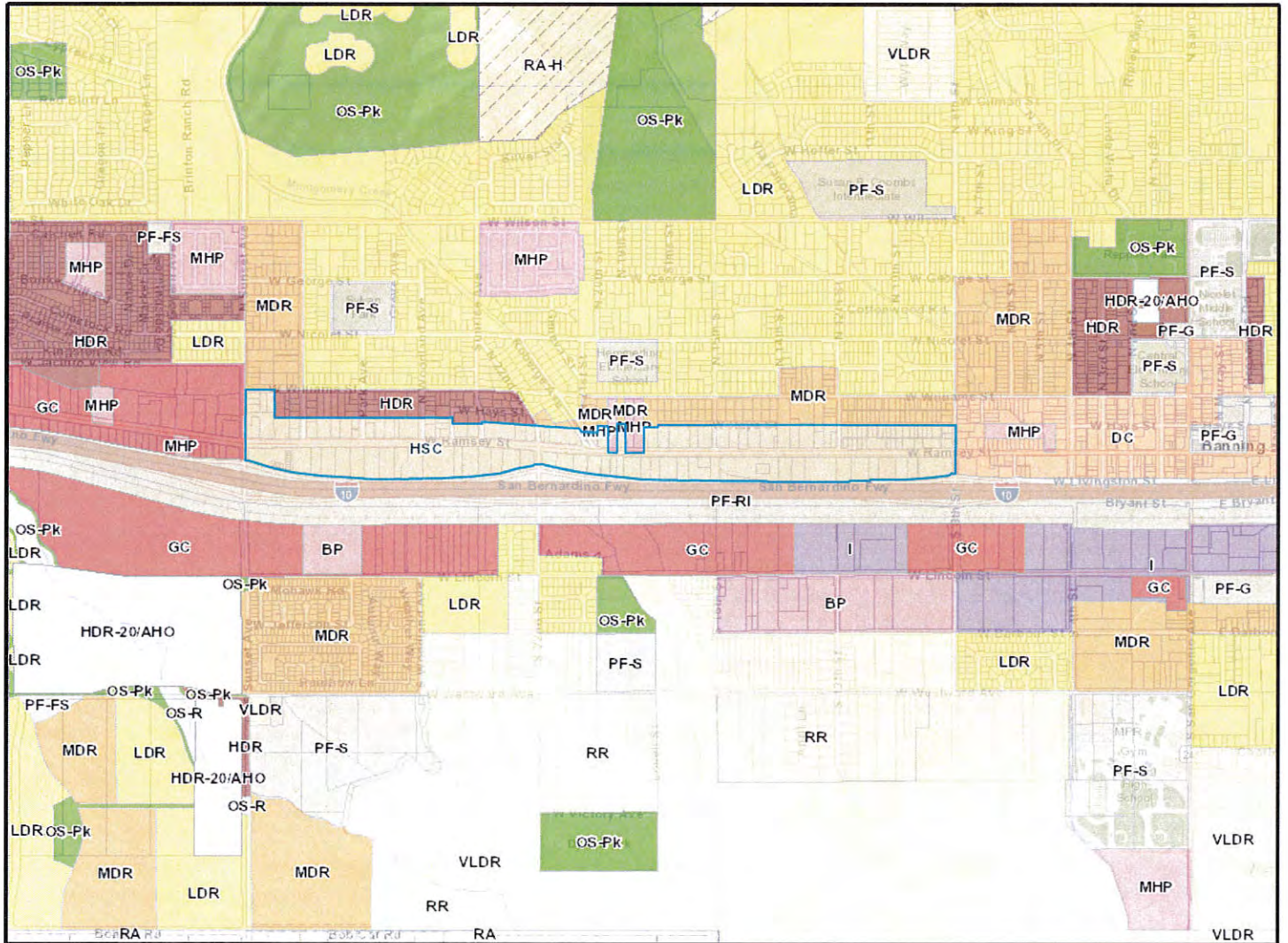
Publication .

The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published in a newspaper of general circulation printed and published within the City of Banning, pursuant to all legal requirements.

ATTACHMENT 2

Map of Highway Service Commercial Zone

Highway Serving Commercial Zone





CITY OF BANNING RESOLUTION

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Robert Fisher, Interim Chief of Police

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-57, Acceptance of the 2018 Supplemental Law Enforcement Services Allocation (SLESA) in the amount of \$100,000.

RECOMMENDATION:

The City Council adopt Resolution 2018-57, a Resolution of the City of Banning, California, authorizing the acceptance of the 2018 SLESA in the amount of \$100,000 and authorize the Banning Police Department to apply the funds towards the purchase of front line law enforcement related equipment, services, and supplies.

JUSTIFICATION:

Potential purchases with SLESA funds may include but are not limited to vehicle related equipment, technology related equipment and software, evidence collection materials, communication related parts, tactical and safety equipment.

All purchases with these funds must follow the purchasing practices for the City of Banning.

BACKGROUND:

On April 13, 2018, the City of Banning Police was notified by the Riverside County Sheriff's Department that its 2018 SLESA funding was \$100,000. The funding must be used to support front line law enforcement services and cannot be used to supplant already allocated expenditures in the police department's budget.

Legislation requires the City Council to officially accept the Supplemental Law Enforcement Services Funds and approve the police department's anticipated use of the funds.

FISCAL IMPACT:

A budget adjustment in the amount of \$100,000 is necessary to increase estimated revenues and appropriate funds into the 2018 SLESA account. There is no city match required for this grant. The appropriation is requested in the resolution.

OPTIONS:

1. Adopt Resolution 2018-57
2. Reject Resolution 2018-57 and provide direction to staff.

STRATEGIC PLAN OBJECTIVE:

This request supports the City's strategic goal related to "Public Health and Safety".

ATTACHMENT:

1. Resolution 2018-57
2. Expenditure Plan FY 2017-2018
3. Correspondence from Riverside County Sheriff

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-57

RESOLUTION 2018-57

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA AUTHORIZING THE ACCEPTANCE OF THE 2018 SUPPLEMENTAL LAW ENFORCEMENT SERVICES ALLOCATION IN THE AMOUNT OF \$100,000 AND AUTHORIZING THE BANNING POLICE DEPARTMENT TO USE THE FUNDS TOWARDS THE PURCHASE OF LAW ENFORCEMENT RELATED EQUIPMENT, SERVICES, AND SUPPLIES.

WHEREAS, the City of Banning Police Department is responsible for the security and safety of the Citizens of the City; and,

WHEREAS, grants provided by State and Federal monies assist in supplementing these services; and,

WHEREAS, the City Council is required to accept and appropriate the allocation of anticipated funds from this grant; and,

WHEREAS, the grant funds will provide the Banning Police Department with updated technology, equipment, services, and training.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning accepts the 2018 Supplemental Law Enforcement Services Allocation (SLESA) in the amount of \$100,000 and appropriates the \$100,000 into the City's SLESA account to be used by the Banning Police Department to purchase law enforcement related equipment, services, and supplies. The Finance Department is authorized to make the necessary budget adjustments related to these funds. Additionally, the City Manager is authorized to sign the 2018 SLESA Expenditure Plan on behalf of the City of Banning.

PASSED, APPROVED, AND ADOPTED this 12th day of June 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, City Clerk
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT

Kevin G. Ennis, City Attorney
RWG Law

CERTIFICATION

I, Sonja De La Fuente, City Clerk of the City of Banning, California, do hereby certify that the forgoing Resolution 2018-57 was duly adopted by the City Council of the City of Banning at the regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, City Clerk
City of Banning, California

ATTACHMENT 2

Expenditure Plan FY 2017-2018

Supplemental Law Enforcement Standardized Forms

Expenditure Plan FY 2017-2018

City Name: City of Banning

Beginning Fund Balance	183,479.99
Prior Year Allocation/Adjustment	100,000.00
Current Year Allocation	39,416.41
Total Allocation	100,000.00

EXPENDITURE PLANNED

Salaries and Benefits	
Services and Supplies	20,000.00
Equipment	80,000.00
Administrative Overhead	
Total Expenditure Planned	100,000.00

Date approved by the City Council: _____

The City Manager hereby certifies that the Supplemental Law Enforcement Services Plan was submitted to the City Council and approved as listed.

_____	6/12/2018
City Manager Signature	Date

Please provide the name of a contact person if there are any questions:

Interim Chief Robert Fisher	06/12/18
_____	_____
Name	Date

ATTACHMENT 3

Correspondence from Riverside County Sheriff



April 13, 2018

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

Dear Mr. Rock,

The Supplemental Law Enforcement Services Account (SLESA) provides money to support front line law enforcement services. In April 2002, Senate Bill 823 amended the Government Code Sections 30061 and 30063 to require that, "The city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief of police of that city or the chief administrator of the enforcement agency that provides police services for that city."

Please submit your city expenditure plan for the FY 2017-2018 allocation as requested. The expenditure form is attached. Your allocation is \$100,000. Amended Government Code 30061 states "the Controller shall allocate funds in monthly installments to local jurisdictions for public safety in accordance with this section as annually calculated by the Director of Finance." The request to the city council should specify the personnel, equipment, and programs necessary to meet the city's needs. The council, at a public meeting, considers the request and determines the allocation of funds.

Once your city council has approved your local expenditure plan, please submit a copy to the Riverside County Sheriff's Department Specialized Accounting Unit. Please submit your expenditure plan by **June 30, 2018**. You may email the completed plan to ymuro@riversidesheriff.org or fax it to the Specialized Accounting Unit at 951-955-9650. If you have any questions, please contact Yolanda Muro Guzman at 951-955-2716. Thank you for your assistance.

Sincerely,

STAN L. SNIFF, SHERIFF-CORONER

A handwritten signature in blue ink, appearing to read "Joseph Cleary", followed by a large, stylized flourish that extends to the right and ends in the number "1257".

Joseph Cleary, Assistant Sheriff

SS/ymg

cc: Interim Chief of Police Robert Fisher
Enclosure: SLESA Expenditure Plan



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Public Works Director/City Engineer
Tammi Phillips, Management Analyst

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-61, Adopting the San Gorgonio Integrated Regional Water Management Plan for the newly created San Gorgonio Integrated Regional Water Management Region

RECOMMENDED ACTION:

That the City Council adopt Resolution 2018-61, adopting the San Gorgonio Integrated Regional Water Management (IRWM) Plan.

BACKGROUND:

In 2016, the San Gorgonio IRWM Region ("Region") received a Proposition 1 Planning Grant to develop its first IRWM plan. The San Gorgonio IRWM Regional Water Management Group (RWMG) was formed and tasked with, but not limited to, developing a Plan that would meet the requirements for participation in the statewide IRWM Program. Members of the management group collaborated with key stakeholders and members of the community to develop the Plan which identifies the water needs, goals, objectives, strategies and projects that are unique to the Region. The RWMG held monthly plan development meetings, facilitated by consultant Woodard & Curran.

The 2018 San Gorgonio IRWM Plan provides the framework and procedures used to govern, collaborate, and plan regional IRWM activities, and foster project implementation. The Region's water-related agencies, districts, counties, cities, tribes, and other stakeholders worked across jurisdictional boundaries to conduct integrated and regional water resource management planning. This planning fosters the ability to implement projects that align with the needs and goals of the Region.

The IRWM Plan outlines goals related to water supply, water quality, flood management, protection of aquatic and riparian habitat and support of disadvantaged communities. Potential long-term and short-term benefits are identified in respect to these goals.

A cooperative regional effort culminated in a completed plan May of 2018. Once finalized, a public notice was published for 14 days to allow for public comment. No comments were received.

Members of the RWMG, which include the City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, High Valleys Water District, Riverside County Flood Control and Water Conservation District and the San Geronio Pass Water Agency are each scheduled to formally adopt the SG IRWM Plan by July 31, 2018. Once the Plan is successfully adopted, the Region will be eligible to apply for and potentially secure much-needed funding to implement key projects for the Region's water resources, communities and environment.

The Plan has been submitted to the California Department of Water Resources to begin the Plan Review/Approval Process. The Plan can be downloaded from the City's website at: <http://banning.ca.us/22/WaterWastewater>. A hardcopy of the Plan is also available for public review at the counter of the Department of Public Works.

JUSTIFICATION:

In accordance with the 2016 IRWM Grant program guidelines issued by the Department of Water Resources, the IRWM plan must be adopted by those agencies that are interested in applying for future IRWM Program funds.

FISCAL IMPACT:

City Council approval of this resolution will allow the City the opportunity to apply for and potentially secure IRWM grant funding in the future.

ALTERNATIVE:

1. Reject Resolution 2018-61. If rejected, the City will not be eligible to apply for future IRWM Program fund and would not be consistent with the Memorandum of Understanding signed by the RWMG members.

ATTACHMENTS:

1. Resolution 2018-61
2. Public Notice Dated March 19, 2018
3. Submittal Letter to the California Department of Water Resources

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-61

RESOLUTION 2018-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA SUPPORTING AND ADOPTING THE SAN GORGONIO INTEGRATED REGIONAL WATER MANAGEMENT PLAN FOR THE NEWLY CREATED SAN GORGONIO INTEGRATED REGIONAL WATER MANAGEMENT REGION

WHEREAS, the City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, High Valleys Water District, Riverside County Flood Control and Water Conservation District, and the San Gorgonio Pass Water Agency have partnered by signing a Memorandum of Understanding (MOU) forming a Regional Water Management Group (RWMG); and

WHEREAS, working with the stakeholders and partners of the San Gorgonio Region, the RWMG has prepared the San Gorgonio Integrated Regional Water Management Plan (Plan); and

WHEREAS, adoption of the Plan in no way commits a participating agency to a financial or any other regulatory obligation and does not legally bind the agency to any future activities or specific projects; and

WHEREAS, the Plan represents all entities significant to water management planning in the San Gorgonio Region in addressing water resources as well as other interested stakeholders and has provided the framework and procedures used to govern, collaborate, and plan activities, as well as pursue funding opportunities within the Integrated Regional Water Management (IRWM) program; and

WHEREAS, the agencies, partners, and stakeholders are committed to integrated planning efforts in an open, accessible process and have acted in good faith in planning and development of the Plan; and

WHEREAS, the Plan will help secure significant funding for resources in the San Gorgonio Region through the California Department of Water Resources (DWR), the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), and other funding sources through the Plan process.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Banning hereby:

SECTION 1: Adopts Resolution 2018-61, adopting the San Gorgonio Integrated Regional Water Management Plan.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2018-61 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

Public Notice Dated March 19, 2018

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

03/23, 03/30/2018

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: March 30, 2018
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

BANNING, CITY OF
99 E RAMSEY ST
BANNING, CA 92220

Ad Number: 0011095881-01

P.O. Number:

Ad Copy:

City of Banning
99 East Ramsey Street
Banning, California

PUBLIC NOTICE

Banning, CA - The San Geronimo Integrated Regional Water Management Group (SGIRWMG), established in 2016, is presenting its first Integrated Regional Water Management (IRWM) Plan. IRWM plans are regional plans designed to improve collaboration in water resources management. The SGIRWMG is comprised of the following agencies: City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, High Valley Water District, Riverside County Flood Control and Water Conservation District and San Geronimo Pass Water Agency.

The IRWM Plan for the San Geronimo Region is a result of a lengthy and collaborative effort among water retailers, water wholesalers, wastewater agencies, stormwater and flood managers, watershed groups, the business community, tribes, disadvantaged communities, and non-profit stakeholders to improve water resources planning in the San Geronimo Region.

The Plan provides an approach for: coordinating, refining and integrating existing planning efforts within a comprehensive regional context; identifying specific regional and watershed-based priorities for implementation projects; and providing funding support for the plans, programs, and projects of existing agencies and stakeholders.

All interested stakeholders are invited to participate in the IRWM planning effort, providing an opportunity to incorporate additional stakeholder interests into the Plan. Participation is possible through several means, including attending Stakeholder Advisory meetings and public workshops, and by reviewing draft materials available online at www.sgirwm.org.

For more information and to be added to the SGIRWM Stakeholder Contact List, please email SGIRWM@ci.banning.ca.us.

Dated: March 19, 2018

3/23, 3/30

ATTACHMENT 3

Submittal Letter to California Department of Water Resources



City of Banning

Public Works Department

May 8, 2018

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236-0001

Attn: Chief, Planning Section

On behalf of the Regional Water Management Group (RWMG) of the San Geronio Integrated Regional Water Management (SG IRWM) Region, the City of Banning is pleased to submit the first San Geronio Integrated Regional Water Management Plan (SG IRWM Plan) for the California Department of Water Resource's (DWR) Plan Review Process.

The enclosed DVD also contains the following files:

- SG IRWM Plan
- SG IRWM Plan Appendices
- Plan Review Process Tool

The final SG IRWM Plan was approved by the RWMG on May 2, 2018. The members of the RWMG, which include the City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, High Valleys Water District, Riverside County Flood Control and Water Conservation District, and the San Geronio Pass Water Agency are each scheduled to formally adopt the SG IRWM Plan before July 31, 2018.

Correspondence regarding results of the SG IRWM Plan can be directed to me at the contact information listed below.

Arturo Vela
City of Banning
99 E. Ramsey Street
Banning, CA 92220
avela@ci.banning.ca.us
(951) 922-3130

Sincerely,

Arturo Vela
Chair, San Geronio IRWM Regional Water Management Group



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Director of Public Works
Luis Cardenas, Senior Civil Engineer

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-67, Adopting the Water Supply Verification for
Tentative Tract No. 37298 (Atwell Phase 1)

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution 2018-67, approving the Water Supply Verification (WSV) prepared by KWC Engineers for Tentative Tract No. 37298, also known as Atwell Specific Plan (SP) Phase 1, previously known as Butterfield SP Phase 1.

BACKGROUND:

California Government Code §66473.7 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are available for projects meeting certain criteria. In the case of Tentative Tract No. 37298, the estimated water demands exceed the equivalent of 500 dwelling units when accounting for irrigation of parks and open space areas, commercial development and a public school, thus requiring written verification of sufficient water supplies.

California Water Code §10910 requires the preparation of a water supply assessment, which provides substantial evidence in support of the written verification. A water supply assessment (WSA) was previously prepared for the entire Atwell SP (previously Butterfield SP) and approved by City Council with final modifications in 2011.

In addition to the WSA prepared for the entire SP, each individual tract map with water demands in excess of 500 equivalent dwelling units (EDUs) requires the preparation of a Water Supply Verification, pursuant to California Senate Bill 221 (Chapter 642, Statutes of 2001) and Government Code §66473.7(a)(1). If the water demand of the proposed

project was accounted for in the most recent Urban Water Management Plan (UWMP), the water supply verification may draw upon the information and analysis in the UWMP previously prepared by the City. The City prepared and adopted its 2015 UWMP as of June 2016, and the prepared Water Supply Verification relied on the information within the City's UWMP.

The Water Supply Verification demonstrates that the City's water supply will meet the water demands of the proposed Project. The combined indoor and outdoor water demands for Tentative Tract No. 37298 are estimated at 614 acre-feet per year. For the years 2020 through 2040, the City has a projected water supply of between 13,318 and 13,659 acre-feet per year. In addition, the City of Banning maintains a storage account in the Beaumont Basin, currently estimated at 49,990.8 acre-feet.

It should be noted that as part of the Butterfield SP Settlement Agreement the developer has agreed, amongst other things, that the issuance of building permits for any portion or phase of the project shall be contingent on the availability of non-potable water supplies to serve any non-potable demands within the City in an amount greater than or equal to the non-potable demands of the portion of the project for which building permits are requested.

JUSTIFICATION:

The WSV prepared for Tentative Tract No. 37298 is subject to and meets the requirements of the California Water and Government Codes.

FISCAL IMPACT:

There are no costs from the City's existing budget involved with the above action, however the proposed development will generate operational and impact fee revenues for the City's water funds.

ATTACHMENTS:

1. Resolution 2018-67
2. Water Supply Verification for Tentative Tract No. 37298

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-67

RESOLUTION 2018-67

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE WATER SUPPLY VERIFICATION FOR TENTATIVE TRACT NO. 37298

WHEREAS, the City is the Water Purveyor for the water service area of the City of Banning; and

WHEREAS, a Water Supply Verification (WSV) has been prepared by KWC Engineers for Tentative Tract No. 37298 (Project); and

WHEREAS, the proposed Project is subject to California Senate Bill 221 (Chapter 642, Statutes of 2001) requiring a WSV because it is a Subdivision, pursuant to Government Code §66473.7(a)(1); and

WHEREAS, the WSV must be approved by the governing body of the public water system, the City of Banning; and

WHEREAS, the City has prepared and adopted its 2015 Urban Water Management Plan (UWMP) as of June 14, 2016; and

WHEREAS, the City approved a final version of the Water Supply Assessment (WSA) in December 2011 for the Butterfield Specific Plan; and

WHEREAS, the WSV prepared for the Project, attached and incorporated herein by this reference, relies on the information within the Butterfield Specific Plan WSA and the City's adopted 2015 UWMP that indicates the City will have a sufficient water supply during the period from 2020 to 2040 during normal, single, and multiple dry years; and

WHEREAS, the City's water supply will meet the water demands of this proposed Project, existing uses, and other future uses.

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

SECTION 1. The City Council hereby makes the following findings related to the WSV:

The City's adopted 2015 UWMP, which is incorporated by this reference, identified three sources of water supply to meet projected water demands within the City's service area: groundwater, recycled water, and SWP water. As described in the City's 2015 UWMP, a conservative approach was used to determine the availability of each of these water supply sources. As documented in the City's 2015 UWMP, the City has existing water entitlements and rights to meet future demands. Through an established practice of groundwater management utilizing several storage units, and by exercising its right under the Beaumont Basin Judgment,

sufficient water supplies are available. In addition, the City has committed sufficient capital resources and planned investments in various water programs and facilities to serve all of its existing and planned customers, while replenishing ground water supplies. No shortages are anticipated within the City's service area in average/normal year, single dry year, and multiple dry year scenarios for the next twenty (20) years.

- A. As of 2015, the City's water supply capacity from wells was 24,300 gallons per minute, which is obtained from five (5) storage units of the San Gorgonio Pass Groundwater Sub-basin: Banning, Banning Bench, Banning Canyon, Cabazon, and Beaumont Storage Units. For the years 2020 through 2040, the City has a projected water supply of between 13,318 and 13,659 acre-ft/yr.
- B. In addition to the above yearly water supplies, the City maintains a storage account in the Beaumont Storage Unit, currently estimated by the Beaumont Basin Watermaster at 49,990.8 acre-ft. This water storage was not included in the 2015 UWMP and would be used to satisfy any short-term deficiencies in water supply.
- C. As of 2015, the City's combined potable and non-potable water demand was 6,709 acre-ft/yr. By 2040, an increase to 13,628 acre-ft/yr (8,443 gallons per minute) is projected. In addition, it is anticipated that the development of tertiary-level recycled water in the amount of 1,680 acre-ft/yr will be available by 2025 to offset potable water currently used for landscape irrigation.
- D. Tentative Tract No. 37298 consists of 480 residential dwelling units along with two planning areas designated as commercial, a future elementary school, parks and open space areas on 172.94 acres located in the City of Banning. This project will have an estimated total annual average water demand of 614 acre-ft/yr. Water demand estimates are based on water demand factors from the recently-completed 2018 Integrated Master Plan and from the City's municipal code concerning water conservation (§17.32.070 et. Seq.)
- E. Based on the above findings and the substantial evidence in the record including the WSA, WSV, staff report, and other documents incorporated therein, the City Council hereby finds that the public water system's total projected water supplies available during normal, single dry and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed Project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses.

SECTION 2. The City Council hereby approves the Water Supply Verification, dated May 4, 2018, for Tentative Tract No. 37298.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2018-67, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

ATTACHMENT 2

Water Supply Verification for Tentative Tract No. 37298

Water Supply Verification
for
Tentative Tract No. 37298

May 4, 2018

Prepared for
The City of Banning

Prepared by
KWC Engineers. Inc.



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Abbreviations and Acronyms

AF	acre-feet
AFY	acre-feet per year
CWC	California Water Code
DU	dwelling unit
DWR	Department of Water Resources
FIER	Final Environmental Impact Report – Butterfield Specific Plan
Guidebook	Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001
OVP	Oak Valley Partners
PA	Planning Area
PW	potable water
PWS	public water system
RW	recycled water
SGPWA	San Geronio Pass Water Agency
SP	Butterfield Specific Plan
SWP	State Water Project
TTM	Tentative Tract Map No. 37298
UWMP	Banning 2015 Urban Water Management Plan
WSA	Water Supply Assessment for Butterfield Specific Plan
WSV	Water Supply Verification
WWTP	wastewater treatment plant
YCVD	Yucaipa Valley Water District

Executive Summary

This Water Supply Verification (WSV) has been prepared on behalf of the City of Banning (City) in regard to Tentative Tract Map No. 37298 (TTM) pursuant to SB 221 and in accordance with DWR's *Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001*.

SB 221 (Chapter 642, Statutes of 2001) establishes a link between information on water supply availability and land use decisions made by local government as part of a collaborative planning process. The statute:

- requires detailed information regarding water availability be provided to local government decision-makers prior to approval of specified large development projects,
- requires detailed information be included in the administrative record that serves as the evidentiary basis for an approval action by the city on such projects, and
- recognizes local control and decision making regarding the availability of water for projects and the approval of projects.

Background

The TTM presents the first of eight construction phases associated with implementation of the Butterfield Specific Plan (SP), adopted by the City in 2012 with minor modifications approved in 2017. For the purposes of this WSV, development of the TTM is referred to as the Subdivision, pursuant to Government Code §66473.7(a)(1). A condition of approval of the TTM is verification of sufficient water supply to meet the future needs of the Subdivision. The horizon for this WSV is 2040.

The development has been referred to historically as Butterfield but is being renamed Atwell. For purposes of this WSV, Butterfield and Atwell refer to the same development.

A Water Supply Assessment (WSA) for the SP and associated Environmental Impact Report was prepared in 2011. This WSV builds upon the WSA with the following updates:

- Existing and future water supplies have been updated per the 2015 Urban Water Management Plan (UWMP) and adjusted per Beaumont Basin Watermaster Resolution 2017-02 transferring previously unused water rights in the Basin to the Yucaipa Valley Water District (YVWD) to support future development in Calimesa.
- The Subdivision has been analyzed independently from, and in conjunction with, the remaining portions of the SP.
- Future demand for the Subdivision and the remaining portions of the SP have been calculated per:
 - (1) updated water demand factors provided in the Draft 2017 Integrated Master Plan,
 - (2) City Code §17.32.070 et seq. (Water Conservation),

- (3) Department of Water Resources (DWR) guidelines concerning *Estimating Future Water Savings from Adopted Codes, Standards, Ordinances, or Transportation and Land Use Plans*, and
- (4) the revised phasing schedule provided by Pardee Homes.

Findings

The City's water supply is provided entirely by groundwater pumped from the San Gorgonio Pass Subbasin of the Coachella Valley Groundwater Basin. These resources are sustainably managed by the City and the Beaumont Basin Watermaster. There are no new water supply sources planned through 2040.

There is a projected supply deficit of 896 acre-feet per year (AFY) in 2040 under normal demand conditions. This is equivalent to a volume of 2,548 acre-feet through 2040. There is a projected supply deficit of 570 AFY in 2035 increasing to a deficit of 1,585 AFY in 2040 under single dry year conditions.

In addition to its sustainable water supplies, the City has over 50,000 acre-feet (AF) of water stored in the Beaumont Basin. The City will dedicate 2,548 AF of its storage to make up for the projected insufficient supplies under normal demand conditions. The City will hold in reserve an additional 689 AF of its storage to satisfy the worst case single dry year demand requirement through 2040.

Recommended Action

The City has sufficient water supplies to meet planned future uses through 2040. The TTM should be approved regarding the requirement that sufficient water supplies are verified.

Introduction

Report Organization

For ease of review and reference, this WSV has been organized according to the Guidebook¹. Relevant Government Codes and the sources referenced in the document to satisfy the code requirements have been clearly cited.

Primary Documentation

The following documents are heavily cited throughout. By convention, the abbreviations shown in parentheses are used throughout to indicate citation.

- City of Banning 2015 Urban Water Management Plan (UWMP)
- Water Supply Assessment for Butterfield Specific Plan (WSA)
- Butterfield Specific Plan (SP)
- Final Environmental Impact Report – Butterfield Specific Plan (FEIR)
- Draft Integrated Water Master Plan (WMP)
- Tentative Tract Map No. 37298 (TTM)

The UWMP, WSA, SP and FEIR are publicly available documents. The WMP is in draft form and not available for public release at this time. The TTM is included in Appendix A.

Secondary Documentation

By convention, citation of a secondary source is provided as a footnote within the body of the WSV or as an appendix.

¹ DWR. (2003). *Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001 to assist water suppliers, cities, and counties in integrating water and land use planning*

Description of Development

General Description Per Specific Plan

Per the SP²:

The Butterfield Specific Plan proposes a multi-use community within the 1,543-acre Specific Plan area in the northwestern corner of the City of Banning. Butterfield is to be predominately residential, comprised of simple, architecturally designed single-family, detached homes. Neighborhood parks, community parks, schools, open spaces, retail and commercial parcels are also integrated into the community. The Butterfield Specific Plan proposes a variety of residential opportunities including small, medium and standard lot single family detached homes; various configurations of single family detached cluster residences and attached single family or multi-family dwellings.

The community character for Butterfield encompasses the elements of the rustic and natural beauty of the site's surrounding foothill environment. The community landscape concept combines the existing natural character of the site with the historic California ranch vernacular. The theme will be defined and implemented through architectural elements and materials such as stone walls, and other similar materials and finishes throughout the community. The plant palette will further reinforce this concept utilizing drought tolerant species. Butterfield's high profile areas such as monumentation, parks, and other community facilities will be highlighted and reinforce the California ranch theme.

The outdoor lifestyle is an important design concept, one that is supported by residential plan types, parks and pedestrian connections linking the neighborhoods of Butterfield and by the community's immediate adjacency to the San Bernardino Mountains. This location provides an ideal setting for an active outdoor lifestyle and for residents to enjoy access to trails and close-up mountain views as their backdrop.

The land itself offers a dynamic setting that transitions from flatland to foothill to the San Bernardino Mountains – all within view of Butterfield residents. The open space plan neatly encompasses natural drainage paths and centrally organizes open spaces within the community. Community landscapes, parks and open spaces include the central open space, waving grasses and wildflowers edging community areas and select specimen trees providing landmark entries to the community. Butterfield's Design Guidelines are intended to facilitate diverse and varied streetscapes while maintaining a cohesive sense of place. Butterfield's architecture and landscapes are intended to be compatible with the surrounding environmental character. Design elements and landscape will consist of harmonious styles, forms, massing, color, materials, orientation and rooflines.

Proposed Low Density Residential single family lot sizes range from a minimum of 5,000 square feet to a minimum average of 7,500 square feet in some planning areas of the plan area. Medium Density single family lot sizes range from a minimum of 3,400 square feet to a minimum average of 7,200 square feet. The cluster development to be allowed in the project site is proposed to have lots ranging in minimum size from 2,000 to 2,800 square

² SP (page 1-1 et seq.)

feet or as detached condominium units. High Density Residential attached townhomes or other types of attached dwellings are also proposed for potential development in three of the Specific Plan planning areas. A total of up to 4,862 residential units are proposed for development within approximately 862 acres of the project site.

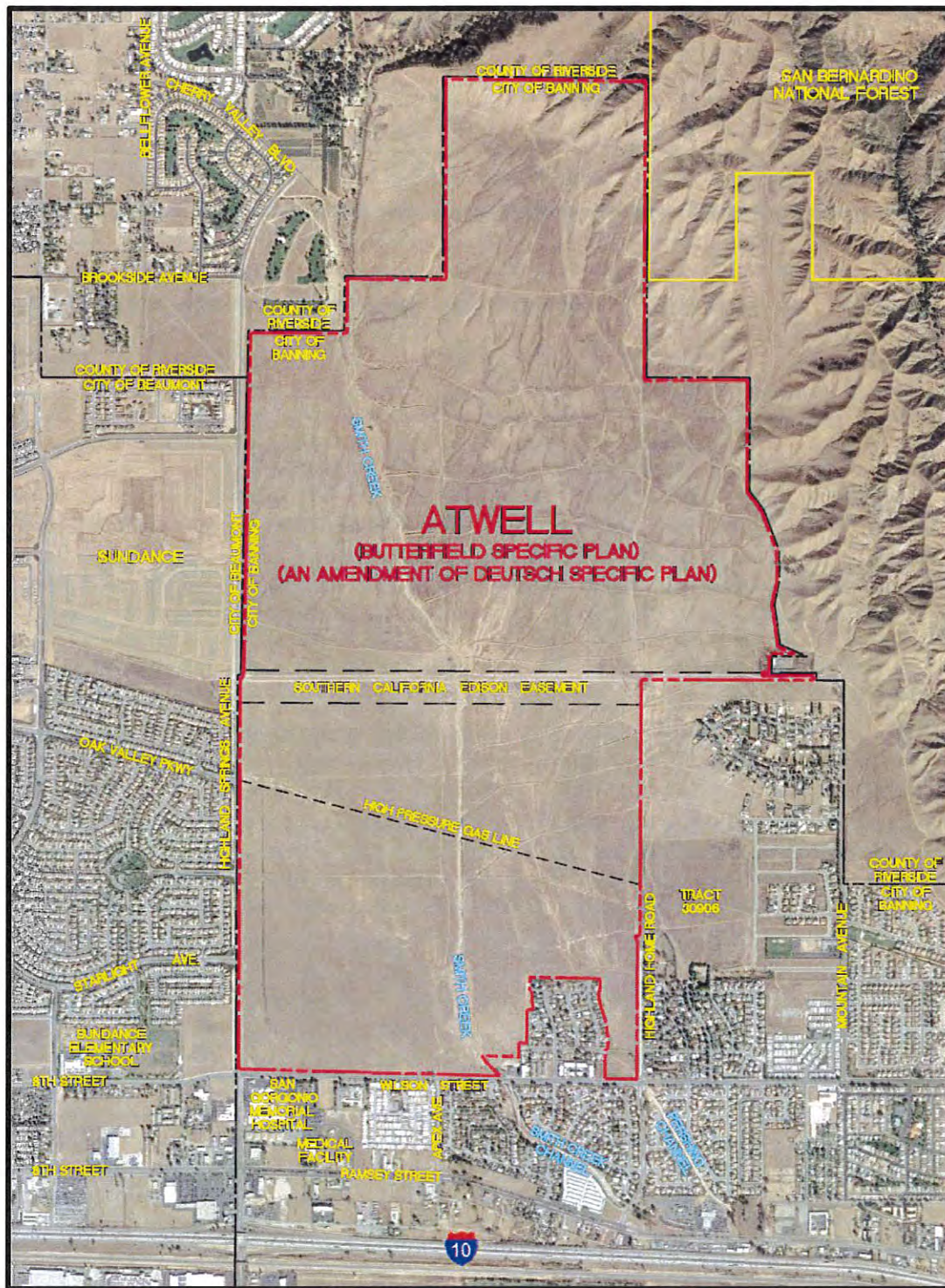
In addition to the proposed residential development, a total of approximately 496 acres of open space is proposed consisting of parks, natural open space, landscaped slope areas, easement areas, drainage areas, and the central open space integrated with the proposed realigned Smith Creek. To serve the future residents of Butterfield, two commercial sites totaling 36 acres are proposed. Other public facilities uses include two school sites constituting 27 acres, a 4.2 acre utility substation site, a potential 1.6 acre fire station site and approximately 101 acres reserved for the backbone roadway network. Further discussion of the Butterfield Specific Plan's proposed land uses is provided in Section 3.1 Land Use Plan, of this Specific Plan.

Approximately 1,527.6 acres of the total adopted Specific Plan area lies within the current limits of the City of Banning. In the Specific Plan area's northwest corner, approximately 15.4 acres are included in the adopted Specific Plan area, which are located on the east side of Highland Springs Avenue and southeast of the easterly end of Brookside Avenue that is located within the City of Banning's General Plan Planning Area, but is not currently within the City of Banning's Sphere of Influence or city limits. This area is not part of the Pardee Homes property holdings and is currently owned by the Highland Springs Country Club Owners Association. The Butterfield Specific Plan will not apply to this area unless this area is brought into Banning's Sphere of Influence and annexed to the City, if annexation is sought by the owners of this area.

The Butterfield Specific Plan aims to fulfill the City of Banning's development objectives by creating a development that responds to community needs, incorporates existing amenities, and provides a variety of open space amenities and uses. The variety of residential uses provides housing at different affordable price levels for a variety of income levels. Through the use of effective planning, the proposed Butterfield Specific Plan responds to the community's vision by providing a desirable high-quality planned community that integrates evenly distributed residential development.

Figure 1 shows the vicinity of the development.

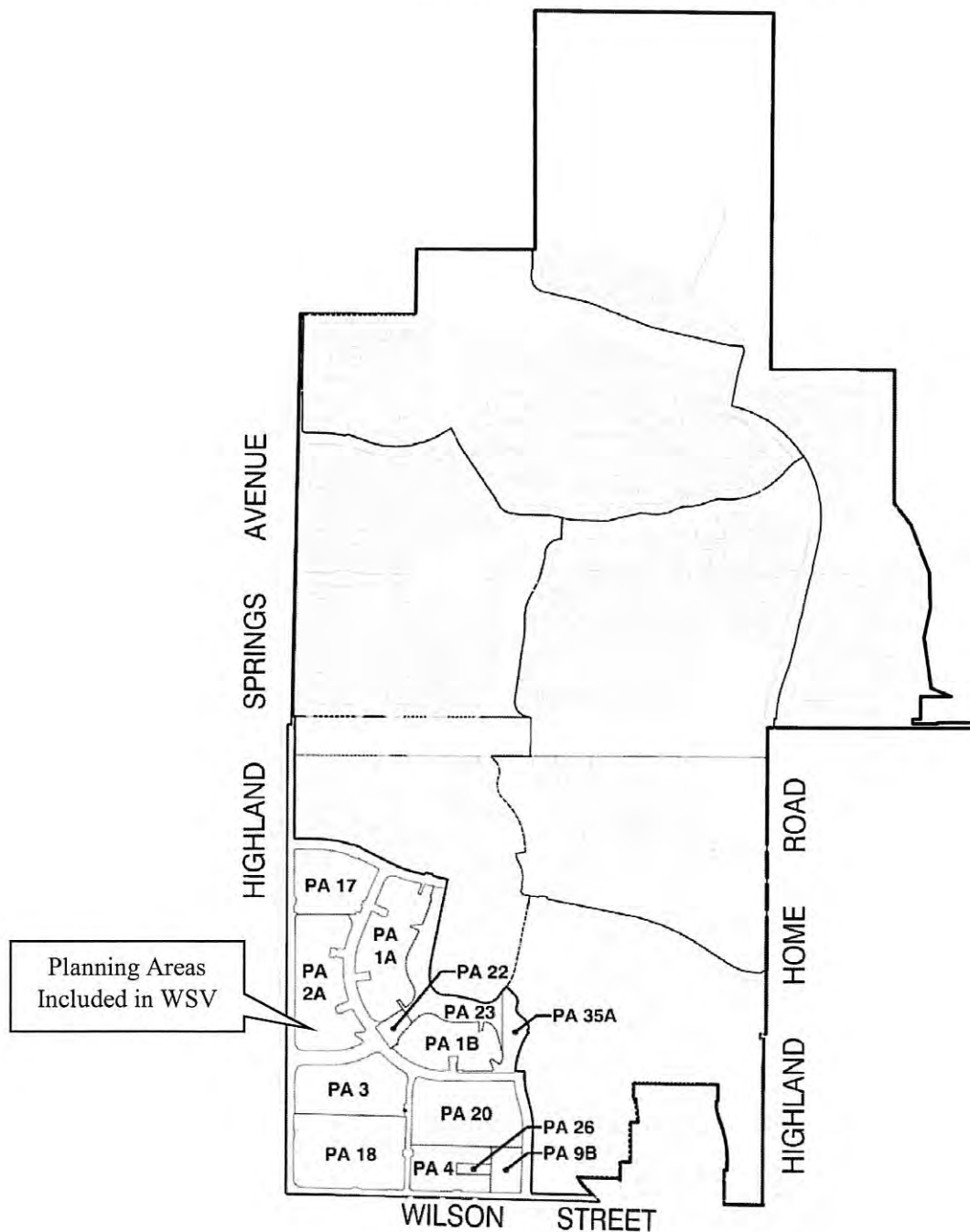
Figure 1 – Vicinity of Development



Description of WSV Focus

This WSV focuses on only those planning areas detailed on the TTM. The following excerpt from the TTM, shows the planning areas included in this WSV.

Figure 2 – Planning Areas Included in WSV



Section 1 & 9 – Applicability of SB 221

Code Citation

Government Code section 65867.5

(c) A development agreement that includes a subdivision, as defined in section 66473.7, shall not be approved unless the agreement provides that any tentative map prepared for the subdivision will comply with the provisions of section 66473.7.

Government Code section 66473.7

(a) For the purposes of this section, the following definitions apply:

- (1) "Subdivision" means a proposed residential development of more than 500 dwelling units, except that for a public water system that has fewer than 5,000 service connections, "subdivision" means any proposed residential development that would account for an increase of 10 percent or more in the number of the public water system's existing service connections.*
- (b) (1) The legislative body of a city or county or the advisory agency, to the extent that it is authorized by local ordinance to approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply shall be available. Proof of the availability of a sufficient water supply shall be requested by the subdivision applicant or local agency, at the discretion of the local agency, and shall be based on written verification from the applicable public water system within 90 days of a request.*
- (i) This section shall not apply to any residential project proposed for a site that is within an urbanized area and has been previously developed for urban uses, or where the immediate contiguous properties surrounding the residential project site are, or previously have been, developed for urban uses, or housing projects that are exclusively for very low and low-income households.*

Development Agreement

Approval of the development agreement is contingent upon verification of sufficient supply to meet the demands associated with the project. Refer to Section 16 regarding supply sufficiency.

Subdivision Verification

The project is defined as a Subdivision per Government Code Section 66473.7 (a) (1).

Per the UWMP³, the City had 10,648 service connections in 2015; therefore, any project more than 500 equivalent dwelling units is defined as a Subdivision.

Per the TTM⁴, six planning areas designated as residential land use are included in the project, as shown in Table 1.

Table 1 – Summary of Dwelling Units

Planning Area	Land Use Designation	DU's
1A	Low Density Residential	87
1B	Low Density Residential	57
2A	Low Density Residential	120
3	Medium Density Residential	109
4	Medium Density Residential	78
9B	Medium Density Residential	29
Total Dwelling Units		480

The number of dwelling units in the project is below the 500 dwelling unit threshold; therefore, the project will be evaluated in terms equivalent dwelling units.

Referring to Table 6, the estimated demand for the 480 dwelling units associated with the project is 288 AFY or 0.6 AFY per dwelling unit:

$$\frac{288 \text{ AFY}}{480 \text{ DU}} = 0.6 \text{ AFY/DU}$$

The total estimated demand for the project is 614 AFY or 1,023 equivalent dwelling units:

$$\frac{614 \text{ AFY}}{0.6 \text{ AFY/DU}} = 1,023 \text{ EDU}$$

The number of equivalent dwelling units in the project exceeds the 500 dwelling unit threshold; therefore, the project is a Subdivision.

Development associated with the TTM is hereafter referred to as the Subdivision.

³ UWMP (page 3-1)

⁴ TTM (Sheet 4)

Section 10 – Exemption of Subdivision

Code Citation

Government Code section 66473.7

(i) This Section shall not apply to any residential project proposed for a site that is within an urbanized area and has been previously developed for urban uses, or where the immediate contiguous properties surrounding the residential project site are, or previously have been, developed for urban uses, or housing projects that are exclusively for very low and low-income households.

Urbanized Area Review

The project is not in an urbanized area, as shown in Figure 1.

Low-Income Households Review

The project is not exclusively for low-income households. Per the SP⁵:

The variety of residential uses provides housing at different affordable price levels for a variety of income levels.

Therefore, the project is not exempt from SB 221.

⁵ SP (page 1-2)

Section 11 – Authority to Prepare Water Supply Verification

Code Citation

Government Code section 66473.7

(a) (3) "Public water system" means the water supplier that is, or may become as a result of servicing the subdivision included in a tentative map pursuant to subdivision (b), a public water system, as defined in Section 10912 of the Water Code, that may supply water for a subdivision.

Water Code section 10912

(c) "Public water system" means a system for the provision of piped water to the public for human consumption that has 3,000 or more service connections. A public water system includes all of the following: (1) Any collection, treatment, storage, and distribution facility under control of the operator of the system which is used primarily in connection with the system. (2) Any collection or pretreatment storage facility not under the control of the operator that is used primarily in connection with the system. (3) Any person who treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption.

Government Code section 66455.3.

Not later than five days after a city or county has determined that a tentative map application for a proposed subdivision, as defined in Section 66473.7, is complete pursuant to Section 65943, the local agency shall send a copy of the application to any water supplier that is, or may become, a public water system, as defined in Section 10912 of the Water Code, that may supply water for the subdivision.

Government Code section 66473.7

(b) (1) The legislative body of a city or county or the advisory agency, to the extent that it is authorized by local ordinance to approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply shall be available. Proof of the availability of a sufficient water supply shall be requested by the subdivision applicant or local agency, at the discretion of the local agency, and shall be based on written verification from the applicable public water system within 90 days of a request.

(2) If the public water system fails to deliver the written verification as required by this section, the local agency or any other interested party may seek a writ of mandamus to compel the public water system to comply.

(4) If the written verification is not provided by the public water system, notwithstanding the local agency or other interested party securing a writ of mandamus to compel compliance with this section, then the local agency may make a finding that sufficient water supplies are, or will be, available prior to completion of the subdivision that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.

(e) If there is no public water system, the local agency shall make a written finding of sufficient water supply based on the evidentiary requirements of subdivisions (c) and (d) and identify the mechanism for providing water to the subdivision.

City Jurisdiction

Per the UWMP⁶:

The City operates a public water system (PWS), as defined in California Health and Safety Code Section 116275(h), which defines a PWS as "a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year." PWSs are regulated by the State Water Resources Control Board, Division of Drinking Water. An urban water supplier may operate one or more PWS. The City operates a single PWS, which currently serves a population of approximately 30,500 people through about 10,650 water service connections.

Per the UWMP⁷, the City of Banning operates Public Water System Number CA3310006.

Per the UWMP⁸, Butterfield Ranch is one of

...two significant developments planned within the City's water service area, as described below.

The Butterfield Ranch Specific Plan (Butterfield Ranch) is a master planned community project that encompasses 1,543 acres and includes approximately 4,900 residential dwelling units, two elementary schools, two commercial sites, and community parks and trails. The project would be constructed in five phases over an estimated period of 30 years.

A project-specific water supply assessment (WSA), titled Water Supply Assessment for Butterfield Specific Plan, Issued June 2011 with the Draft EIR, Modified December 2011 by Section 4.1 of the Final EIR, was prepared to determine the adequacy of existing and future water supplies available to serve the project.

Per the WSA⁹:

The Project's development area is within the boundaries and municipal service area of the City. The City owns, operates and maintains the public water system within the City boundaries and proposes to be the public water supplier for the Project. As such, and as permitted by Water Code section 10910(b), the City is the preparer of this WSA.

⁶ UWMP (page 1-1)

⁷ UWMP (Table 2-1)

⁸ UWMP (page 2-5)

⁹ WSA (page 17)

Per the FEIR¹⁰:

The proposed project site is within the City of Banning's Water Utility Department service area that provides water services to the City.

The UWMP, the WSA and the FEIR establish the City's authority to prepare this WSV.

¹⁰ FEIR (page 3-61)

Section 12 – Previous Documentation

Code Citation

Government Code section 66473.7

(c) The applicable public water system's written verification of its ability or inability to provide a sufficient water supply that will meet the projected demand associated with the proposed subdivision as required by subdivision (b) shall be supported by substantial evidence. The substantial evidence may include, but is not limited to, any of the following:

- (1) The public water system's most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code.*
- (2) A water assessment that was completed pursuant to Part 2. 10 (commencing with Section 10910) of Division 6 of the Water Code.*
- (3) Other information relating to the sufficiency of the water supply that contains analytical information that is substantially similar to the assessment required by Section 10635 of the Water Code.*

2015 Urban Water Management Plan

The City's 2015 Urban Water Management Plan (UWMP) was adopted June 14, 2016. The UWMP is available on the DWR website¹¹. The resolution of adoption is provided in Appendix B.

The UWMP was reviewed by DWR and determined to address the requirement of the California Water Code (CWC). Confirmation of DWR's determination is provided in Appendix C.

2011 Water Supply Assessment

A Water Supply Assessment (WSA) was prepared for the Butterfield Specific Plan in 2011. The WSA is provided in Appendix D.

¹¹ https://wuedata.water.ca.gov/public/uwmp_attachments/5294522941/Banning-Final%202015%20UWMP%20%2806-21-2016%29.pdf

Section 13 – Information to Be Included

Code Citation

Government Code section 66473.7

- (a) (2) *“Sufficient water supply” means the total water supplies available during normal, single-dry, and multiple-dry years within a 20- year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining “sufficient water supply,” all of the following factors shall be considered:*
- (A) The availability of water supplies over a historical record of at least 20 years.*
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.*
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.*
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)*
- (f) In making any findings or determinations under this section, a local agency, or designated advisory agency, may work in conjunction with the project applicant and the public water system to secure water supplies sufficient to satisfy the demands of the proposed subdivision. If the local agency secures water supplies pursuant to this subdivision, which supplies are acceptable to and approved by the governing body of the public water system as suitable for delivery to customers, it shall work in conjunction with the public water system to implement a plan to deliver that water supply to satisfy the long-term demands of the proposed subdivision.*

Information Provided

The following subsections include documentation on:

- existing supply and demand
- groundwater as a source of supply
- projected supply
- projected demand
- dry year supply
- dry year demand

Step One: Supply

Step One consists of documenting (1) supply, (2) groundwater as a source of supply and (3) projected supply.

Documenting Supply

Code Citation

Government Code section 66473.7

- (a) (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)
- (d) When the written verification pursuant to subdivision (b) relies on projected water supplies that are not currently available to the public water system, to provide a sufficient water supply to the subdivision, the written verification as to those projected water supplies shall be based on all of the following elements, to the extent each is applicable:
- (1) Written contracts or other proof of valid rights to the identified water supply that identify the terms and conditions under which the water will be available to serve the proposed subdivision.
 - (2) Copies of a capital outlay program for financing the delivery of a sufficient water supply that has been adopted by the applicable governing body.
 - (3) Securing of applicable federal, state, and local permits for construction of necessary infrastructure associated with supplying a sufficient water supply.
 - (4) Any necessary regulatory approvals that are required in order to be able to convey or deliver a sufficient water supply to the subdivision.

Historical Deliveries

Table 2 shows annual historical deliveries as documented in the UWMP and the WSA. All deliveries were groundwater. Table 2 identifies the storage units that groundwater was extracted from and provides an annual total.

Table 2 – Actual Supply Received in AF

Year	Banning Storage Unit	Cabazon Storage Unit	Banning Bench Storage Unit	Banning Canyon Storage Unit	Beaumont Basin	Total
1983	0	2,678	0	4,153	1	6,832
1984	0	4,419	0	2,371	0	6,790
1985	0	3,898	0	2,605	13	6,516
1986	0	4,682	0	1,689	60	6,431
1987	0	4,471	0	2,179	1,082	7,732
1988	0	4,727	0	1,635	1,913	8,275
1989	0	4,640	0	1,057	2,730	8,427
1990	0	3,448	0	561	2,034	6,043
1991	0	4,146	0	408	2,874	7,428
1992	406	4,266	0	1,266	1,798	7,736
1993	445	4,773	0	1,246	1,743	8,207
1994	96	3,925	0	1,657	1,719	7,397
1995	225	5,007	0	1,289	960	7,481
1996	115	4,245	0	3,785	502	8,647
1997	135	4,713	0	3,065	746	8,659
1998	180	4,925	0	2,117	1,201	8,423
1999	424	4,756	0	1,910	1,887	8,977
2000	586	4,837	0	696	3,409	9,528
2001	839	5,451	0	364	3,376	10,030
2002	1,103	2,940	0	733	4,977	9,753
2003	2,381	2,370	0	877	4,430	10,058
2004	1,782	3,291	323	1,245	3,604	10,245
2005	1,267	3,577	219	2,369	1,878	9,310
2006	1,217	3,445	612	2,924	2,011	10,209
2007	1,311	2,640	1,202	2,124	2,962	10,239
2008	1,311	3,161	914	1,430	3,417	10,233
2009	1,806	2,767	982	1,341	2,354	9,250
2010	1,218	565	1,472	3,888	1,371	8,514
2011	1,345	499	1,319	3,808	1,483	8,454
2012	1,260	455	1,644	4,046	1,170	8,575
2013	1,747	11	1,701	3,147	2,136	8,742
2014	1,393	787	1,001	2,558	2,729	8,468
2015	527	787	1,208	2,462	1,675	6,659

Projected Deliveries

Table 3 shows projected deliveries of potable water from groundwater sources.

Table 3 – Projected Supply in AFY

Basin Name	2020	2025	2030	2035	2040
Beaumont Basin	0	726	1,919	3,134	4,100
Banning Storage Unit	1,070	1,130	1,130	1,130	1,130
Banning Bench Storage Unit	1,857	1,960	1,960	1,960	1,960
Cabazon Storage Unit	2,382	2,515	2,515	2,515	2,515
Banning Canyon Storage Unit	3,855	4,070	4,070	4,070	4,070
San Gorgonio Pass Subbasin Total	9,165	10,401	11,594	12,809	13,775

In general, the City will extract groundwater from the Banning, Banning Bench, Cabazon and Banning Canyon Storage Units per their established safe yields. The remaining supply required to meet demands will be extracted from the Beaumont Basin.

Groundwater Supply as a Source

Code Citation

Government Code section 66473.7

(g) The written verification prepared under this section shall also include a description, to the extent that data is reasonably available based on published records maintained by federal and state agencies, and public records of local agencies, of the reasonably foreseeable impacts of the proposed subdivision on the availability of water resources for agricultural and industrial uses within the public water system's service area that are not currently receiving water from the public water system but are utilizing the same sources of water. To the extent that those reasonably foreseeable impacts have previously been evaluated in a document prepared pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or the National Environmental Policy Act (Public Law 91- 190) for the proposed subdivision, the public water system may utilize that information in preparing the written verification.

(h) Where a water supply for a proposed subdivision includes groundwater, the public water system serving the proposed subdivision shall evaluate, based on substantial evidence, the extent to which it or the landowner has the right to extract the additional groundwater needed to supply the proposed subdivision. Nothing in this subdivision is intended to modify state law with regard to groundwater rights.

Water Code section 10631

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

- (1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with section 10750), or any other specific authorization for groundwater management.*
- (2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree.*

For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

- (3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.*
- (4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.*

Water Code section 10631

(h) Where a water supply for a proposed subdivision includes groundwater, the public water system serving the proposed subdivision shall evaluate, based on substantial evidence, the extent to which it or the landowner has the right to extract the additional groundwater needed to supply the proposed subdivision. Nothing in this subdivision is intended to modify state law with regard to groundwater rights.

Groundwater Management Plan

Per the UWMP¹², the Beaumont Basin is an adjudicated basin established by the *Stipulation for Entry of Judgment Adjudicating Groundwater Rights in the Beaumont Basin* (see Appendix E). Pursuant to the Judgment, the Court appointed a five-member Watermaster Committee, consisting of representatives from each of the five appropriators, which include City of Banning, City of Beaumont, Beaumont-Cherry Valley Water District, South Mesa Water Company, and Yucaipa Valley Water District.

The safe yield of the Beaumont Basin was initially established at 8,650 AFY, to be distributed among the appropriators. The safe yield is to be reevaluated at least once every ten years. Based on the 2013 Reevaluation of the Beaumont Basin Safe Yield, dated April 3, 2015, the safe yield was determined to be 6,700 AFY.

Based on a description of the Judgment included in the Beaumont Basin Watermaster 2014 Annual Report Draft, a controlled overdraft was created to allow the appropriators to extract from the Beaumont Basin, during the first ten years after adoption of the Judgment, a maximum of 16,000 AFY. The temporary surplus was divided among the appropriators, with City of Banning receiving 31.43 percent (or 5,029 AFY).

After the first 10 years of operation ended in 2014, appropriators no longer receive the temporary surplus and are permitted to extract only the amount each has in storage or credited to them. At the end of calendar year 2014, the City had approximately 46,774 AF in its storage account, based on the 2014 Watermaster Report. City of Banning is permitted to store up to 80,000 AF in the Beaumont Basin.

On an annual basis, the Watermaster determines the amount of groundwater to which each producer is entitled from the Beaumont Basin without incurring a replenishment obligation. City of Banning is entitled to 31.43% of the unused overlying production in the Beaumont Basin. Quantities to which the City is entitled but does not pump can be credited to the City's storage account.

The City purchases State Water Project (SWP) water from the San Geronio Pass Water Agency (SGPWA), who is one of 29 state water contractors. Quantities of SWP water purchased are recharged to the Beaumont Basin at the Beaumont-Cherry Valley Water District (BCVWD) Noble Creek spreading facility, which is located in the vicinity of Beaumont Avenue and Cherry Valley Boulevard. Quantities that will be recharged in the future are dependent upon SWP water availability and storage capacity available to the City.

The City has estimated future recharge quantities at 2,718 AFY. The allocation agreement identifies that the City of Banning would receive 27.3% of the SGPWA Table A allocation which has been allocated by DWR in the amount of 17,300 AFY. SGPWA's Table A allocation is subject to the reliability of the SWP water deliveries, which states that 58% was used based on DWR's 2013 Final SWP Reliability Report.

Based on the above, the estimated annual recharge quantity was determined as follows:

$$(17,300 \text{ AFY})(57.5\%)(27.3\%) = 2,718 \text{ AFY}$$

¹² UWMP. (page 5-3 at seq.).

Basin Description

The City's groundwater supplies are pumped from the San Gorgonio Pass Subbasin of the Coachella Valley Groundwater Basin. Per Bulletin 118¹³ (see Appendix F):

Basin Boundaries and Hydrology

The portion of the Coachella Valley Groundwater Basin that lies entirely within the San Gorgonio Pass is described as the San Gorgonio Pass Subbasin. This subbasin is bounded on the north by the San Bernardino Mountains and by semi-permeable rocks, and on the south by the San Jacinto Mountains. A surface drainage divide between the Colorado River and South Coastal Hydrologic Study Areas bounds the subbasin on the west. The eastern boundary is formed by a bedrock constriction that creates a groundwater cascade into the Indio Subbasin.

Average annual rainfall over the subbasin ranges from 15 to 18 inches. The San Gorgonio River flows intermittently over the subbasin and is the main surface drainage feature for the subbasin. Precipitation in the northern San Bernardino Mountains contributes its runoff to the San Gorgonio River.

Water Bearing Formations

The main water bearing deposits in the subbasin are Holocene and Pleistocene age alluvium and Pliocene to Pleistocene age San Timoteo Formation.

Alluvium. Holocene alluvium is mostly gravel and sand and, where saturated, would yield water readily to wells. Within the subbasin, these deposits lie largely above the water table and contribute little water to wells. Holocene alluvium is found in the tributaries of the subbasin and allows runoff to infiltrate and recharge the subbasin.

Older, Pleistocene age alluvium contains sand and gravel, but also large amounts of clay and silt. These deposits yield moderate amounts of water to wells.

San Timoteo Formation. The Pliocene to Pleistocene age San Timoteo Formation consists of poorly sorted to sorted, partly consolidated, fine to coarse sandstone along with layers of gravel and thin interbeds of clay. Well yield from these deposits is typically poor, but some deep wells have pumped more than 1,000 gallons per minute. The San Timoteo Formation may extend to over 2,000 feet below the surface and is one of the major water-bearing deposits in the subbasin.

The subbasin has a complex geologic and hydrogeologic history along with a scarcity of historical data for certain parts of the subbasin. A steep groundwater gradient is present in most of the subbasin because of construction of the San Jacinto Tunnel during 1933 through 1939. Intense de-watering increased the groundwater gradient and changed groundwater movement from westward to southeastward.

¹³ DWR. (2004). California's Groundwater Bulletin 118, Hydrologic Region Colorado River, Coachella Valley Groundwater Basin, San Gorgonio Pass Subbasin.

Restrictive Structures

Many faults are mapped cutting the subbasin materials. The subbasin is structurally complex and these faults likely add to the complexity by reducing groundwater flow within the subbasin.

Groundwater Level Trends

Groundwater levels throughout the subbasin declined significantly from 1933 through 1939 during the construction of the San Jacinto Tunnel as large quantities of groundwater were pumped and diverted into the Indio Subbasin. Groundwater levels in the eastern part of the subbasin rose or stayed the same between 1967 and 1987.

Groundwater Storage

Groundwater Storage Capacity. Total storage capacity of the subbasin was estimated to be about 2,700,000 AF by DWR. A re-evaluation by DWR estimates total storage capacity to be about 2, 200,000 AF.

Groundwater in Storage. Groundwater in storage in the first 60 feet below 1961 water levels was estimated by DWR to be about 245,000 AF using a 10 percent specific yield. Groundwater in storage for the entire saturated thickness of the subbasin was estimated at 1,400,000 AF.

Groundwater Budget

Little subsurface inflow occurs for the subbasin, but about 9,000 AFY of groundwater leaves the subbasin as subsurface outflow into the Indio Subbasin.

Groundwater extraction from the subbasin in 1999 is estimated to be 7,488 AF.

Average precipitation over the subbasin is approximately 18,000 AFY, and average stream flow is 5,000 AFY. About 9 percent, or 2,100 AF, of this precipitation and stream flow is estimated to provide recharge to the subbasin annually.

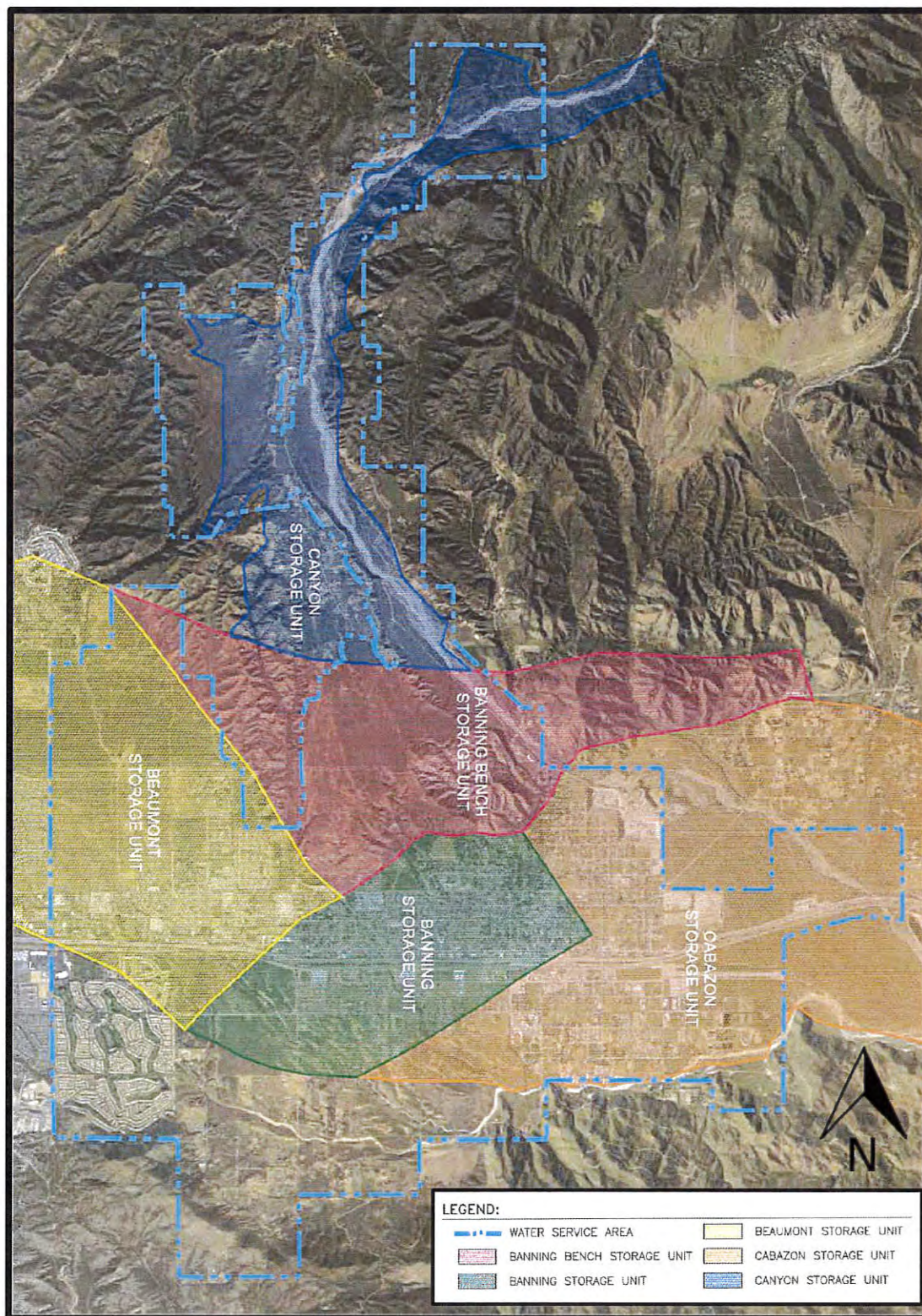
Agricultural return and wastewater effluent contribute little recharge to the subbasin.

Groundwater Quality

Characterization. Groundwater in the subbasin is characterized as predominantly calcium-sodium bicarbonate type. TDS content for selected samples from municipal wells ranged from 106 to 205 mg/L.

That portion of the San Gorgonio Pass Subbasin underlying the City is further subdivided into smaller units, as shown in Figure 3. Descriptions of each unit are provided.

Figure 3 – Groundwater Basin Storage Units



Beaumont Basin

According to the Beaumont Basin Water Master¹⁴:

- The Beaumont Basin is located in San Geronimo Pass, a low-relief highland that is bordered on the north by the San Bernardino Mountains, on the southeast by the San Jacinto Mountains, and on the west by the San Timoteo Badlands. Surface sediment in the basin and the lowlands consist of unconsolidated and semi consolidated Quaternary alluvium. Surrounding the alluvial sediments are semiconsolidated rocks of the San Timoneo Formation and igneous and metamorphic rocks of the San Jacinto and San Bernardino Mountains. The unconsolidated Quaternary alluvium and upper portion of the underlying San Timoneo Formation constitute the water-bearing aquifer.
- The boundaries of the basin are based on faults that form barriers to subsurface flow. Major faults in the area include the Banning and Cherry Valley faults, which form the northern boundary of the basin.
- Groundwater occurs at depth in the Quaternary alluvium and the San Timoneo Formation.
- The basin is replenished by infiltration of precipitation, subsurface flow across faults, return flow from irrigation and septic, and artificial recharge.
- The basin discharges via groundwater production, subsurface flow across faults, rising water in San Timoteo Creek, and evapotranspiration.
- The safe yield is 6,700 AFY.

According to the WSA¹⁵:

- There are eight active wells designated M3, M7, C2A, C3, C4, 24, 25 and 26 with a combined design capacity of 14,300 gpm.

¹⁴ Beaumont Basin Watermaster Draft 2017 Consolidated Annual Report and Engineering Report

¹⁵ WSA (page 54)

Banning Storage Unit

According to the UWMP¹⁶:

- The total surface area is approximately 2,489 acres (3.9 square miles).
- The area is underlain by alluvial sediments, with bedrock occurring to the north in the San Bernardino Mountains.
- The safe yield is 1,130 AFY.

According to the RSGSP DEIR¹⁷:

- The average thickness is 600 feet.
- The estimated capacity is 240,000 AF.

According to the WSA¹⁸:

- There are four active wells designated M10, M11, M12 and C5 with a combined design capacity of 3,650 gpm.

¹⁶ UWMP (page 5-5)

¹⁷ City of Banning. (2016). *Rancho San Geronio Specific Plan Draft EIR*. (page 5.16-10)
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/1499>

¹⁸ WSA (page 54)

Cabazon Storage Unit

According to the UWMP¹⁹:

- The total surface area is approximately 17,215 acres (26.9 square miles).

According to the RSGSP DEIR²⁰:

- The average thickness is 350 feet.
- The estimate storage is 1,000,000 AF.

According to the WSA²¹:

- The safe yield is 5,265 AFY.

According to the WSA²²:

- There is one active well designated C6 with a design capacity of 1,000 gpm.

¹⁹ UWMP (page 5-5)

²⁰ City of Banning. (2016). *Rancho San Gorgonio Specific Plan Draft EIR*. (page 5.16-11)
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/1499>

²¹ WSA (page 94)

²² WSA (page 54)

Banning Bench Storage Unit

According to the UWMP²³:

- The total surface area is approximately 3,573 acres (5.9 square miles).
- The safe yield is 1,960 AFY.

According to the RSGSP DEIR²⁴:

- The average thickness is 30 feet.
- The estimated capacity is 1,500 AF.

According to the WSA²⁵:

- There are three active wells designated 1, 2 and 3 with a combined design capacity of 3,650 gpm.

²³ UWMP (page 5-5)

²⁴ City of Banning. (2016). *Rancho San Geronio Specific Plan Draft EIR*. (page 5.16-11)
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/1499>

²⁵ WSA (page 54)

Banning Canyon Storage Unit

According to the UWMP²⁶:

- The total surface area is approximately 1,058 acres (1.7 square miles).
- The canyon bottom comprises alluvium, and the canyon sides are bedrock.
- The safe yield is 4,070 AFY.

According to the RSGSP DEIR²⁷:

- The average thickness is 161 feet.
- The estimated capacity is 13,500 AF.

According to the WSA²⁸:

- There are eight active wells designated 4, 5, 7, 8, 9, 10, 11 and 12 with a combined design capacity of 12,100 gpm.

Overdraft

Overdraft of the Beaumont Basin is managed by the Beaumont Basin Watermaster. Upon enactment of the Judgment, Watermaster oversaw a period of a controlled overdraft which ended in 2014. The controlled overdraft allowed the appropriators to extract from the Beaumont Basin their entitlements up to a maximum of 16,000 AFY. The safe yield of the Beaumont Basin is reevaluated at least once every ten years as a basis for sustainable management. The safe yield²⁹ of the Beaumont Basin was most recently evaluated in 2015, at which time it was determined to be 6,700 AFY.

The City of Banning sustainably manages of the Banning, Banning Bench, Cabazon and Banning Canyon storage units based on established estimates of their safe yields.

²⁶ UWMP (page 5-6)

²⁷ City of Banning. (2016). *Rancho San Geronio Specific Plan Draft EIR*. (page 5.16-11)
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/1499>

²⁸ WSA (page 54)

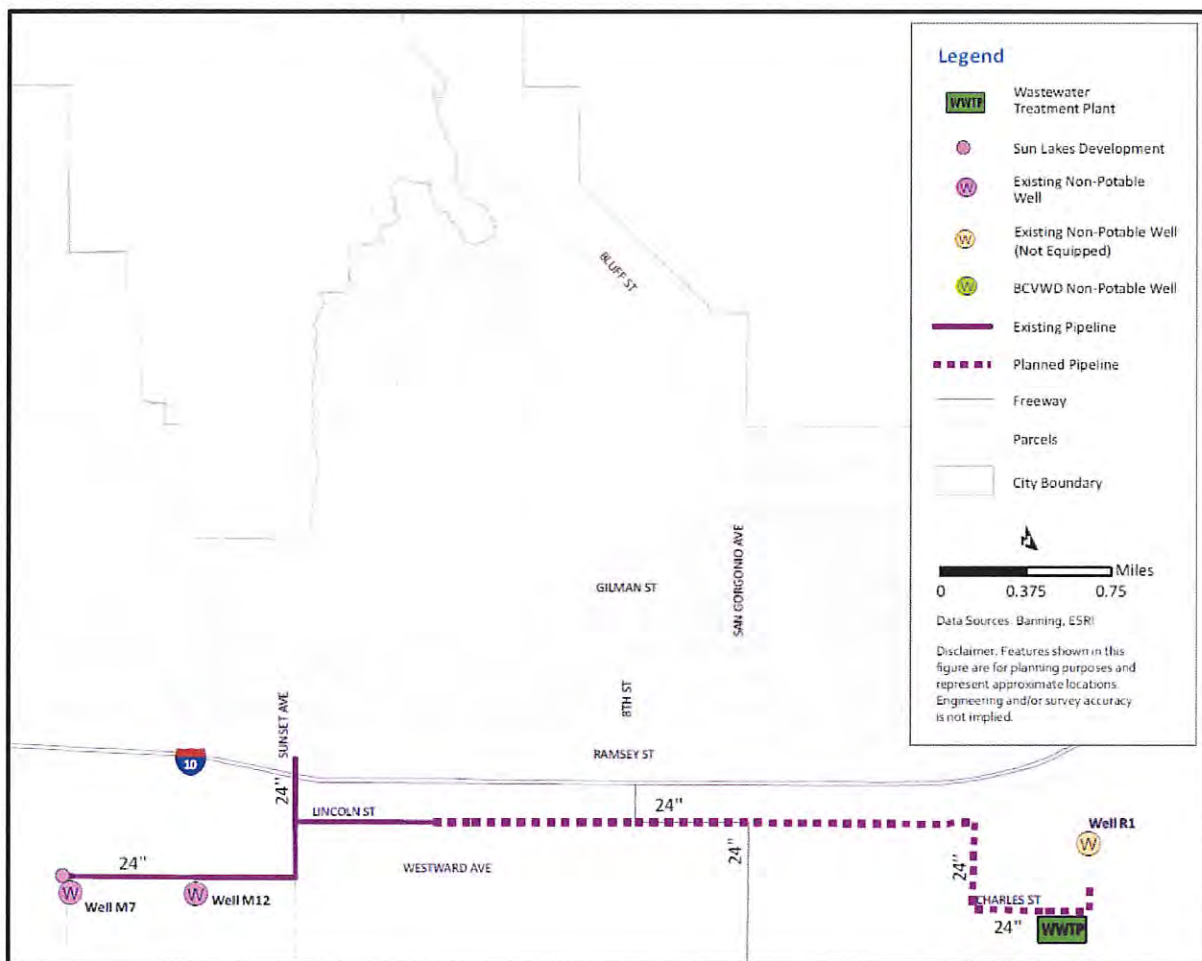
²⁹ Beaumont Basin Watermaster. (2015). *2013 Reevaluation of the Beaumont Basin Safe Yield*.
<http://documents.yvwd.dst.ca.us/bbwm/documents/reevaluationbeaumont2013.pdf>

Planned Water Supply Infrastructure

Planned water supply infrastructure associated with the subdivision is limited to development of non-potables sources and construction of non-potable water transmission pipelines. Non-potable sources may include untreated groundwater following construction of well or recycled water following improvements to the WWTP.

Per the WMP³⁰, Figure 4 provides an overview of planned infrastructure for non-potable water.

Figure 4 – Existing and Planned Non-Potable Water Infrastructure



At this time, no transmission pipelines are planned that will reach the development with non-potable water.

³⁰ WMP (Figure 8.1)

Capital Outlay for Water Supply Delivery

Per the Development Agreement³¹, the developer agrees to undertake “additions, improvements and/or upgrades to the City’s water system, either domestic or reclaimed,” as required in connection with the project.

The developer will fund the construction of facilities to provide non-potable water somewhere within the City of Banning to offset the use of potable water used for irrigation within their development.

Water Supply Construction Permits and Regulatory Approval

The City is already permitted to use non-potable groundwater for irrigation.

The City is in the process of acquiring a permit for the use of recycled water pending improvement to the WWTP.

³¹ Development Agreement between City of Banning and Pardee Homes. (2012). (Page 25, §7.3.4.)

Projected Supply

Code Citation

Government Code section 66473.7

(d) When the written Verification pursuant to subdivision (b) relies on projected water supplies that are not currently available to the public water system, to provide a sufficient water supply to the subdivision, the written verification as to those projected water supplies shall be based on all of the following elements, to the extent each is applicable:

- (1) Written contracts or other proof of valid rights to the identified water supply that identify the terms and conditions under which the water will be available to serve the proposed subdivision.*
- (2) Copies of a capital outlay program for financing the delivery of a sufficient water supply that has been adopted by the applicable governing body.*
- (3) Securing of applicable federal, state, and local permits for construction of necessary infrastructure associated with supplying a sufficient water supply.*
- (4) Any necessary regulatory approvals that are required in order to be able to convey or deliver a sufficient water supply to the subdivision.*

Potable Water

There are no new sources of potable water projected to be available to the City through 2040.

Non-Potable Water

Currently, all wastewater collected by the City is treated to secondary standards and used for groundwater recharge. The City will expand and upgrade its wastewater treatment plant (WWTP) to accommodate future growth and treat up to 1,680 AFY of effluent to tertiary standards to be used for irrigation (i.e. recycled water), per the Phase I Upgrade.

The City does not consider recycled water as a new source. Rather, the Phase I Upgrade provides flexibility in the way the City manages its existing resources, providing the options of direct non-potable reuse (i.e. irrigation with Title 22 water) and groundwater recharge. The upgrades are projected to be completed by 2025.

Step Two: Demand

Documenting Demand

Code Citation

Government Code section 66473.7

- (a) (2) *“Sufficient water supply” means the total water supplies available during normal, single-dry, and multiple-dry years within a 20- year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining “sufficient water supply,” all of the following factors shall be considered:*
- (A) The availability of water supplies over a historical record of at least 20 years.*
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.*
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.*
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)*

Demand Definitions

Code Citation

Government Code section 66473.7

(a) For the purposes of this section, the following definitions apply:

- (1) "Subdivision" means a proposed residential development of more than 500 dwelling units, except that for a public water system that has fewer than 5,000 service connections, "subdivision" means any proposed residential development that would account for an increase of 10 percent or more in the number of the public water system's existing service connections.
- (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
 - (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d).
- (3) "Public water system" means the water supplier that is, or may become as a result of servicing the subdivision included in a tentative map pursuant to subdivision (b), a public water system, as defined in Section 10912 of the Water Code, that may supply water for a subdivision.

Existing and Planned Future Uses

Code Citation

Government Code section 66473.7

- (a) (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
 - (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)

Methodology for Projecting Future Demand

The UWMP provides existing and planned future uses, which includes development associated with the SP per the WSA. This WSV recalculates planned future uses based on current data using the following steps:

1. Determine the City's planned future uses excluding the SP
2. Calculate the impact of the Subdivision (i.e. build out of the TTM)
3. Calculate the impact of the remaining portions of the SP
4. Project the City's total demand distinguishing the Subdivision's demand and the demand for the remaining portions of the SP

Planned Future Uses Excluding the SP

Table 5 provides a summary of data from the UWMP showing the existing and projected demand for the City excluding the SP.

Table 4 – Demand Data from UWMP

Water Use (AFY)	2015	2020	2025	2030	2035	2040
Water Use with SP	6,709	10,515	11,320	12,047	12,837	13,629
SP Water Use	0	1,587	1,908	2,239	2,633	2,972
Water Use Excluding SP	6,709	8,928	9,412	9,808	10,204	10,657

Water Use with SP is taken from UWMP. (Table 3-3 – Total Water Use)

SP Water Use is taken from Appendix D of the UWMP. (Public Comments on The Draft 2015 UWMP and Responses Thereto. Table 1 – Water Demands for Proposed Specific Plan Developments)

Water Use Excluding SP is the difference between total use and use associated with the SP.

Planned Future Use of Subdivision

Demand for the Subdivision was calculated in four steps: (1) application of demand factors to planning areas, (2) separation of potable and recycled water demand, (3) adjustment for water conservation savings, and (4) projection based on the 20-year phasing plan.

Table 6 provides the demand factors used in this WSV.

Table 5 – Water Demand Factors

Land Use	AFY/acre
Low Density Residential	2.6
Medium Density Residential	3.1
High Density Residential	3.5
Commercial	5.9
Public Facilities	0.4
Schools	3.9
Parks	3.75
Central Open Space	2.8

The demand factors for residential, commercial, public facilities and schools are taken from the WMP (Table 3.5 – Water Demand Factors).

The demand factor for parks was derived from the City's municipal code concerning water conservation (§17.32.070 et seq.). The code identifies the maximum applied water allowance as the reference evapotranspiration of 75 inches per year times an evapotranspiration adjustment factor 0.6 to account for irrigation efficiency and plant mix.

The central open space demand factor is 75% of the parks demand factor, which accounts for water features, pathways and areas of native vegetation.

Table 7 shows the application of demand factors to planning areas based on land use.

Table 6 – Application of Demand Factors to Subdivision

Planning Area	Land Use	Area (acres)	Demand Factor (AFY/acre)	Total Demand (AFY)
1A	Low Density Residential	28.48	2.6	74
1B	Low Density Residential	13.22	2.6	34
2A	Low Density Residential	22.03	2.6	57
3	Medium Density Residential	18.97	3.1	59
4	Medium Density Residential	13.69	3.1	48
9B	Medium Density Residential	5.00	3.1	16
17	Commercial	13.15	5.9	78
18	Commercial	23.09	5.9	136
20	Schools	14.02	3.9	55
22	Parks	2.01	3.75	8
23	Central Open Space	18.28	2.8	51
26	Parks	1.00	3.75	4
Totals		172.94		614

Recycled water will be used for irrigation of parks, open spaces, landscaping in commercial and institutional properties, and common areas in multi-family residential properties. Based on the recycled water distribution system proposed in the SP, recycled water will be available to all planning areas for these irrigation purposes.

Based on a review of the SP, irrigable area by land use that is suitable for recycled water is estimated as shown in Table 8. Note that these estimates are used only to quantify the breakdown of recycled water and potable water but have no impact on total water demand.

Table 7 – Irrigable Area by Land Use

Land Use	Irrigable Area
Park	100%
Open Space	100%
School	42%
Commercial and Institutional	20%
Multi-family Residential	20%

Potable water demand for parks and open spaces is assumed to be negligible.

The irrigable area for schools is assumed to be similar to other schools in the City. Aerial imagery of Hoffer Elementary School, Susan B. Coombs Intermediate School and Hemmerling Elementary School were reviewed to determine the average irrigable area, as shown in Table 8.

Table 8 – Irrigable Area for Schools

School	Total Area (acres)	Irrigable Area (acres)	Percent Irrigable
Hoffer	8.6	3.8	44%
Susan B Coombs	8.2	2.5	30%
Hemmerling	6.7	3.5	52%
Total	23.5	9.8	42%

The irrigable area for commercial and institutional land use is generally consistent with the SP³².

³² SP. Figure 5.7 – General Commercial Typical Illustrative Plot

Table 9 provides a summary of water use by type by applying the irrigable area for each land use from Table 8 to the total demand for each planning area from Table 7.

In addition, the indoor use is provided. For single family residential land uses, indoor demand assumes 55 gallons per persons per day³³ and 3.12 persons per dwelling unit³⁴.

Table 9 – Separation of Demand by Type

Planning Area	Land Use	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
1A	Low Density Residential	74	0	74	17
1B	Low Density Residential	34	0	34	11
2A	Low Density Residential	57	0	57	23
3	Medium Density Residential	59	0	59	21
4	Medium Density Residential	42	11	31	31
9B	Medium Density Residential	16	4	12	12
17	Commercial	78	11	67	67
18	Commercial	136	19	117	117
20	Schools	55	24	31	31
22	Parks	8	8	0	0
23	Central Open Space	51	51	0	0
26	Parks	4	4	0	0
Totals		614	132	482	330

³³ California Water Code §10608.20 (b) (2) (a)

For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

³⁴ UWMP (page 2-4)

Per the 2015 UWMP Guidebook for Urban Water Suppliers³⁵, the following assumptions were applied to the baseline calculations in Table 9 to account for water conservation savings:

- Irrigation efficiency is 85% to account for effective irrigation design and installation of moisture controllers
- Evapotranspiration factor is 0.5 to account for the use of drought tolerant plants
- Indoor water use is reduced by 20% to account for installation of efficient fixtures and appliance

Per the Guidebook, reporting of future use will occur in years ending in zero and five. Per the Phasing Plan, the Subdivision will be constructed over a 4-year period from 2019 to 2022. As a result, 50% is assumed to be completed by the end of 2020, and 100% by 2025 and thereafter.

Based on the previous assumptions and calculations, Table 10 provides a projection and breakdown of potable water (PW) demand and recycled water (RW) demand for the Subdivision through 2040.

Table 10 – Breakdown and Projection of Conservation Savings

Water Use (AFY)	2020	2025	2030	2035	2040
PW Baseline	241	482	482	482	482
PW Indoor Use	165	330	330	330	330
PW Outdoor Use	76	152	152	152	152
PW Indoor Savings	33	66	66	66	66
PW Outdoor Savings	20	40	40	40	40
PW Total Savings	53	106	106	106	106
PW Net Use	188	376	376	376	376
RW Base	66	132	132	132	132
RW Savings	17	35	35	35	35
RW Net Use	49	97	97	97	97

Table 11 provides a summary of the baseline, savings and net demand projection for the Subdivision.

Table 11 – Summary of Subdivision Demand Projection

Water Use (AFY)	2020	2025	2030	2035	2040
Baseline	307	614	614	614	614
Savings	70	141	141	141	141
Net	237	473	473	473	473

³⁵ DWR. (2016). *2015 UWMP Guidebook for Urban Water Suppliers*. Appendix K – Estimating Future Savings. https://www.water.ca.gov/LegacyFiles/urbanwatermanagement/docs/2015/UWMP_Guidebook_Mar_2016_FINAL.pdf

Planned Future Use of the Remaining Portions of the SP

Similar to the methodology for the Subdivision, demand calculations were performed for the remaining portions of the SP (see Appendix G). A summary is provided in Table 12.

Table 12 – Summary of Demand Projection for Remaining Portions of SP

Water Use (AFY)	2020	2025	2030	2035	2040
Baseline	0	686	1,732	2,825	3,511
Savings	0	170	419	693	866
Net	0	516	1,313	2,132	2,645

Summary of Planned Future Use

Table 13 provides a summary of existing and planned future uses.

Table 13 – Summary of Existing and Future Uses

Water Use (AFY)	2015	2020	2025	2030	2035	2040
Water Use Excluding SP	6,709	8,928	9,412	9,808	10,204	10,657
Future Use of Subdivision	0	237	473	473	473	473
Future Use of Remaining Portions of SP	0	0	516	1,313	2,132	2,645
Total Existing and Future Use	6,709	9,165	10,401	11,594	12,809	13,775

Water Use Excluding SP is taken from Table 4.

Future Demand of Subdivision is taken from Table 11.

Future Use of Remaining Portions of SP is taken from Table 12.

Step Three: Documenting Dry-Year Supply

Code Citation

Government Code section 66473.7

- (a)(2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)

Quantification of Available Water Supplies

Quantities of available water supplies are shown in Table 14.

Table 14 – Available Water Supply

Groundwater Source (AFY)	2020	2025	2030	2035	2040
Beaumont Basin (Appropriative Rights)	1,178	911	649	486	486
Beaumont Basin (Recharge via SWP Water)	2,718	2,718	2,718	2,718	2,718
Banning Storage Unit	1,130	1,130	1,130	1,130	1,130
Banning Bench Storage Unit	1,960	1,960	1,960	1,960	1,960
Cabazon Storage Unit	2,515	2,515	2,515	2,515	2,515
Banning Canyon Storage Unit	4,070	4,070	4,070	4,070	4,070
Total Available Supply	13,571	13,304	13,042	12,879	12,879

Available groundwater in the Beaumont Basin consists of the City's Appropriative Rights and recharge via the State Water Project.

Per Watermaster, the Appropriative Rights are 31.43% of the remaining safe yield after overlying parties have pumped their allocations. The UWMP projected the City's Appropriative Rights through 2040; however, Watermaster has authorized a transfer of overlying rights³⁶ effective 2017 from Oak Valley Partners (OVP) to Yucaipa Valley Water District (YCMD) to supply development within the basin in Calimesa. Development is assumed to commence in 2018 and last 15 years, at which time the entire transfer

³⁶ Resolution No. 2017-02 (see Appendix H)

will be produced by YVWD. Appropriative Rights have been recalculated as shown in Table 14 to account for the ensuing development and supply transfer.

Per the UWMP, 2,718 AFY of SWP water are available to the City for recharge in the Beaumont Basin via the San Geronio Pass Water Agency (SGPWA).

The remaining storage units will be sustainably managed by the City with production at their safe yields.

Normal Year Supply

The projected normal year supply is shown in Table 15.

Table 15 – Normal Year Supply

Water Supply (AFY)	2020	2025	2030	2035	2040
Supply Total	13,571	13,304	13,042	12,879	12,879

Per the UWMP³⁷:

...due to its reliance on local groundwater sources, the City has not experienced any actual supply deficiencies, even during multiple drought years. With the local groundwater reserves available to the City, the City does not anticipate a decrease in available water supplies during a dry year or during multiple dry years.

Per the UWMP³⁸:

Due to reliance on groundwater, supply reliability is the same during normal, single-dry, and multiple-dry water years.

To maintain consistency with the UWMP, the normal year supply projection is the same for single dry years and multiple dry years.

³⁷ UWMP (page 6-5)

³⁸ UWMP (page 6-6, Table 6-1)

Single Dry Year Supply

The projected single dry year supply is shown in Table 15.

Table 16 – Dry Year Supply

Water Supply (AFY)	2020	2025	2030	2035	2040
Supply Total	13,571	13,304	13,042	12,879	12,879

Multiple Dry Year Supply

The projected multiple dry year supply is shown in Table 16.

Table 17 – Multiple Dry Year Supply

Water Supply (AFY)	2020	2025	2030	2035	2040
Year 1 Supply Total	13,571	13,304	13,042	12,879	12,879
Year 2 Supply Total	13,571	13,304	13,042	12,879	12,879
Year 3 Supply Total	13,571	13,304	13,042	12,879	12,879

Step Four: Documenting Dry-Year Demand

Code Citation

Government Code section 66473.7

- (a) (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20- year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)

Water Code section 10632 (Urban Water Management Plan requirements)

10632. The plan shall provide an urban water shortage contingency analysis which includes each of the following elements which are within the authority of the urban water supplier: (a) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions which are applicable to each stage. (b) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply. (c) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster. (d) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning. (e) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply. (f) Penalties or charges for excessive use, where applicable. (g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments. (h) A draft water shortage contingency resolution or ordinance. (i) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

Normal Year Demand

Normal year demand is shown in Table 18.

Table 18 – Normal Year Demand

Water Use (AFY)	2020	2025	2030	2035	2040
With Subdivision	9,165	10,401	11,594	12,809	13,775
Without Subdivision	8,928	9,928	11,121	12,336	13,302

Single Dry Year Demand

Single dry year demand is shown in Table 18.

Table 19 – Single Dry Year Demand

Water Use (AFY)	2020	2025	2030	2035	2040
With Subdivision	9,623	10,921	12,174	13,449	14,464
Without Subdivision	9,374	10,424	11,677	12,953	13,967

Per the UWMP, 2007 is the City's reference single dry year. Based on review of population and demand for a 15-year period from 2001 to 2015, the demand in 2007 was found to be 5% higher than average. The normal year demand has been increased by 5% accordingly to project single dry year demand.

Multiple Dry Year Demand

Multiple dry year demand is shown in Table 19.

Table 20 – Multiple Dry Year Demand

Water Use (AFY)		2020	2025	2030	2035	2040
Year 1	With Subdivision	7,515	8,529	9,507	10,503	11,296
	Without Subdivision	7,321	8,141	9,119	10,116	10,908
Year 2	With Subdivision	7,607	8,633	9,623	10,631	11,433
	Without Subdivision	7,410	8,240	9,230	10,239	11,041
Year 3	With Subdivision	7,332	8,321	9,275	10,247	11,020
	Without Subdivision	7,142	7,942	8,897	9,869	10,642

Per the UWMP, 2012-2014 is the City's reference span of multiple dry years. Based on review of population and demand for a 15-year period from 2001 to 2015, the demand in 2012 was found to be 18% lower than average, the demand in 2013 was found to be 17% lower than average, and the demand in 2014 was found to be 20% lower than average. The normal year demand has been decreased by 18%, 17% and 20% accordingly to project multiple dry year demand.

Section 14 – Determination of Water Supply Sufficiency

Code Citation

Government Code section 66473.7

- (a) (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20- year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
 - (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
 - (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
 - (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d)

Normal Year Comparison

Table 21 provides an evaluation of normal year supply sufficiency including the Subdivision. Under these conditions, there will be a supply deficit of 896 AFY in 2040.

Table 21 – Normal Year Comparison with Subdivision

Water Supply/Use (AFY)	2020	2025	2030	2035	2040
Total Water Supply	13,571	13,304	13,042	12,879	12,879
Water Use with Subdivision	9,165	10,401	11,594	12,809	13,775
Surplus/(Deficit)	4,406	2,903	1,448	70	(896)

Table 22 provides an evaluation of normal year supply sufficiency excluding the Subdivision. Under these conditions, there will be a supply deficit of 423 AFY in 2040.

Table 22 – Normal Year Comparison without Subdivision

Water Supply/Use (AFY)	2020	2025	2030	2035	2040
Total Water Supply	13,571	13,304	13,042	12,879	12,879
Water Use without Subdivision	8,928	9,928	11,121	12,336	13,302
Surplus/(Deficit)	4,643	3,376	1,921	543	(423)

Dry Year Comparison

Table 23 provides an evaluation of single dry year supply sufficiency including the Subdivision. Under these conditions, there will be a supply deficit of 570 AFY in 2035 increasing to a deficit 1,585 AFY in 2040.

Table 23 – Single Dry Year Comparison with Subdivision

Water Supply/Use (AFY)	2020	2025	2030	2035	2040
Total Water Supply	13,571	13,304	13,042	12,879	12,879
Water Use with Subdivision	9,623	10,921	12,174	13,449	14,464
Surplus/(Deficit)	3,948	2,383	868	(570)	(1,585)

Table 24 provides an evaluation of single dry year supply sufficiency excluding the Subdivision. Under these conditions, there will be a supply deficit of 74 AFY in 2035 increasing to a deficit 1,088 AFY in 2040.

Table 24 – Single Dry Year Comparison without Subdivision

Water Supply/Use (AFY)	2020	2025	2030	2035	2040
Total Water Supply	13,571	13,304	13,042	12,879	12,879
Water Use without Subdivision	9,374	10,424	11,677	12,953	13,967
Surplus/(Deficit)	4,197	2,880	1,365	(74)	(1,088)

Multiple Year Comparison

Table 25 provides an evaluation of multiple dry year supply sufficiency including the Subdivision. Under these conditions, there will be sufficient supply through 2040.

Table 25 – Multiple Year Comparison with Subdivision

Water Supply/Use (AFY)		2020	2025	2030	2035	2040
Year 1	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use with Subdivision	7,515	8,529	9,507	10,503	11,296
	Surplus/(Deficit)	6,056	4,775	3,535	2,376	1,583
Year 2	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use with Subdivision	7,607	8,633	9,623	10,631	11,433
	Surplus/(Deficit)	5,964	4,671	3,419	2,248	1,446
Year 3	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use with Subdivision	7,332	8,321	9,275	10,247	11,020
	Surplus/(Deficit)	6,239	4,983	3,767	2,632	1,859

Table 26 provides an evaluation of multiple dry year supply sufficiency excluding the Subdivision. Under these conditions, there will be sufficient supply through 2040.

Table 26 – Multiple Year Comparison without Subdivision

Water Supply/Use (AFY)		2020	2025	2030	2035	2040
Year 1	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use without Subdivision	7,321	8,141	9,119	10,116	10,908
	Surplus/(Deficit)	6,250	5,163	3,923	2,763	1,971
Year 2	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use without Subdivision	7,410	8,240	9,230	10,239	11,041
	Surplus/(Deficit)	6,161	5,064	3,812	2,640	1,838
Year 3	Total Water Supply	13,571	13,304	13,042	12,879	12,879
	Water Use without Subdivision	7,142	7,942	8,897	9,869	10,642
	Surplus/(Deficit)	6,429	5,362	4,145	3,010	2,237

Section 15 – Finding of City

Code Citation

Government Code section 66473.7

(b) (3) If the written verification provided by the applicable public water system indicates that the public water system is unable to provide a sufficient water supply that will meet the projected demand associated with the proposed subdivision, then the local agency may make a finding, after consideration of the written verification by the applicable public water system, that additional water supplies not accounted for by the public water system are, or will be, available prior to completion of the subdivision that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.

(d) When the written verification pursuant to subdivision (b) relies on projected water supplies that are not currently available to the public water system, to provide a sufficient water supply to the subdivision, the written verification as to those projected water supplies shall be based on all of the following elements, to the extent each is applicable:

- (1) Written contracts or other proof of valid rights to the identified water supply that identify the terms and conditions under which the water will be available to serve the proposed subdivision.*
- (2) Copies of a capital outlay program for financing the delivery of a sufficient water supply that has been adopted by the applicable governing body.*
- (3) Securing of applicable federal, state, and local permits for construction of necessary infrastructure associated with supplying a sufficient water supply.*
- (4) Any necessary regulatory approvals that are required in order to be able to convey or deliver a sufficient water supply to the subdivision.*

(f) In making any findings or determinations under this section, a local agency, or designated advisory agency, may work in conjunction with the project applicant and the public water system to secure water supplies sufficient to satisfy the demands of the proposed subdivision. If the local agency secures water supplies pursuant to this subdivision, which supplies are acceptable to and approved by the governing body of the public water system as suitable for delivery to customers, it shall work in conjunction with the public water system to implement a plan to deliver that water supply to satisfy the long-term demands of the proposed subdivision.

Finding

As discussed in Section 14, the City has a water supply shortfall in 2040 under normal demand conditions, at which time there will be a 896 AFY deficit with the Subdivision and a 423 AFY deficit without the Subdivision. The deficit with the Subdivision is equivalent to a volume of 2,548 AF through 2040, as shown in Table 27.

Table 27 – Volume of Deficit in AF

Year	2035	2036	2037	2038	2039	2040	Total
Surplus/(Deficit)	70	(123)	(316)	(510)	(703)	(896)	(2,548)

Under single dry year demand conditions, there will a deficit of 570 AFY in 2035 increasing to a deficit of 1,585 AFY in 2040 with the Subdivision. Without the Subdivision under single dry year demand conditions, there will be a deficit of 74 AFY in 2035 increasing to a deficit of 1,088 AFY in 2040.

Per the 2017 Draft Watermaster Report³⁹, the City has 51,960.6 AF in storage in the Beaumont Basin. The City will dedicate 2,548 AF of its storage to make up for the projected insufficient supplies under normal demand conditions. The City will hold in reserve an additional 689 AF of its storage to satisfy the worst case single dry year demand requirement through 2040.

This methodology is consistent with the UWMP⁴⁰, which states:

Although projected supply totals are less than projected demand totals for 2040, the City has [...] stored water in its Beaumont Basin storage account, which is not accounted for in the projected supply totals. Therefore, the City has ample water supplies to meet projected demands through 2040.

and the WSA, which states:

...the City may increase pumping from the Beaumont Basin to withdraw water from storage to meet increased demands.⁴¹

...after 2035, the City will begin to draw water from its Stored Water account to meet increasing demand.⁴²

³⁹ Beaumont Basin Watermaster. (2018).

Draft 2017 Consolidated Annual Report and Engineering Report. (Page 3-11)

⁴⁰ UWMP (page 6-8)

⁴¹ WSA (page 88)

⁴² WSA (page 9)

Section 16 – City Action

Code Citation

Government Code section 66473.7

- (b) (1) The legislative body of a city or county or the advisory agency, to the extent that it is authorized by local ordinance to approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply shall be available. Proof of the availability of a sufficient water supply shall be requested by the subdivision applicant or local agency, at the discretion of the local agency, and shall be based on written verification from the applicable public water system within 90 days of a request.
- (2) If the public water system fails to deliver the written verification as required by this section, the local agency or any other interested party may seek a writ of mandamus to compel the public water system to comply.
- (4) If the written verification is not provided by the public water system, notwithstanding the local agency or other interested party securing a writ of mandamus to compel compliance with this section, then the local agency may make a finding that sufficient water supplies are, or will be, available prior to completion of the subdivision that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.
- (e) If there is no public water system, the local agency shall make a written finding of sufficient water supply based on the evidentiary requirements of subdivisions (c) and (d) and identify the mechanism for providing water to the subdivision.
- (j) The determinations made pursuant to this section shall be consistent with the obligation of a public water system to grant a priority for the provision of available and future water resources or services to proposed housing developments that help meet the city's or county's share of the regional housing needs for lower income households, pursuant to Section 65589.7.

Action

As a condition of approving the TTM, this WSV finds that there is sufficient water supply to support the future needs of the City and the Subdivision through 2040.

References

Banning, City of. (2017). *Tentative Tract Map No. 37298*.

Banning, City of. (2017). *Draft Integrated Master Plan*.

Banning, City of. (2016). *2015 Urban Water Management Plan*

Banning, City of. (Adopted 2012, with Minor Modification Approved in 2017). *Butterfield Specific Plan*.

Banning, City of. (2011). *Water Supply Assessment for Butterfield Specific Plan*

Banning, City of. (2011). *Final Environmental Impact Report – Butterfield Specific Plan*

Beaumont Basin Water Master. (2018). *Draft 2017 Consolidated Annual Report and Engineering Report*.

DWR. (2016). *2015 UWMP Guidebook for Urban Water Suppliers*.

DWR. (2004). *California's Groundwater Bulletin 118, Hydrologic Region Colorado River, Coachella Valley Groundwater Basin, San Geronio Pass Subbasin*.

DWR. (2003). *Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001 to assist water suppliers, cities, and counties in integrating water and land use planning*.

Appendices

Appendix A – Tentative Tract Map No. 37298

Appendix B – Resolution No. 2016-10 UA

Appendix C – DWR Letter Certifying Validity of UWMP

Appendix D – Water Supply Assessment for Butterfield Specific Plan

Appendix E – Stipulation for Entry of Judgment Adjudicating Groundwater Rights in the Beaumont Basin

Appendix F – Bulletin 118: San Geronio Pass Subbasin of the Coachella Valley Groundwater Basin

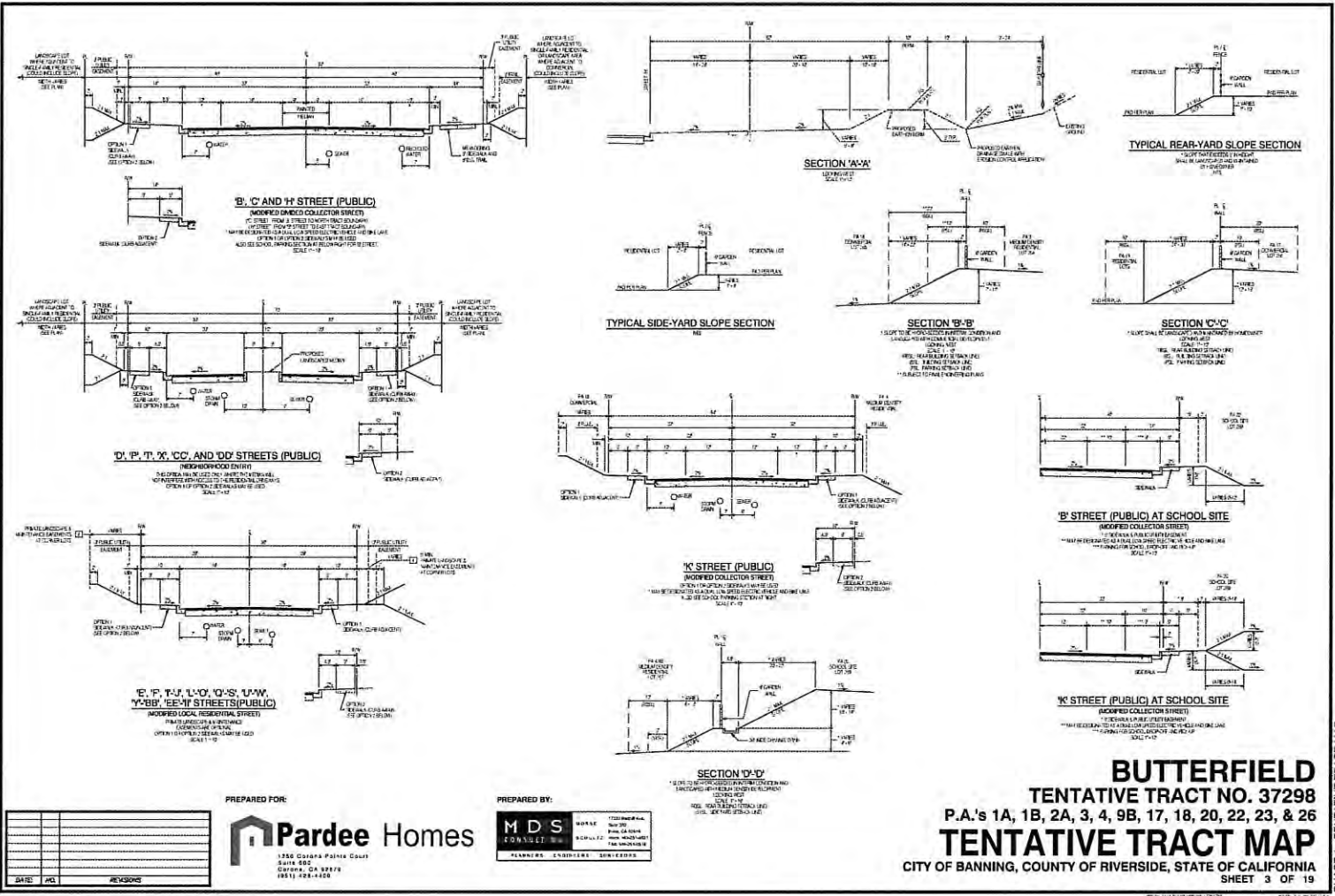
Appendix G – Demand Calculations for Remaining Portions of Butterfield Specific Plan

Appendix H – Resolution No. 2017-02

Appendix A

Tentative Tract Map No. 37298





PHASE 1 - TENTATIVE TRACT MAP

PLANNING AREA 1B

**LOT
AREA
SUMMARY**

LINE #	EST. MOED (MO. YR.)	PRO. MOED (MO. YR.)
2448	6,720	6,320
2449	6,720	6,220
2450	6,720	6,220
2451	6,720	6,220
2452	10,834	9,156
2453	8,737	7,825
2454	6,190	6,190
2455	6,190	6,190
2456	6,190	6,190
2457	6,190	6,190
2458	6,190	6,190
2459	6,190	6,190
2460	6,767	6,767
2461	7,036	7,036
2462	6,987	6,987
2463	7,037	7,037
2464	6,974	6,966

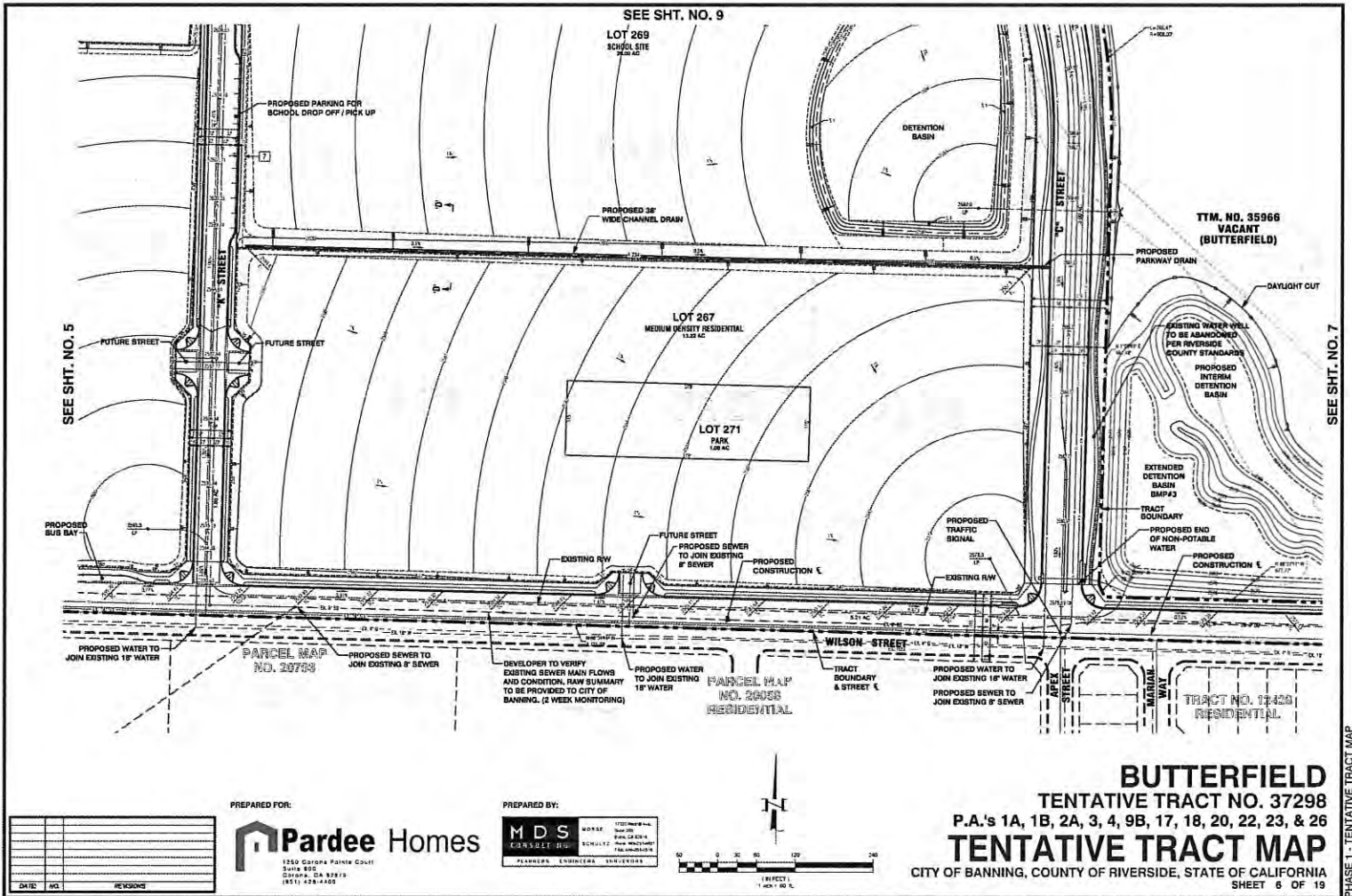
PER BUTTERFIELD SPECIFIC PLAN, 2017			
PLANNED AREA (ACRES)	LAND USE (SQUARED FEET)	TOTAL AREA (ACRES)	WORTH (\$100,000)
19	LOD	12.8	38
76	LOD	12.8	38
25	IND	16.5	125
3	IND	1.5	621
1	IND	3.5	125
85	IND	8.8	52
17	LOD	12.8	
18	LOD	12.5	
75	LOD	12.5	
22	IND	3.8	
23	IND	1.5	
28	IND	1.8	

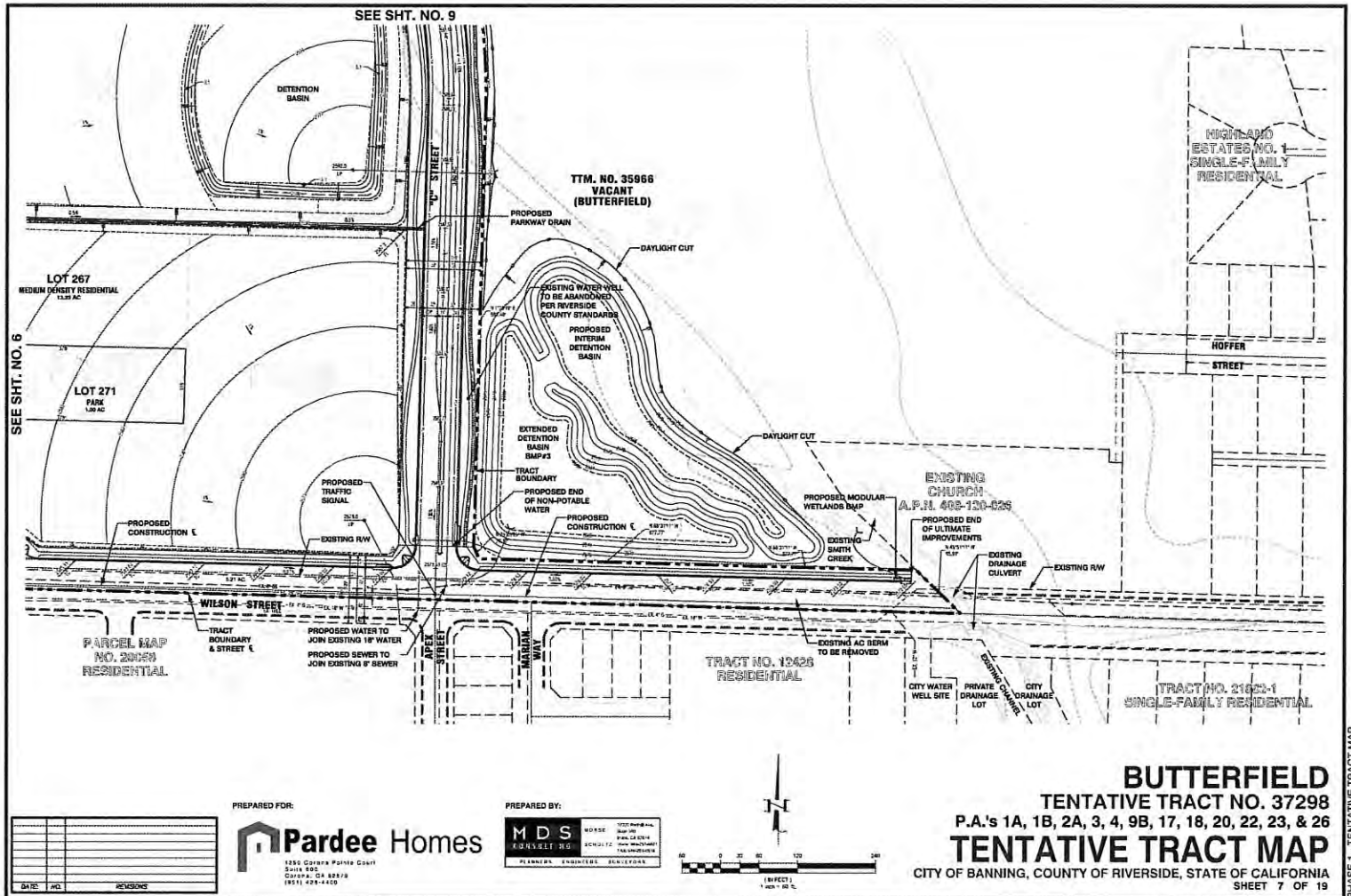
LEGEND

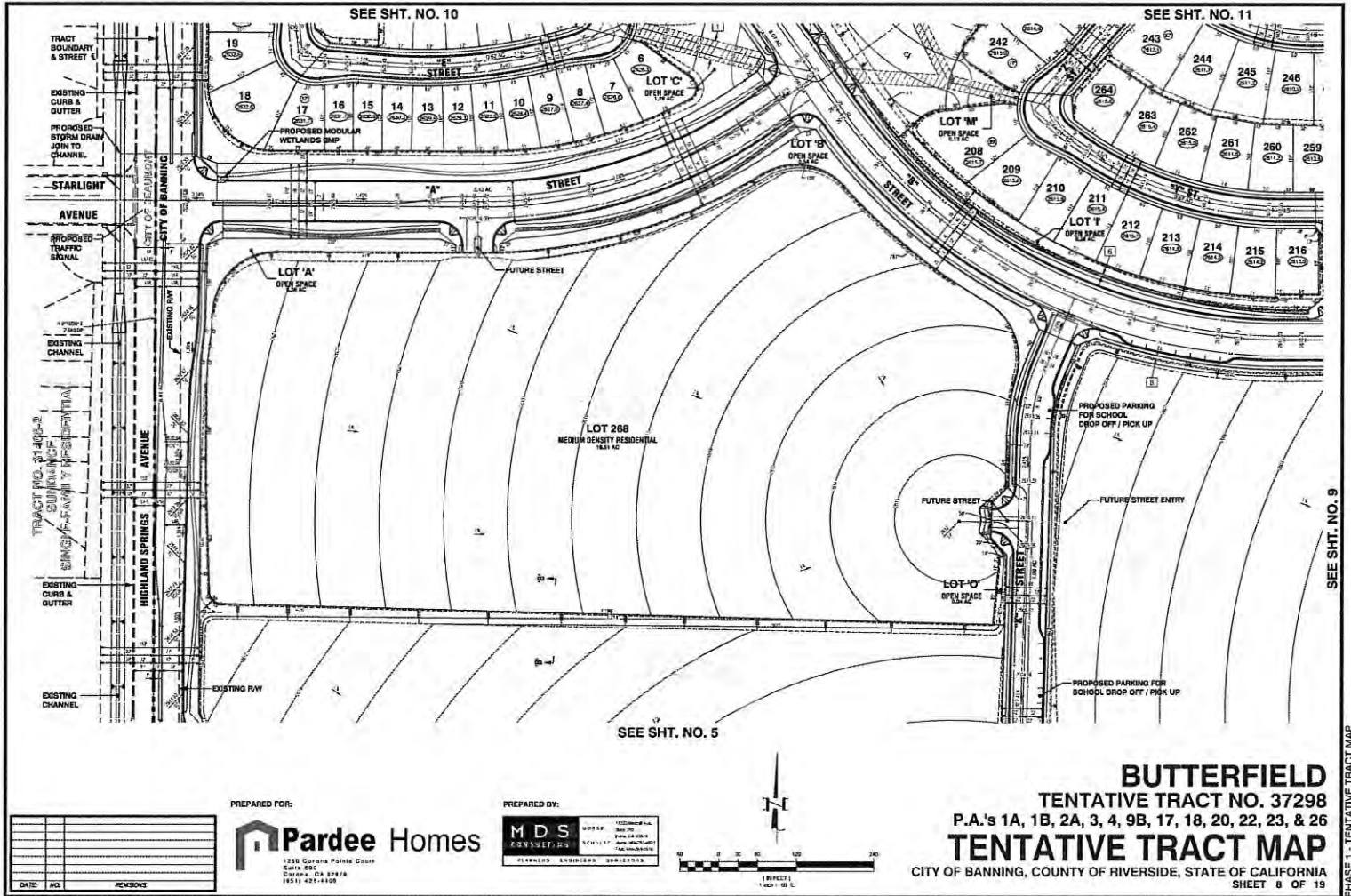
LOW	LOW DENSITY RESIDENTIAL
MID	MEDIUM DENSITY RESIDENTIAL
COMM	COMMERCIAL
OPEN SPACE	OPEN SPACE
PARK	PARK - RECREATION
INDUS	INDUSTRIAL / PUBLIC

MDS CONSULTING	WISSE	17222 94th Ave. N.E. Shoreline, WA 98148
	SCHULTZ	14000 10th Ave. S.E. Bellevue, WA 98006
PLANNERS ENGINEERS SCIENTISTS		

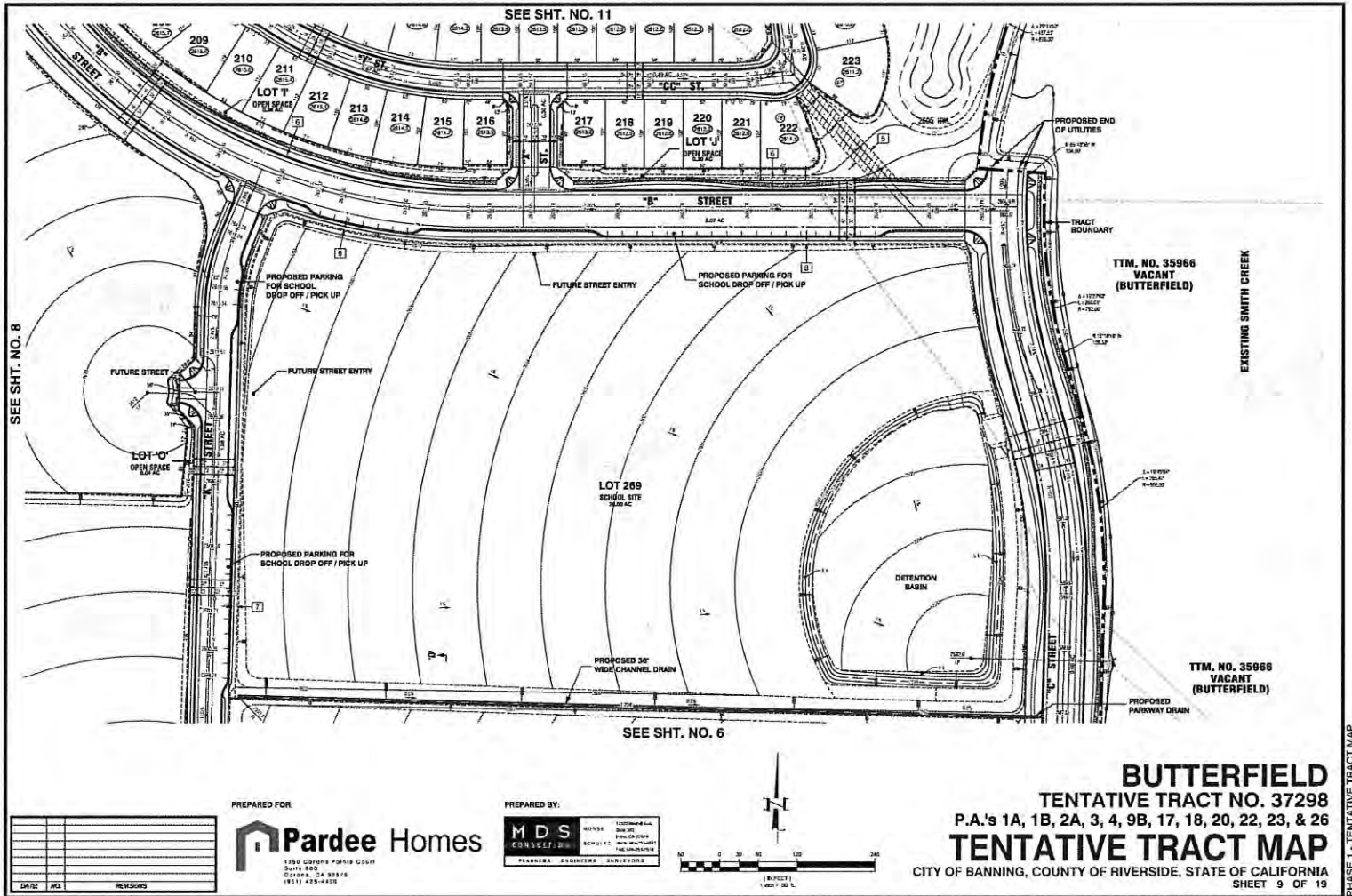
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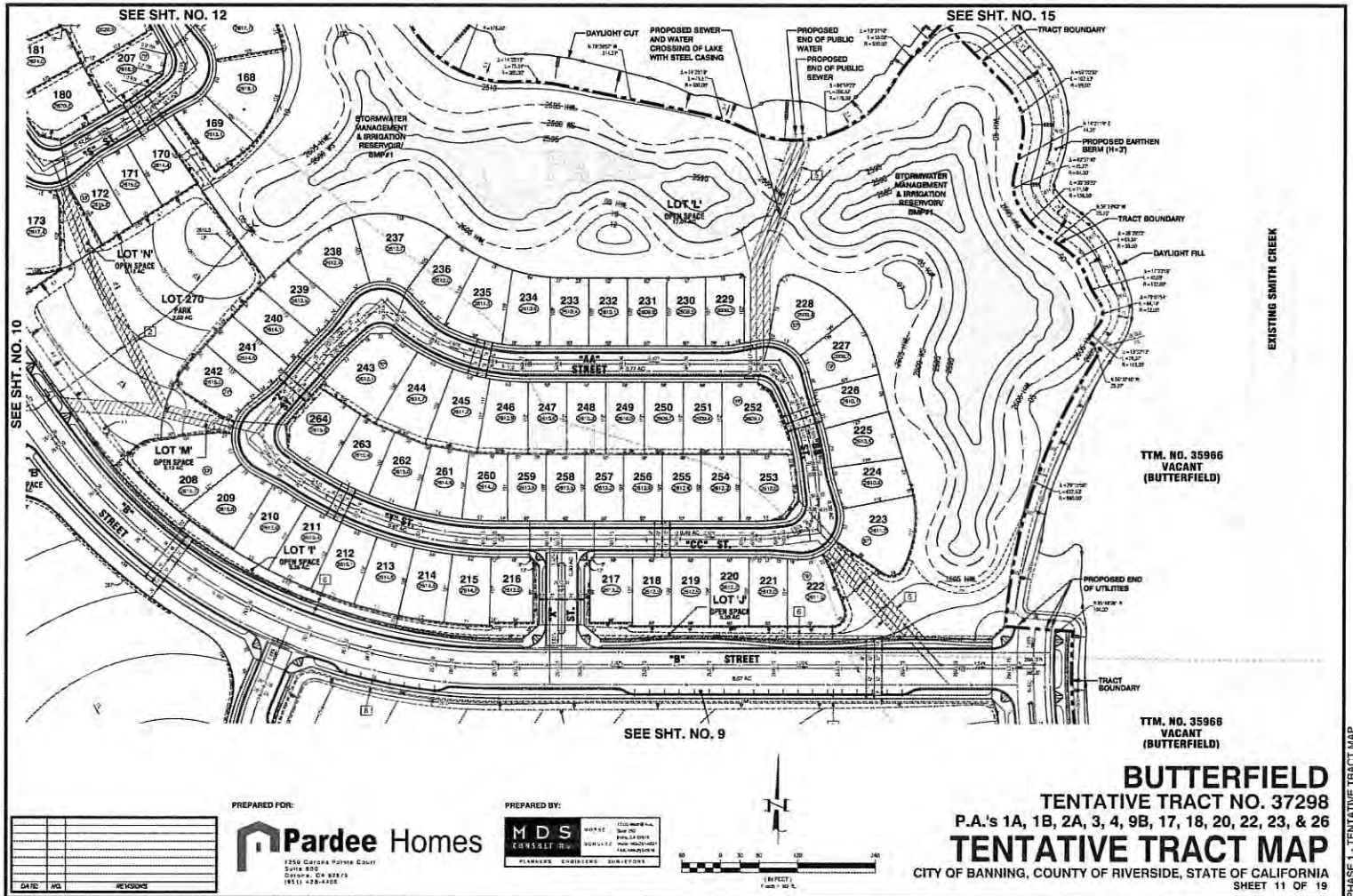




PHASE 1 - TENTATIVE TRACT MAP

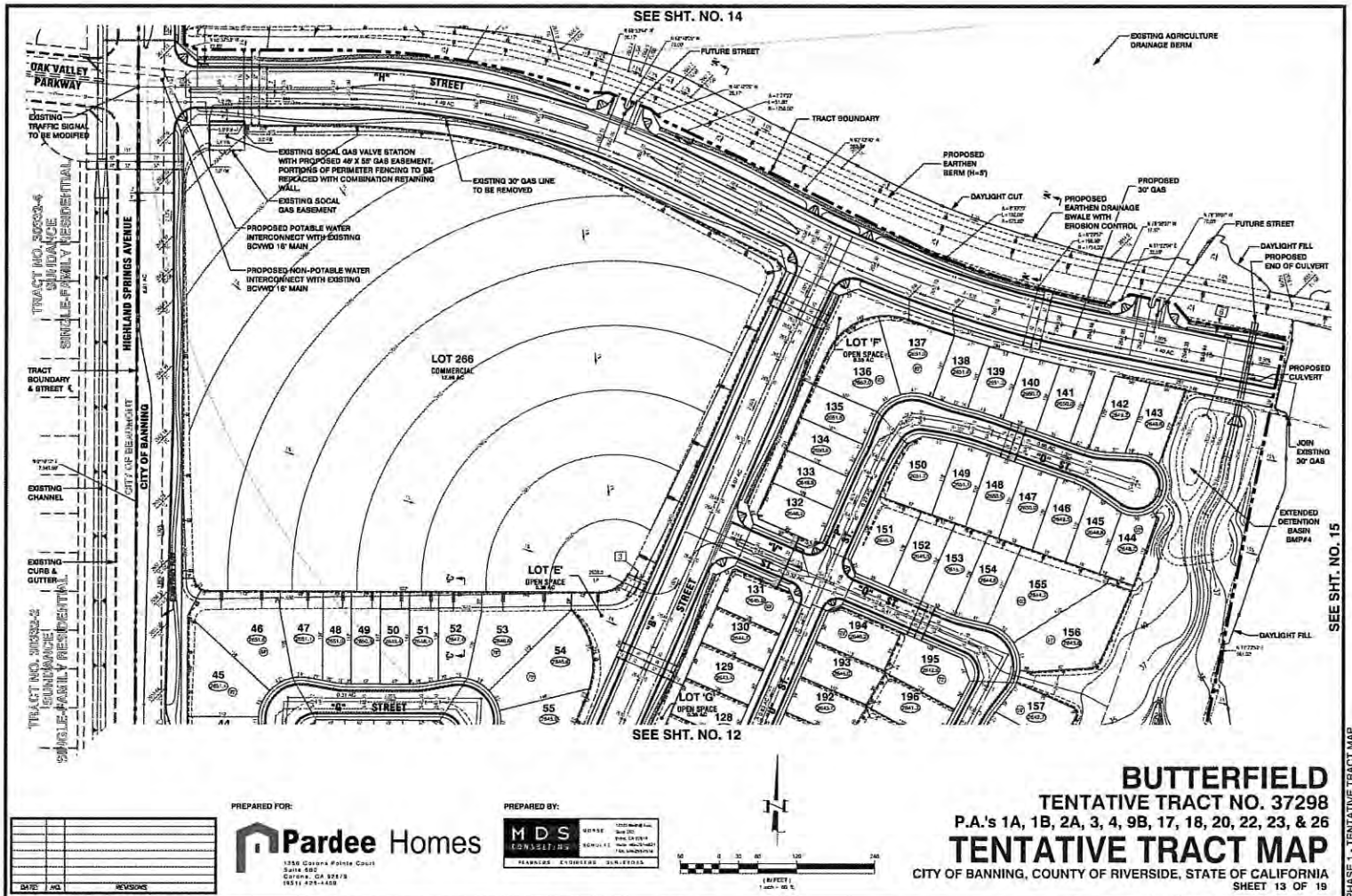


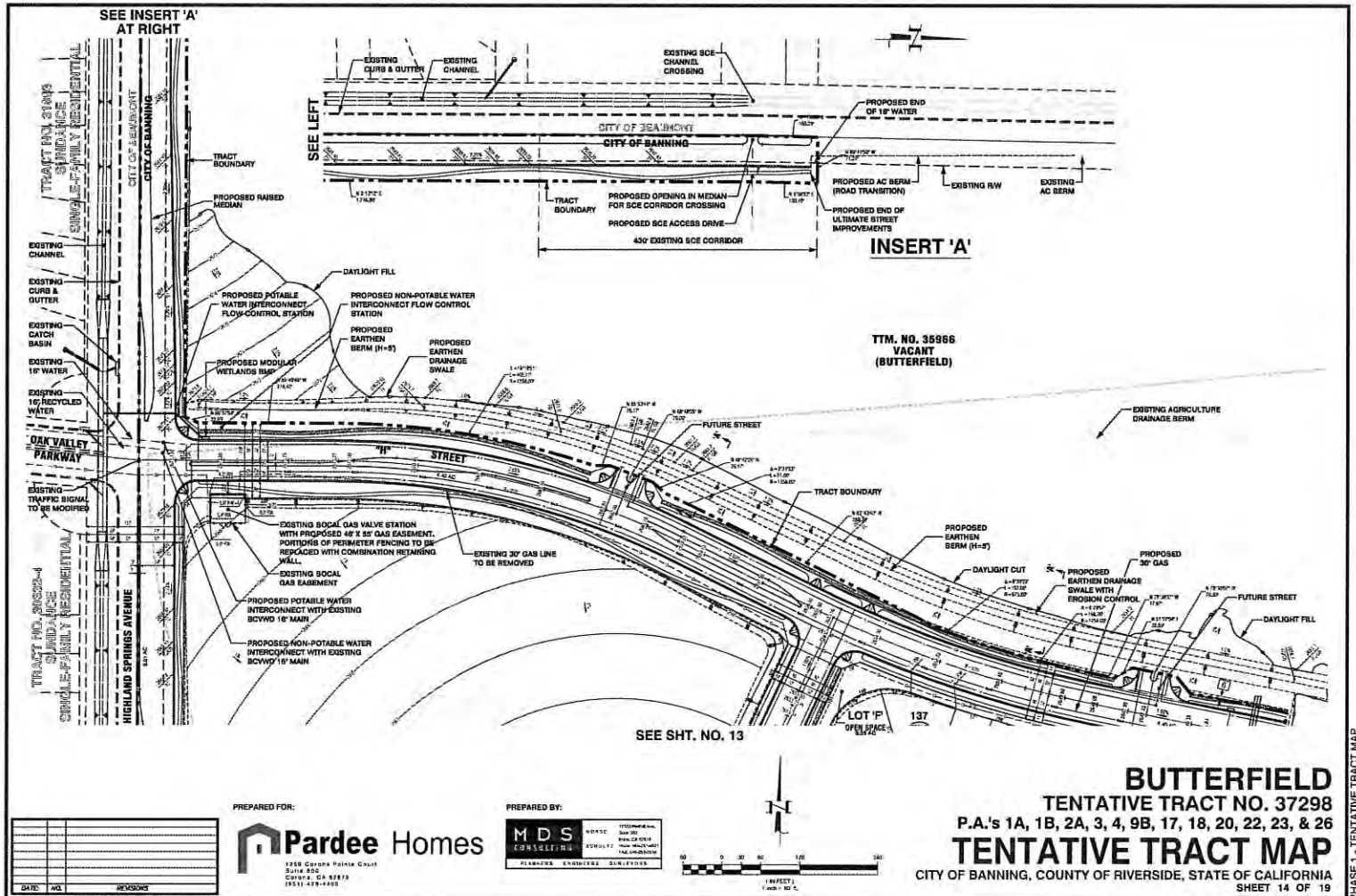
PHASE 1 - TENTATIVE TRACT MAP



PHASE 1 - TENTATIVE TRACT MAP







SEE SHT. NO. 18

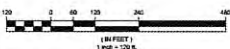
STARLIGHT AVENUE

HOBLAND SPRINGS AVENUE

WILSON STREET

EXISTING EASEMENTS

32' EASEMENT FOR PUBLIC HIGHWAY AND PUBLIC UTILITIES TO THE CORNER OF THE 1/4 SEC. 30 & 1/4 SEC. 28, 1/4 SEC. 10 & 1/4 SEC. 11, 1/4 SEC. 12 & 1/4 SEC. 13, 1/4 SEC. 14 & 1/4 SEC. 15, 1/4 SEC. 16 & 1/4 SEC. 17, 1/4 SEC. 18 & 1/4 SEC. 19, 1/4 SEC. 20 & 1/4 SEC. 21, 1/4 SEC. 22 & 1/4 SEC. 23, 1/4 SEC. 24 & 1/4 SEC. 25, 1/4 SEC. 26 & 1/4 SEC. 27, 1/4 SEC. 28 & 1/4 SEC. 29, 1/4 SEC. 30 & 1/4 SEC. 31, 1/4 SEC. 32 & 1/4 SEC. 33, 1/4 SEC. 34 & 1/4 SEC. 35, 1/4 SEC. 36 & 1/4 SEC. 37, 1/4 SEC. 38 & 1/4 SEC. 39, 1/4 SEC. 40 & 1/4 SEC. 41, 1/4 SEC. 42 & 1/4 SEC. 43, 1/4 SEC. 44 & 1/4 SEC. 45, 1/4 SEC. 46 & 1/4 SEC. 47, 1/4 SEC. 48 & 1/4 SEC. 49, 1/4 SEC. 50 & 1/4 SEC. 51, 1/4 SEC. 52 & 1/4 SEC. 53, 1/4 SEC. 54 & 1/4 SEC. 55, 1/4 SEC. 56 & 1/4 SEC. 57, 1/4 SEC. 58 & 1/4 SEC. 59, 1/4 SEC. 60 & 1/4 SEC. 61, 1/4 SEC. 62 & 1/4 SEC. 63, 1/4 SEC. 64 & 1/4 SEC. 65, 1/4 SEC. 66 & 1/4 SEC. 67, 1/4 SEC. 68 & 1/4 SEC. 69, 1/4 SEC. 70 & 1/4 SEC. 71, 1/4 SEC. 72 & 1/4 SEC. 73, 1/4 SEC. 74 & 1/4 SEC. 75, 1/4 SEC. 76 & 1/4 SEC. 77, 1/4 SEC. 78 & 1/4 SEC. 79, 1/4 SEC. 80 & 1/4 SEC. 81, 1/4 SEC. 82 & 1/4 SEC. 83, 1/4 SEC. 84 & 1/4 SEC. 85, 1/4 SEC. 86 & 1/4 SEC. 87, 1/4 SEC. 88 & 1/4 SEC. 89, 1/4 SEC. 90 & 1/4 SEC. 91, 1/4 SEC. 92 & 1/4 SEC. 93, 1/4 SEC. 94 & 1/4 SEC. 95, 1/4 SEC. 96 & 1/4 SEC. 97, 1/4 SEC. 98 & 1/4 SEC. 99, 1/4 SEC. 100 & 1/4 SEC. 101, 1/4 SEC. 102 & 1/4 SEC. 103, 1/4 SEC. 104 & 1/4 SEC. 105, 1/4 SEC. 106 & 1/4 SEC. 107, 1/4 SEC. 108 & 1/4 SEC. 109, 1/4 SEC. 110 & 1/4 SEC. 111, 1/4 SEC. 112 & 1/4 SEC. 113, 1/4 SEC. 114 & 1/4 SEC. 115, 1/4 SEC. 116 & 1/4 SEC. 117, 1/4 SEC. 118 & 1/4 SEC. 119, 1/4 SEC. 120 & 1/4 SEC. 121, 1/4 SEC. 122 & 1/4 SEC. 123, 1/4 SEC. 124 & 1/4 SEC. 125, 1/4 SEC. 126 & 1/4 SEC. 127, 1/4 SEC. 128 & 1/4 SEC. 129, 1/4 SEC. 130 & 1/4 SEC. 131, 1/4 SEC. 132 & 1/4 SEC. 133, 1/4 SEC. 134 & 1/4 SEC. 135, 1/4 SEC. 136 & 1/4 SEC. 137, 1/4 SEC. 138 & 1/4 SEC. 139, 1/4 SEC. 140 & 1/4 SEC. 141, 1/4 SEC. 142 & 1/4 SEC. 143, 1/4 SEC. 144 & 1/4 SEC. 145, 1/4 SEC. 146 & 1/4 SEC. 147, 1/4 SEC. 148 & 1/4 SEC. 149, 1/4 SEC. 150 & 1/4 SEC. 151, 1/4 SEC. 152 & 1/4 SEC. 153, 1/4 SEC. 154 & 1/4 SEC. 155, 1/4 SEC. 156 & 1/4 SEC. 157, 1/4 SEC. 158 & 1/4 SEC. 159, 1/4 SEC. 160 & 1/4 SEC. 161, 1/4 SEC. 162 & 1/4 SEC. 163, 1/4 SEC. 164 & 1/4 SEC. 165, 1/4 SEC. 166 & 1/4 SEC. 167, 1/4 SEC. 168 & 1/4 SEC. 169, 1/4 SEC. 170 & 1/4 SEC. 171, 1/4 SEC. 172 & 1/4 SEC. 173, 1/4 SEC. 174 & 1/4 SEC. 175, 1/4 SEC. 176 & 1/4 SEC. 177, 1/4 SEC. 178 & 1/4 SEC. 179, 1/4 SEC. 180 & 1/4 SEC. 181, 1/4 SEC. 182 & 1/4 SEC. 183, 1/4 SEC. 184 & 1/4 SEC. 185, 1/4 SEC. 186 & 1/4 SEC. 187, 1/4 SEC. 188 & 1/4 SEC. 189, 1/4 SEC. 190 & 1/4 SEC. 191, 1/4 SEC. 192 & 1/4 SEC. 193, 1/4 SEC. 194 & 1/4 SEC. 195, 1/4 SEC. 196 & 1/4 SEC. 197, 1/4 SEC. 198 & 1/4 SEC. 199, 1/4 SEC. 200 & 1/4 SEC. 201, 1/4 SEC. 202 & 1/4 SEC. 203, 1/4 SEC. 204 & 1/4 SEC. 205, 1/4 SEC. 206 & 1/4 SEC. 207, 1/4 SEC. 208 & 1/4 SEC. 209, 1/4 SEC. 210 & 1/4 SEC. 211, 1/4 SEC. 212 & 1/4 SEC. 213, 1/4 SEC. 214 & 1/4 SEC. 215, 1/4 SEC. 216 & 1/4 SEC. 217, 1/4 SEC. 218 & 1/4 SEC. 219, 1/4 SEC. 220 & 1/4 SEC. 221, 1/4 SEC. 222 & 1/4 SEC. 223, 1/4 SEC. 224 & 1/4 SEC. 225, 1/4 SEC. 226 & 1/4 SEC. 227, 1/4 SEC. 228 & 1/4 SEC. 229, 1/4 SEC. 230 & 1/4 SEC. 231, 1/4 SEC. 232 & 1/4 SEC. 233, 1/4 SEC. 234 & 1/4 SEC. 235, 1/4 SEC. 236 & 1/4 SEC. 237, 1/4 SEC. 238 & 1/4 SEC. 239, 1/4 SEC. 240 & 1/4 SEC. 241, 1/4 SEC. 242 & 1/4 SEC. 243, 1/4 SEC. 244 & 1/4 SEC. 245, 1/4 SEC. 246 & 1/4 SEC. 247, 1/4 SEC. 248 & 1/4 SEC. 249, 1/4 SEC. 250 & 1/4 SEC. 251, 1/4 SEC. 252 & 1/4 SEC. 253, 1/4 SEC. 254 & 1/4 SEC. 255, 1/4 SEC. 256 & 1/4 SEC. 257, 1/4 SEC. 258 & 1/4 SEC. 259, 1/4 SEC. 260 & 1/4 SEC. 261, 1/4 SEC. 262 & 1/4 SEC. 263, 1/4 SEC. 264 & 1/4 SEC. 265, 1/4 SEC. 266 & 1/4 SEC. 267, 1/4 SEC. 268 & 1/4 SEC. 269, 1/4

[illegible]

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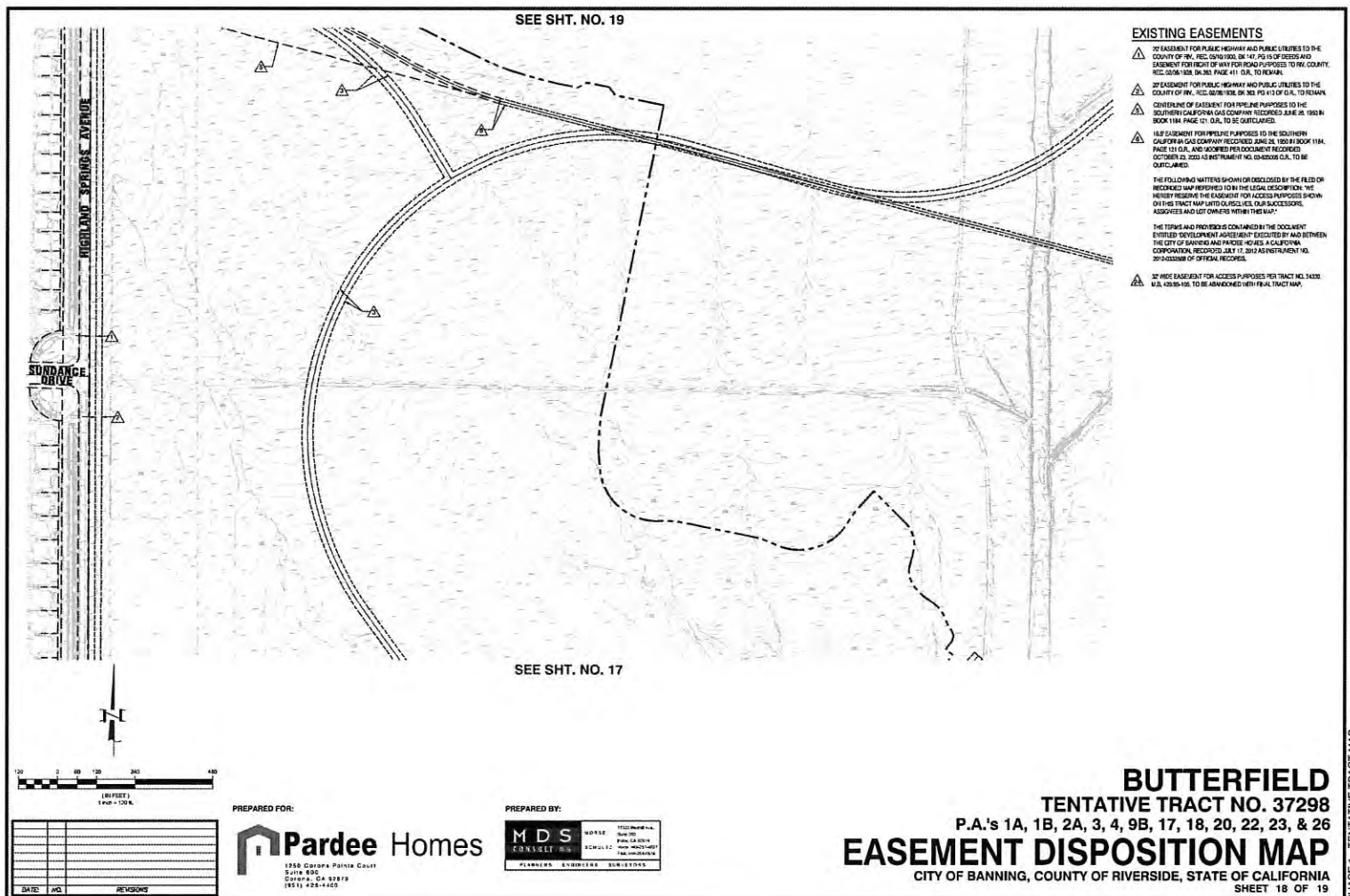


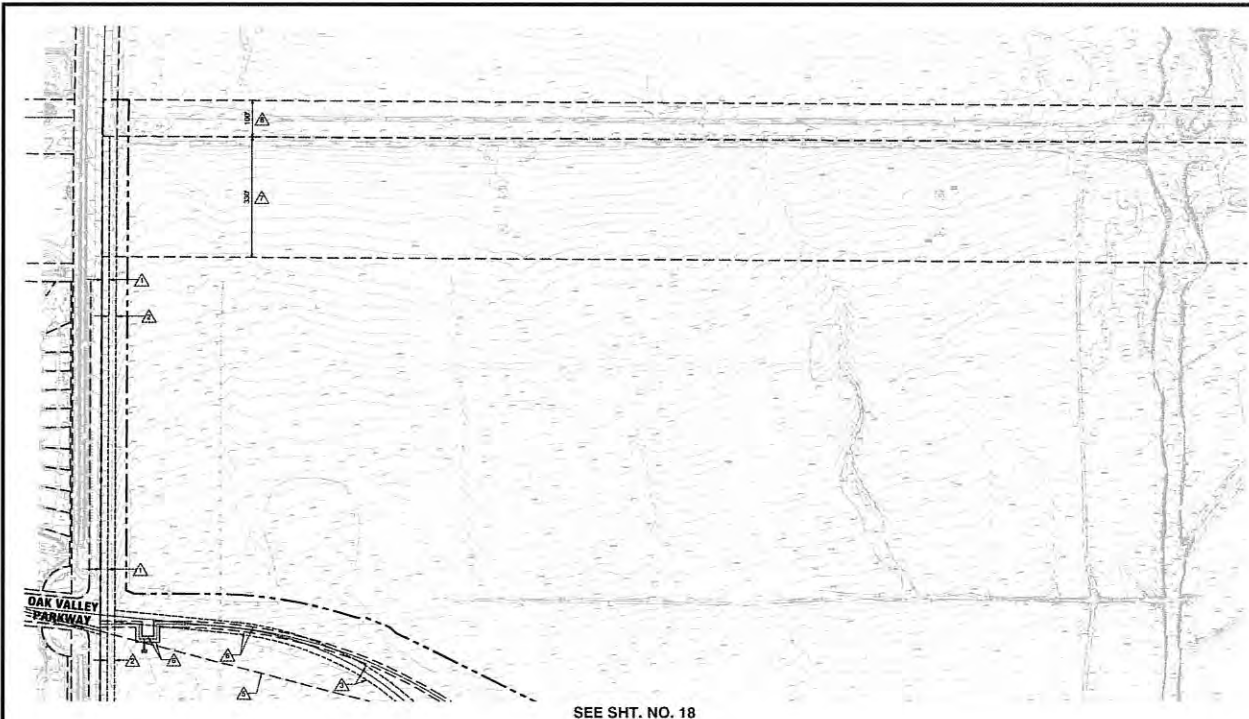
Pardee Homes
1250 Caronde Point Court
Suite 500

MDS CONSULT 株式会社
 17222 Woodbridge Ave.
 Suite 300
 Irvine, CA 92614
 Phone: 949.251-4022
 Fax: 949.251-4751

BUTTERFIELD
TENTATIVE TRACT NO. 37298
P.A.'s 1A, 1B, 2A, 3, 4, 9B, 17, 18, 20, 22, 23, & 26
EASEMENT DISPOSITION MAP
CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
SHEET 17 OF 19

PHASE 1 - TENTATIVE TRACT MAP





EXISTING EASEMENTS

- 1. 20' EASEMENT FOR PUBLIC HIGHWAY AND PUBLIC UTILITIES TO THE COUNTY OF RIV., REC. 05/19/1902 BK 147, PG 16 OF DEEDS AND SUBSEQUENT FOR RIGHT OF WAY FOR ROAD PURPOSES TO RIV. COUNTY, REC. 02/09/1908 BK 343 PAGE 411, D.L. TO REMAIN.
- 2. 20' EASEMENT FOR PUBLIC HIGHWAY AND PUBLIC UTILITIES TO THE COUNTY OF RIV., REC. 05/19/1902 BK 147, PG 16 OF DEEDS AND SUBSEQUENT FOR RIGHT OF WAY FOR ROAD PURPOSES TO RIV. COUNTY, REC. 02/09/1908 BK 343 PAGE 411, D.L. TO REMAIN.
- 3. CENTERLINE OF EASEMENT FOR PIPELINE PURPOSES TO THE SOUTHERN CALIFORNIA GAS COMPANY RECORDED JUNE 28, 1980 IN BOOK 1194, PAGE 171, D.L. TO BE OUTLINED.
- 4. 1/2" EASEMENT FOR PIPELINE PURPOSES TO THE SOUTHERN CALIFORNIA GAS COMPANY RECORDED JUNE 28, 1980 IN BOOK 1194, PAGE 171, D.L. AND MODIFIED FOR DOCUMENT RECORDED OCTOBER 23, 2023 AS INSTRUMENT NO. 04-252223 D.L. TO BE OUTLINED.
- 5. EASEMENT FOR PUBLIC UTILITIES TO THE SOUTHERN CALIFORNIA GAS COMPANY RECORDED MAY 8, 1968 IN BOOK 124, PAGE 84, D.L. TO REMAIN.
- 6. EASEMENT FOR PUBLIC UTILITIES TO THE CALIFORNIA ELECTRIC POWER COMPANY RECORDED JANUARY 25, 1981 AS INSTRUMENT NO. 3433 D.L. TO REMAIN.

THE FOLLOWING MATTERS SHOWN OR DISCLOSED BY THIS FILED OR RECORDED MAP REFERRED TO IN THE LEGAL DESCRIPTION, THE HEREIN RESPECTIVE THE EASEMENT FOR ACCESS PURPOSES SHOWN ON THE TRACT MAP UNLESS OTHERWISE SPECIFIED, OUR SUCCESSORS ASSIGNEES AND LOT OWNERS WITHIN THE MAP.

THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "DEVELOPMENT AGREEMENT" EXECUTED BY AND BETWEEN THE CITY OF BANNING AND PARDEE HOMES A CALIFORNIA CORPORATION, RECORDED JULY 11, 2014 AS INSTRUMENT NO. 2014-033288 OF OFFICIAL RECORDS.

N

0 100 200 300 400
FEET
1 inch = 100 ft

DATE	BY	REVISIONS

PREPARED FOR:

Pardee Homes

1550 GARDEN PARKWAY
SUITE 400
CITY OF BANNING, CA 92410
(951) 428-4400

PREPARED BY:

MDS
CONCEPTS
PLANNING & DESIGN

15251 Pacific Ave.
Suite 100
Palo Alto, CA 94304
Phone: (650) 424-1400
Fax: (650) 424-1401

BUTTERFIELD
TENTATIVE TRACT NO. 37298
 P.A.'s 1A, 1B, 2A, 3, 4, 9B, 17, 18, 20, 22, 23, & 26
EASEMENT DISPOSITION MAP
 CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
 SHEET 19 OF 19

PHASE 1 - TENTATIVE TRACT MAP

Appendix B

Resolution No. 2016-10 UA

RESOLUTION NO. 2016-10 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF BANNING, CALIFORNIA, ADOPTING THE 2015 URBAN WATER MANAGEMENT PLAN AND APPROVING ITS SUBMITTAL TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

WHEREAS, according to the Urban Water Management Planning Act, an urban water supplier is defined as a supplier, publicly or privately owned, that either provides over 3,000 acre-feet of water annually for municipal purposes or serves more than 3,000 customers; and

WHEREAS, urban water suppliers are required to assess the reliability of its water sources over a 20 year planning horizon considering normal and dry years and include said assessment in an Urban Water Management Plan ("UWMP"); and

WHEREAS, the UWMP must be adopted, after public review and hearing, and filed with the California Department of Water Resources ("DWR"); and

WHEREAS, the City of Banning is an urban water supplier; and

WHEREAS, the City of Banning has prepared its 2015 UWMP in compliance with California Water Code and the 2015 Urban Management Plans Guidebook for Urban Water Suppliers, circulated for public review and held a workshop and public hearing; and

WHEREAS, on June 14, 2016 the Banning Utility Authority approved the UWMP and its submittal to the DWR for final approval.

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

SECTION 1. The Banning Utility Authority adopts Resolution No. 2016-10 UA approving the 2015 Urban Water Management Plan.

SECTION 2. The Public Works Director is authorized to file the 2015 Urban Water Management Plan with the California Department of Water Resources.

PASSED, APPROVED AND APPROVED this 14th day of June, 2016.

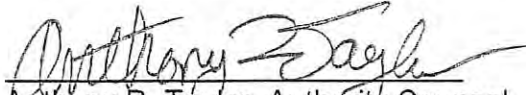

Arthur L. Welch, Chairman
Banning Utility Authority

ATTEST:



Marie A. Calderon, Secretary

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



Anthony R. Taylor, Authority Counsel
Aleshire & Wynder, LLP

CERTIFICATION:


I, Marie A. Calderon, Secretary of the Banning Utility Authority of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-10 UA was duly adopted by the Banning Utility Authority of the City of Banning, California, at a scheduled meeting thereof held on the 14th day of June, 2016, by the following vote, to wit:

AYES: Boardmembers Franklin, Moyer, Chairman Welch
NOES: None
ABSTAIN: None
ABSENT: Boardmembers Miller, Peterson



Marie A. Calderon, Secretary
Banning Utility Authority

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL DOCUMENT ON
FILE IN THE OFFICE OF THE CITY CLERK.

BY 
TITLE *CITY CLERK*
DATE *6-20-16*

Appendix C

DWR Letter Certifying Validity of UWMP

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



April 26, 2017

Art Vela
Director of Public Works/City Engineer
City of Banning
99 East Ramsey Street
Banning, California 92220

RE: Urban Water Management Plan Requirements Addressed

Dear Mr. Vela:

The Department of Water Resources (DWR) has reviewed the City of Banning's 2015 Urban Water Management Plan (UWMP) received on April 18, 2017. The California Water Code (CWC) directs DWR to report to the legislature once every five years on the status of submitted UWMPs. In meeting this legislative reporting requirement, DWR reviews all submitted UWMPs.

DWR's review of the City of Banning's 2015 plan has found that the UWMP addresses the requirements of the CWC. DWR's review of plans is limited to assessing whether suppliers have addressed the required legislative elements. In its review, DWR does not evaluate or analyze the supplier's UWMP data, projections, or water management strategies. This letter acknowledges that the City of Banning's 2015 UWMP addresses the CWC requirements. The results of the review will be provided to DWR's Financial Assistance Branch.

If you have any questions regarding the review of the UWMP or urban water management planning please call Gwen Huff at 916-651-9672.

Sincerely,

A handwritten signature in blue ink, appearing to read "V. Lake".

Vicki Lake
Unit Chief
Urban Water Use Efficiency
(916) 651-0740

Electronic cc:
David F. Scriven

Appendix D

Water Supply Assessment for Butterfield Specific Plan

Available from City of Banning website:

<http://ci.banning.ca.us/DocumentCenter/View/983/WSA-Butterfield-small>

Appendix E

Stipulation for Entry of Judgment

Adjudicating Groundwater Rights in the Beaumont Basin

Available from City of Banning website, Appendix I of 2015 UWMP:
<http://ci.banning.ca.us/DocumentCenter/View/4424/-2015-UWMP>

Appendix F

Bulletin 118: San Gorgonio Pass Subbasin of the Coachella Valley Groundwater Basin

Coachella Valley Groundwater Basin, San Gorgonio Pass Subbasin

- Groundwater Basin Number: 7-21.04
- County: Riverside
- Surface Area: 38,650 acres (60 square miles)

Basin Boundaries and Hydrology

The portion of the Coachella Valley Groundwater Basin that lies entirely within the San Gorgonio Pass is described as the San Gorgonio Pass Subbasin (DWR 1964). This subbasin is bounded on the north by the San Bernardino Mountains and by semi-permeable rocks, and on the south by the San Jacinto Mountains. A surface drainage divide between the Colorado River and South Coastal Hydrologic Study Areas bounds the subbasin on the west. The eastern boundary is formed by a bedrock constriction that creates a groundwater cascade into the Indio Subbasin (DWR 1964).

Average annual rainfall over the subbasin ranges from 15 to 18 inches. The San Gorgonio River flows intermittently over the subbasin and is the main surface drainage feature for the subbasin (Bloyd 1971). Precipitation in the northern San Bernardino Mountains contributes its runoff to the San Gorgonio River.

Hydrogeologic Information

Water Bearing Formations

The main water bearing deposits in the subbasin are Holocene and Pleistocene age alluvium and Pliocene to Pleistocene age San Timoteo Formation.

Alluvium. Holocene alluvium is mostly gravel and sand and, where saturated, would yield water readily to wells. Within the subbasin, these deposits lie largely above the water table and contribute little water to wells. Holocene alluvium is found in the tributaries of the subbasin and allows runoff to infiltrate and recharge the subbasin (DWR 1987).

Older, Pleistocene age alluvium contains sand and gravel, but also large amounts of clay and silt. These deposits yield moderate amounts of water to wells (DWR 1987).

San Timoteo Formation. The Pliocene to Pleistocene age San Timoteo Formation consists of poorly sorted to sorted, partly consolidated, fine to coarse sandstone along with layers of gravel and thin interbeds of clay (Frick 1921). Well yield from these deposits is typically poor, but some deep wells have pumped more than 1,000 gallons per minute (DWR 1987). The San Timoteo Formation may extend to over 2,000 feet below the surface and is one of the major water-bearing deposits in the subbasin (Bloyd 1971).

The subbasin has a complex geologic and hydrogeologic history along with a scarcity of historical data for certain parts of the subbasin. A steep groundwater gradient is present in most of the subbasin because of

construction of the San Jacinto Tunnel during 1933 through 1939. Intense de-watering increased the groundwater gradient and changed groundwater movement from westward to southeastward (Bloyd 1971).

Restrictive Structures

Many faults are mapped cutting the subbasin materials (Rogers 1965; Bloyd 1971). The subbasin is structurally complex and these faults likely add to the complexity by reducing groundwater flow within the subbasin.

Groundwater Level Trends

Groundwater levels throughout the subbasin declined significantly from 1933 through 1939 during the construction of the San Jacinto Tunnel as large quantities of groundwater were pumped and diverted into the Indio Subbasin (SGPWA 2001). Groundwater levels in the eastern part of the subbasin rose or stayed the same between 1967 and 1987 (DWR 1987).

Groundwater Storage

Groundwater Storage Capacity. Total storage capacity of the subbasin was estimated to be about 2,700,000 af by DWR (1964). A re-evaluation by DWR (1987) estimates total storage capacity to be about 2, 200,000 af.

Groundwater in Storage. Groundwater in storage in the first 60 feet below 1961 water levels was estimated by DWR (1964) to be about 245,000 af using a 10 percent specific yield. Groundwater in storage for the entire saturated thickness of the subbasin was estimated at 1,400,000 af (DWR 1987).

Groundwater Budget (Type A)

Little subsurface inflow occurs (BEC 1988) for the subbasin, but about 9,000 af/yr of groundwater leaves the subbasin as subsurface outflow into the Indio Subbasin (DWR 1987)

Groundwater extraction from the subbasin in 1999 is estimated to be 7,488 af (San Geronio Pass Water Agency 2001).

Average precipitation over the subbasin is approximately 18,000 af/yr, and average stream flow is 5,000 af/yr (BEC 1988). About 9 percent, or 2,100 af, of this precipitation and stream flow is estimated to provide recharge to the subbasin annually (Bloyd 1971).

Agricultural return and wastewater effluent contribute little recharge to the subbasin (SGPWA 2001).

Groundwater Quality

Characterization. Groundwater in the subbasin is characterized as predominantly calcium-sodium bicarbonate type (DWR 1987). TDS content for selected samples from municipal wells ranged from 106 to 205 mg/L (DWR 1987).

Impairments.

Well Characteristics

Well yields (gal/min)		
Municipal/Irrigation	Range:	Average:
Total depths (ft)		
Domestic	Range:	Average:
Municipal/Irrigation	Range:	Average:

Active Monitoring Data

Agency	Parameter	Number of wells / measurement frequency
SGPWA	Groundwater levels	17/semi-annual
SGPWA and other local agencies	Miscellaneous water quality	8/semi-annual
Department of Health Services and cooperators	Title 22 water quality	5

Basin Management

Groundwater management:	Currently SGPWA is working with state and federal agencies to develop a more extensive monitoring and management system.
Water agencies	
Public	City of Banning Water District, San Geronio Pass Water Agency, Beaumont-Cherry Valley Water District.
Private	Morongo Indian Tribe

References Cited

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Additional References

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Errata

Changes made to the basin description will be noted here.

Appendix G

Demand Calculations for Remaining Portions of Butterfield Specific Plan

Project Phase IB – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
2B	Low Density Residential	2.2	2.6	6	0	6	2
5B	Medium Density Residential	2.9	3.1	9	0	9	3
6	Low Density Residential	19	2.6	49	0	49	18
7	Low Density Residential	20.8	2.6	54	0	54	17
8A	Medium Density Residential	18.9	3.1	59	0	59	22
8B	High Density Residential	7	3.5	25	6	19	19
13	Low Density Residential	10	2.6	26	0	26	10
50B	Low Density Residential	6.2	2.6	16	0	16	5
24	Parks	2.2	3.75	8	8	0	0
25	Central Open Space	7.3	2.8	20	20	0	0
27	Central Open Space	1	2.8	3	3	0	0
35A	Central Open Space	12.4	2.8	35	35	0	0
35B	Central Open Space	13.8	2.8	39	39	0	0
Other	Parks	3.5	3.75	13	13	0	0
Totals		127.2		362	124	238	96

Project Phase IIA – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
5A	Medium Density Residential	18.9	3.1	59	0	59	20
9A	Low Density Residential	20.3	2.6	53	0	53	16
9C	Low Density Residential	5.8	2.6	15	0	15	5
10	Low Density Residential	20.8	2.6	54	0	54	17
11	Medium Density Residential	28.5	3.1	88	0	88	54
12	Low Density Residential	10.6	2.6	28	0	28	10
28	Parks	0.5	3.75	2	2	0	0
29	Parks	0.8	3.75	3	3	0	0
30	Parks	0.4	3.75	2	2	0	0
Other	Parks	4.2	3.75	16	16	0	0
Totals		110.8		320	23	297	122

Project Phase IIB – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
14	Medium Density Residential	22	3.1	68	0	68	22
15A	High Density Residential	15.2	3.5	53	12	41	41
15B	High Density Residential	16.2	3.5	57	13	44	44
16A	High Density Residential	16.1	3.5	56	13	43	43
16B	Low Density Residential	14.1	2.6	37	0	37	14
48B	Low Density Residential	9.3	2.6	24	0	24	7
21	Parks	3.2	3.75	12	12	0	0
32	Parks	0.5	3.75	2	2	0	0
33	Parks	0.5	3.75	2	2	0	0
Other	Parks	4.8	3.75	18	18	0	0
Totals		101.9		329	72	257	171

Project Phase IIIA – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
35C	Central Open Space	6.5	2.8	18	18	0	0
35D	Central Open Space	11.5	2.8	32	32	0	0
35E	Central Open Space	9	2.8	25	25	0	0
38	Central Open Space	19	2.8	53	53	0	0
40	Low Density Residential	29.6	2.6	77	0	77	25
41	Low Density Residential	26.5	2.6	69	0	69	25
42B	Low Density Residential	3	2.6	8	0	8	3
44A	Low Density Residential	24.3	2.6	63	0	63	20
44B	Low Density Residential	2.3	2.6	6	0	6	2
45	Medium Density Residential	32.9	3.1	102	0	102	36
47B	Medium Density Residential	2.5	3.1	8	0	8	3
62	Parks	2	3.75	8	8	0	0
63	Parks	8	3.75	30	30	0	0
Other	Parks	5.2	3.75	20	20	0	0
Totals		182.3		519	186	333	114

Project Phase IIIB – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
31	Parks	0.5	3.75	2	2	0	0
36	Parks	8.9	3.75	33	33	0	0
37	Parks	18.1	3.75	68	68	0	0
46	Low Density Residential	25.7	2.6	67	0	67	24
47A	Medium Density Residential	13.8	3.1	43	0	43	14
47C	Medium Density Residential	18.3	3.1	57	0	57	20
48A	Low Density Residential	17.8	2.6	46	0	46	15
49A	Medium Density Residential	17.9	3.1	55	0	55	34
49B	Medium Density Residential	6.4	3.1	20	0	20	7
53	Medium Density Residential	15.7	3.1	49	0	49	17
Other	Parks	4.8	3.75	18	18	0	0
Totals		147.9		458	121	337	245

Project Phase IVA – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
50A	Low Density Residential	34.4	2.6	89	0	89	30
51	Low Density Residential	21.3	2.6	55	0	55	20
52A	Low Density Residential	31.2	2.6	81	0	81	26
52B	Low Density Residential	4.8	2.6	12	0	12	3
59	Low Density Residential	18.1	2.6	47	0	47	16
65	Parks	4.3	3.75	16	16	0	0
66	Central Open Space	18.5	2.8	52	52	0	0
67	Parks	1.9	3.75	7	7	0	0
68	Schools	13.1	3.9	51	22	29	29
69	Central Open Space	5.4	2.8	15	15	0	0
70	Public Facilities	4.2	0.4	2	0	2	2
72	Parks	1.6	3.75	6	6	0	0
74	Central Open Space	4.4	2.8	12	12	0	0
75	Central Open Space	4.6	2.8	13	13	0	0
Other	Parks	4.8	3.75	18	18	0	0
Totals		172.6		476	161	315	96

Project Phase IVB – Baseline Demand Calculation

Planning Area	Land Use	Area (ac)	WDF (AFY/acre)	Total Demand (AFY)	Recycled Water (AFY)	Potable Water (AFY)	Indoor Use (AFY)
35E	Central Open Space	24.3	2.8	68	68	0	0
35F	Central Open Space	5.7	2.8	16	16	0	0
34	Central Open Space	139.4	2.8	390	390	0	0
39	Parks	3	3.75	11	11	0	0
42A	Low Density Residential	19.6	2.6	51	0	51	19
43	Low Density Residential	19.3	2.6	50	0	50	18
54	Low Density Residential	4.8	2.6	12	0	12	4
55A	Low Density Residential	22.1	2.6	57	0	57	20
55B	Low Density Residential	9.7	2.6	25	0	25	9
56A	Low Density Residential	16.5	2.6	43	0	43	14
56B	Low Density Residential	10.6	2.6	28	0	28	10
57	Low Density Residential	19.5	2.6	51	0	51	14
58	Low Density Residential	21.7	2.6	56	0	56	20
64	Central Open Space	13	2.8	36	36	0	0
71	Central Open Space	30.4	2.8	85	85	0	0
73	Central Open Space	44	2.8	123	123	0	0
Other	Parks	7.7	3.75	29	29	0	0
Totals		411.3		1047	674	373	128

Allocation per Phasing Plan

Project Phase	2020	2025	2030	2035	2040
PROJECT PHASE IA	50%	100%	100%	100%	100%
PROJECT PHASE IB	0%	100%	100%	100%	100%
PROJECT PHASE IIA	0%	20%	100%	100%	100%
PROJECT PHASE IIB	0%	0%	50%	100%	100%
PROJECT PHASE IIIA	0%	50%	100%	100%	100%
PROJECT PHASE IIIB	0%	0%	80%	100%	100%
PROJECT PHASE IVA	0%	0%	0%	0%	100%
PROJECT PHASE IVB	0%	0%	0%	80%	100%

Broken Down Projection of Conservation Savings

Water Use (AFY)	2020	2025	2030	2035	2040
PW Baseline	0	464	1266	1760	2150
PW Indoor	0	177	614	850	972
PW Outdoor	0	287	653	910	1178
PW Indoor Savings	0	35	123	170	194
PW Outdoor Savings	0	76	173	241	312
PW Total Savings	0	111	296	411	506
PW Net	0	353	970	1349	1644
RW Baseline	0	222	466	1065	1361
RW Savings	0	59	123	282	360
RW Net	0	163	343	783	1001

Summary of Conservation Savings

Water Use (AFY)	2020	2025	2030	2035	2040
Baseline	0	686	1732	2825	3511
Savings	0	170	419	693	866
Net	0	516	1313	2132	2645

Appendix H

Resolution No. 2017-02

RESOLUTION NO. 2017-02

A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER APPROVING THE TRANSFER OF OVERLYING WATER RIGHTS TO SPECIFIC PARCELS

WHEREAS, the Stipulated Judgment establishing the Beaumont Basin Watermaster (Riverside Superior Court Case No. 389197) ("Adjudication") was filed with the Superior Court of California, County of Riverside on February 4, 2004; and

WHEREAS, Oak Valley Partners, L.P. ("OVP") was designated as holding Overlying Water Rights within the Adjudication, with an overall water amount of 1806 acre-feet/year spread over 5,331.65 acres under the then-specified Safe Yield of the basin as described in the Adjudication. As specified in the Adjudication, OVP's property consists of numerous assessor parcels that are identified within Exhibit D of the Adjudication ("OVP Adjudication Parcels"). Section III, 3(G) of the Adjudication outlines OVP's intended development of its property and specifies the process that OVP may utilize to arrange the transfer of its Overlying Water Rights to particular development parcels eventually to be serviced by one or more retail water service providers upon annexation; and

WHEREAS, OVP now desires to have its designated Overlying Water Rights acknowledged in the Adjudication assigned to the requisite Assessor Parcel Numbers within the Summerwind Ranch Specific Plan ("Project") that correlate to certain of the OVP Adjudication Parcels; and

WHEREAS, the OVP Adjudication Parcels listed on Exhibit D of the Adjudication that correlate to the Project parcels and which total 2409.02 acres include the following parcel numbers from Exhibit D:

- 413-040-002;
- 413-160-003 through 007;
- 413-170-020, 021, 023, 027 through 031, 033, and 035;
- 413-180-017 and 019;
- 413-190-001 and 011;
- 413-200-002, 010, 014, 015, 020, 023, 024, 026 through 030, and 034 through 037;
- 413-290-003 and 007;
- 413-460-038; and

WHEREAS, the Assessor Parcel Numbers for the Project parcels that correlate to the above-designated OVP Adjudication Parcels as contained in Exhibit D to the Adjudication are listed and specified in Exhibit 1 attached hereto; and

WHEREAS, OVP desires that Watermaster approve the transfer of all of OVP's Overlying Water Rights designated within the Adjudication to the Project parcels identified in Exhibit 1 attached hereto for the development of the Project by OVP and its successors and/or assigns; and

WHEREAS, OVP further intends to secure commitments from the Yucaipa Valley Water District to provide water service to development phases of the Project, and requests that when those commitments are made and water service is provided to the designated Project parcels that the Overlying Water Rights for those Project parcels be transferred to the Yucaipa Valley Water District ("YVWD") consistent with the Adjudication.

NOW, THEREFORE, BE IT RESOLVED BY THE BEAUMONT BASIN WATERMASTER as follows:

1. Transfer of Overlying Water Rights. Watermaster hereby approves the transfer of all of OVP's Overlying Water Rights to the Project parcels listed on Exhibit 1 attached hereto to provide for the development phases of the Project by OVP and its successors/assigns. OVP shall immediately inform Watermaster of any successor or assign who takes ownership of one or more Project parcels listed on Exhibit 1 to which Overlying Water Rights have been transferred. As of this time, the amount of water associated with the OVP Overlying Water Rights is consistent with the relationship between the redetermined safe yield (6700 acre-feet) and the original Safe Yield (8650 acre-feet), or in other words 77.5% of the original amount identified to OVP in Exhibit B to the Adjudication.
2. Transfer of Rights on Confirmed Water Service by YVWD. Once OVP and/or its successor(s) or assigns secures commitments from the Yucaipa Valley Water District to provide water service to the development phases of the Project, and when water service is provided to the designated Project parcels, then the overlying water rights for those Project parcels shall be transferred to YVWD. YVWD shall report to Watermaster when it has provided retail water service to various properties making up portions of the Project and Watermaster shall account for the same consistent with Section VI, 5. W. of the Adjudication.
3. Use of Wells. The existing and future wells on the Project parcels may be used to extract water for use on the Project parcels and/or any remaining OVP parcels, consistent with the Adjudication and current and future Watermaster rules, regulations and policies.
4. Further Documentation or Action. The Chief of Watermaster Services or Watermaster Engineer is hereby authorized and directed to execute such further documents and instruments, and take such further action, as shall be reasonably required to carry out the purposes and intent of this resolution.
5. Effective Date. The effective date of this resolution is August 30, 2017.

PASSED AND ADOPTED by the Beaumont Basin Watermaster this 30th day of August 2017.

BEAUMONT BASIN WATERMASTER

By: _____
Art Vela, Chairman of the
Beaumont Basin Watermaster



CITY OF BANNING UTILITY AUTHORITY REPORT

TO: BANNING UTILITY AUTHORITY

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Art Vela, Director of Public Works
Tammi Phillips, Management Analyst

MEETING DATE: June 12, 2018

SUBJECT: Resolution 2018-08 UA, Approving an Increase of \$10,218 to Purchase Order 28567 with Quinn Company for Repairs to the City of Banning's CAT D6 Dozer

RECOMMENDED ACTION:

The Banning Utility Authority adopt Resolution 2018-08 UA:

1. Increasing Fiscal Year 2018 purchase order with Quinn Company for the repairs to the City of Banning ("City") owned CAT D6 Dozer in the amount of \$10,218.
2. Authorizing the Interim City Manager or her designee to make necessary budget adjustments, appropriations and transfers related to Resolution 2018-08 UA.

BACKGROUND:

The Public Works Department, Water Division owns and operates Unit #907, a 1981 CAT D6 Dozer ("Dozer"), primarily for maintaining 39 water spreading ponds and access roads in the water canyon. Recently, a purchase order (PO 28567) for Quinn Company ("Quinn") of Riverside, CA was issued in the amount of \$19,792.18 (\$18,367.61 plus tax) for several repairs to the Dozer.

During the repair process, the drive track was removed which revealed a worn out and damaged link assembly. There was no way to detect the damage by way of visual inspection prior to removing the drive track and performing a full inspection. Quinn has provided the City with a quote in the amount of \$10,218 (\$9,482.22 plus tax) to make the additional repairs.

JUSTIFICATION:

Quinn has identified additional repairs that are needed related to the internal track links that are not a part of the scope of work currently approved under PO 28567. The additional repairs are needed in order to avoid further damage and repairs to the Dozer.

The cost of the additional repairs will exceed the amount of PO 28567, therefore an increase to the purchase order in the amount of \$10,218 is required.

FISCAL IMPACT:

The repairs will be funded from account 660-6300-471.30-06 (Repair/Maint. Equipment), which currently has an unencumbered balance of \$18,615.

ALTERNATIVE:

1. Reject the Resolution No. 2018-08 UA. Rejection of the resolution could lead to further damage to the Dozer along with additional time that the Dozer will be non-operational.

ATTACHMENTS:

1. Resolution No. 2018-08 UA
2. Initial Quote (Quote No. 61254-1)
3. Additional Quote (Quote No. 63767-1)
4. Photos

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Resolution 2018-08 UA

RESOLUTION 2018-08 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF BANNING, CALIFORNIA, ADOPT RESOLUTION 2018-08 UA, APPROVING AN INCREASE OF \$10,218 TO PURCHASE ORDER 28567 WITH QUINN COMPANY FOR REPAIRS TO THE CITY OF BANNING'S D6 CAT DOZER

WHEREAS, the City of Banning owns and operates Unit #907, a 1981 CAT D6 Dozer ("Dozer"); and

WHEREAS, the City initiated repairs on the Dozer in January of 2018 in the amount of \$19,792.18; and

WHEREAS, in the process of repairing the Dozer, Quinn Company ("Quinn") removed the drive track and discovered internal wear and damage to the links; and

WHEREAS, the quote to replace the damaged link assembly is \$9,482.22 plus tax, totaling \$10,218; and

WHEREAS, an increase to the existing Fiscal Year 2018 purchase order with Quinn in the amount of \$10,218 is required to cover the cost of the additional repairs.

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

SECTION 1. The Banning Utility Authority adopts Resolution 2018-08 UA Approving an increase to the Purchase Order with Quinn Company of Riverside, CA for the repair of the City's CAT D6 Dozer in the amount "Not to Exceed" \$10,218.

SECTION 2. The Interim City Manager or her designee is authorized to make necessary budget adjustments, appropriations and transfers related to Resolution 2018-08 UA

PASSED, ADOPTED AND APPROVED this 12th day of June, 2018.

George Moyer, Chairman
Banning Utility Authority

ATTEST:

Sonja De La Fuente, Deputy Secretary

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy Secretary of the Banning Utility Authority of Banning, California, do hereby certify that the foregoing Resolution 2018-08 UA was duly adopted by the Banning Utility Authority of the City of Banning, California, at a Regular Meeting thereof held on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonja De La Fuente, Secretary
Banning Utility Authority
City of Banning, California

ATTACHMENT 2

Quinn Quote January 2018

QUINN

Quote No: 61254 - 1

CITY OF BANNING
PO BOX 998
BANNING 92220-0007

CUSTOMER NO.	QUOTE NO.	DATE	CONTACT
0052408	61254	10/19/2017	Leon Schrader
PHONE NO.	FAX NO.	EMAIL	
951-922-3291		l.schrader@ci.banning.ca.us	
MODEL	MAKE		SERIAL NO.
D6D	AA		020X01891
UNIT NO.	HOURS	WO NO.	P.O. NO.

SEGMENT: 01 **INSPECT MACHINE (040 7000)**
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
Total Estimated Parts:					0.00

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**-	SHOP SVC LABOR	8	103.00	0	824.00
Total Estimated Labor:					824.00

Segment 01 Total: 824.00

SEGMENT: 12 **TROUBLE SHOOT FUEL INJECTION PUMP FOR LEAKS (035 1251 FKK)**

NOTES:

Labor needed to troubleshoot leak at the fuel injection pump. includes the cleaning and inspection of the pump in order to try to find cause of leak.

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
Total Estimated Parts:					0.00

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**-	SHOP SVC LABOR	2	103.00	0	206.00
Total Estimated Labor:					206.00

Segment 12 Total: 206.00

SEGMENT: 30 **TROUBLE SHOOT TRANSMISSION FOR LEAKS (035 3030 FKK)**

NOTES:

Labor needed to troubleshoot oil leak on top of transmission. Labor includes the removal of the seat and cab floor in order to gain access to top of transmission.

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
Total Estimated Parts:					0.00
Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**	SHOP SVC LABOR	4	103.00	0	412.00
Total Estimated Labor:					412.00
Segment 30 Total:					412.00

SEGMENT: 41 REPAIR TRACK/BELT TENSIONER (023 4197)
NOTES:

Parts					
Part Number	Description	Qty	Unit Price	Discount%	Ext Price
1H8397	RING	1	2.29	0	2.29
2260214	CYLINDER-CLA	1	205.98	0	205.98
3B8489	ADAPTER STR	1	1.68	0	1.68
4J6326	BEARING	2	30.56	0	61.12
4J6327	CAP	1	80.20	0	80.20
4S9006	SEAL	1	34.12	0	34.12
5F0149	RING	1	4.84	0	4.84
5M2997	SEAL	1	4.16	0	4.16
5M2998	RING	1	13.74	0	13.74
6H6269	RING	2	7.96	0	15.92
Total Estimated Parts:					424.05
Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**	SHOP SVC LABOR	18	103.00	0	1,854.00
Total Estimated Labor:					1,854.00
Segment 41 Total:					2,278.05

SEGMENT: 42 REPLACE TRACK SHOE(S) (510 4172)
NOTES:

Parts					
Part Number	Description	Qty	Unit Price	Discount%	Ext Price
	D6D aftermarket shoes 22" genral duty	1	3,000.00	0	3,000.00
Total Estimated Parts:					3,000.00
Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
WLD-1*-A0-**	LABOR-WELD	20	105.00	0	2,100.00
Total Estimated Labor:					2,100.00
Segment 42 Total:					5,100.00

SEGMENT: 52 REPAIR BLADE LIFT ARM (023 5219)
NOTES:

Parts					
Part Number	Description	Qty	Unit Price	Discount%	Ext Price
4J6326	BEARING	2	30.56	0	61.12
4J6327	CAP	1	80.20	0	80.20
Total Estimated Parts:					141.32

Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**-	SHOP SVC LABOR	5	103.00	0	515.00
Total Estimated Labor:					515.00

Segment 52 Total: 656.32

SEGMENT: 53 REMOVE & INSTALL LIFT/HOIST CYLINDER (010 5102)
 NOTES:
 LIFT CYLINDERS, REMOVE AND INSTALL.
 To include:
 Removing cylinder, delivering them to Ever Pac for reseal and reinstall.

Parts					
Part Number	Description	Qty	Unit Price	Discount%	Ext Price
4J5267	SEAL-O-RING	4	1.58	0	6.32
Total Estimated Parts:					6.32

Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**-	SHOP SVC LABOR	8	103.00	0	824.00
Total Estimated Labor:					824.00

Segment 53 Total: 830.32

SEGMENT: 54 RECONDITION LIFT/HOIST CYLINDER (020 5102)
 NOTES:
 LIFT CYLINDER, RECONDITION (2) CYLINDERS.
 To include:
 Disassemble, clean, inspect and building estimate for repair. Once additional estimate is approved. Cylinders will resealed and tested after repair.
 ***** BE ADVISED, ADDITIONAL COST SUCH AS SALVAGE WORK, HONEING AND REPLACING TRUNION BEARINGS WILL BE QUOTED UPON DISASSEMBLY. *****

Parts					
Part Number	Description	Qty	Unit Price	Discount%	Ext Price
	SEAL KIT	1	650.00	0	650.00
Total Estimated Parts:					650.00

Labor					
Item Number	Description	Qty	Unit Price	Discount%	Ext Price
HYD-**-**-**	HYDRAULIC LABOR	16	108.00	0	1,728.00
Total Estimated Labor:					1,728.00

Segment 54 Total: 2,378.00

SEGMENT: 55

SEGMENT: 56 **REPAIR GUARD MOUNTING (023 7150 MT)**
NOTES:
REPAIR GUARD MOUNTS.

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
2H3855	CAPSCREW	16	0.52	0	8.32
2S6263	GUARD G	1	511.51	0	511.51
2S6264	GUARD G	1	511.51	0	511.51
3B4508	LOCKWASHER	16	0.16	0	2.56
4B4280	WASHER	16	0.46	0	7.36
7M0457	GUARD	2	174.87	0	349.74
Total Estimated Parts:					1,391.00

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
MAC-1*-A0-**	SHOP MACHINING	25	102.00	0	2,550.00
Total Estimated Labor:					2,550.00

Segment 56 Total: 3,941.00

SEGMENT: 72 **REPAIR ROPS MOUNT (023 7266)**
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
1D4643	CAP SCREW	4	11.22	0	44.88
2J3507	NUT	4	2.71	0	10.84
8J7415	WASHER	8	2.57	0	20.56
8P2575	BUSHING	8	53.97	0	431.76
Total Estimated Parts:					508.04

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**	SHOP SVC LABOR	8	103.00	0	824.00
Total Estimated Labor:					824.00

Segment 72 Total: 1,332.04

SEGMENT: 73 **REPAIR SEAT ASSEMBLY (023 7312)**
NOTES:
 Labor needed to troubleshoot seat assemble. Slide adjustor and back.

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
7K-5413	CUSHION A	1	128.96	0	128.96
7S5381	BRACKET A	1	37.46	0	37.46
7S5382	BRACKET A	1	37.46	0	37.46
Total Estimated Parts:					203.88

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SHP-1*-A0-**	SHOP SVC LABOR	2	103.00	0	206.00
Total Estimated Labor:					206.00

Segment 73 Total: 409.88

SEGMENT: 99 TRANSPORT MACHINE (052 7000)
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
Total Estimated Parts:					0.00

Misc

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
#HA-**-**-**	HAULING	1	1,000.00	0	1,000.00
Total Estimated Misc:					0.00

Segment 99 Total: 0.00

Total Segments: 18,367.61

Sub Total (before taxes) 18,367.61

THIS ESTIMATE IS BASED ON LABOR RATES, PARTS PRICES, AND CONDITION OF THE MACHINE EXISTING ON THE DATE OF THE ESTIMATE INDICATED ABOVE. THE CUSTOMER WILL BE INFORMED OF ANY REVISIONS IN LABOR RATES, PARTS PRICES OR ADDITIONAL WORK REQUIRED BEFORE THE WORK IS STARTED. UNLESS OTHERWISE SPECIFIED, THIS ESTIMATE DOES NOT INCLUDE TRAVEL TIME AND MILEAGE, FREIGHT, SHIPPING CHARGES, ENVIRONMENTAL FEE OR TAXES WHERE APPLICABLE. THIS ESTIMATE IS EFFECTIVE FOR 30 DAYS FROM THE DATE INDICATED ABOVE.

ESTIMATED REPAIR TIME: _____ from start date

Thank you for giving QUINN the opportunity to quote your service repair options.

My Signature below indicates I have read, understand and agree with the attached terms and conditions.

Issued PO#: _____, Authorized Name _____ Please Print

Date ____/____/____ (Signature)

Prepared by: Jeff Sowards Phone: (951)233-4110 Email: Jeff.Sowards@quinncompany.com Fax: _____

ATTACHMENT 3

Quinn Quote May 2018

CITY OF BANNING
PO BOX 998
BANNING 92220-0007

CUSTOMER NO.	QUOTE NO.	DATE	CONTACT
0052408	63767	5/1/2018	PERRY GERDES
PHONE NO.	FAX NO.	EMAIL	
951 849 3273	951 849 4573	pgerdes@ci.banning.ca.us	
MODEL	MAKE		SERIAL NO.
D6D	AA		020X01891
UNIT NO.	HOURS	WO NO.	P.O. NO.
	2682		

SEGMENT: 01**NOTES:**

D6D Sealed and Lubricated Rail Groups. Customer already has New Shoes & Hardware.
 Due to the Internal wear issue (70% wear), replacement with new will eliminate the issue of track link breakage in riverbed applications.
 Repair of old links isn't an option due to internal link damage and sealability issues.

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
2369861	LINK AS-D6D SALT ASSY.	2	5,577.78	15	9,482.22
Total Estimated Parts:					9,482.22

Segment 01 Total: 9,482.22

Total Segments: 9,482.22

Sub Total (before taxes)

9,482.22

THIS ESTIMATE IS BASED ON LABOR RATES, PARTS PRICES, AND CONDITION OF THE MACHINE EXISTING ON THE DATE OF THE ESTIMATE INDICATED ABOVE. THE CUSTOMER WILL BE INFORMED OF ANY REVISIONS IN LABOR RATES, PARTS PRICES OR ADDITIONAL WORK REQUIRED BEFORE THE WORK IS STARTED. UNLESS OTHERWISE SPECIFIED, THIS ESTIMATE DOES NOT INCLUDE TRAVEL TIME AND MILEAGE, FREIGHT, SHIPPING CHARGES, ENVIRONMENTAL FEE OR TAXES WHERE APPLICABLE. THIS ESTIMATE IS EFFECTIVE FOR 30 DAYS FROM THE DATE INDICATED ABOVE.

ESTIMATED REPAIR TIME: _____ from start date

Thank you for giving QUINN the opportunity to quote your service repair options.

My Signature below indicates I have read, understand and agree with the attached terms and conditions.

Issued PO#: _____, Authorized Name _____ Please Print

Date ____/____/____. (Signature)

Prepared by: Jeff Sowards Phone: 951-233-4110 Email: Jeff.Sowards@quinncompany.com Fax:

ATTACHMENT 4

D6 Dozer Pictures





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**CITY OF BANNING
BANNING UTILITY AUTHORITY REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director/Interim ASD

MEETING DATE: June 12, 2018

SUBJECT: Water Enterprise Revenue Bonds Refunding and Improvement Projects, 2015 Series; Requisition No. 1 Bond Project Funds Drawdown

RECOMMENDATION:

That City Council approve Requisition No. 1 to drawdown funds from the Water Project Fund of the Banning Utility Authority Water Enterprise Revenue Bonds Refunding and Improvement Projects, 2015 Series.

BACKGROUND:

On July 14, 2015 Resolution 2015-11 UA was passed, approved and adopted authorizing the issuance its water enterprise revenue bonds, refunding and improvement projects, 2015 Series in the aggregate principal amount not to exceed \$32,000,000. The Bonds Funded on September 9, 2015.

The Bonds were issued pursuant to the Constitution and the laws of the State of California(the "State"), including the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of September 1, 2015 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds are special obligations of the Authority, and are payable from, and are secured by a charge and lien on, Net Water Revenues and from amounts held from time to time in certain funds and accounts established under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS."

Proceeds of the Bonds, together with other moneys being made available by the Authority will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series (the "2005 Bonds"), currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. The balance of the 2005 Bonds outstanding on the date of issuance of the Bonds will be defeased through the application of other monies being made available by the Authority.

Approximately \$1.6 million of the net proceeds of the Bonds will be used to finance or refinance various rehabilitation and replacement projects to improve the Water Enterprise's service reliability, as well as the construction of new facilities and upgrades to improve and augment the water supply and delivery capabilities of the Water Enterprise, including the replacement of a 20 inch transmission line in the Banning Canyon.

In addition to the \$1.6 million, the remaining cash on hand will be deposited into the Water Project Fund account for a total Water Project Fund of \$3,007,562.49.

FISCAL IMPACT:

Description	Current Month
Water Project Fund Beginning Balance	\$ 3,007,562.49
(Cash on Hand from 2005 Bond \$1,405,065.90 plus Project Fund Amount from 2015 Series \$1,602,496.59)	
Interest Earned to date	\$ 16,284.57
Water Project Fund Balance Available for Drawdown	\$ 3,023,847.06
Requisition No. 1	\$ 1,536,815.51
Total Amount of Drawdowns	\$ 1,536,815.51
Water Project Fund Balance after Drawdown	\$ 1,487,031.55

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction. If not approved, then the BUA will not be reimbursed for its expenditures on the Bond projects

ATTACHMENTS:

1. Water Project Fund Requisition No. 1
2. Water Enterprise Revenue Bonds Reconciling Spreadsheet
3. General Activity Detail of Project Accounts
4. US Bank Statement – April 30, 2018 for Water Project Fund Account

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Water Project Fund Requisition No. 1

BANNING UTILITY AUTHORITY
WATER ENTERPRISE REVENUE BONDS, REFUNDING AND IMPROVEMENT
PROJECTS, 2015 SERIES

(Issue Date: November 1, 2015)

Requisition of the City
(Water Project Fund)
(Section 3.04 of the Indenture)

Request No.: P-1 (to be sequentially numbered)

<u>Project Component</u>	<u>Amount of This Draw</u>	<u>Aggregate Amount Draws Including This Draw</u>
Banning Canyon - Replace 20" Transmission Line	<u>\$1,536,815.51</u>	<u>\$1,536,815.51</u>
 Total for this Draw	 \$1,536,815.51	
 Total Aggregate Draws to Date		 \$1,536,815.51

Name and Address of party to whom payment is to be made:

City of Banning as per wiring instructions below

Purpose for which the obligation was incurred:

Project costs related to Banning Canyon Transmission Line Replacement, Water Main Upgrades and Improvements and Flume Restoration Project Upgrades.

The undersigned (the "City") hereby represents, warrants and certifies to the Trustee that it is authorized to tender this requisition and that a duly authorized representative of the City has executed this requisition, that if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder, that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty, and that the Trustee has no duty under the Indenture to audit or otherwise monitor, in any respect, the application or use of such funds paid pursuant to this requisition.

Date: 5/22/2018

CITY OF BANNING

By: _____

Title: _____

Name of Bank – Wells Fargo Bank

ABA Number - 121000248

Account Number – 0610605798

Name on Account – City of Banning

Wells Fargo's physical address is:

1735 W. Ramsey Street
Banning, CA 92220
(951) 849-5605

ATTACHMENT 2

Water Enterprise Revenue Bonds Reconciling Spreadsheet

City of Banning Financing Authority
Water Enterprise Revenue Bonds
Refunding and Improving Projects, Series 2015

Requisition of the City
Water Project Fund

Water Project Fund												
Project Description Per Official Statement	Project Component	Budget	Interest to Date	Total Available Funds	FY Projected Completion	GL Account #	Requisition #1				Total Requisitions	Budget Remaining
							FY2016	FY2017	FY2018 as of 4/30/2018			
Banning Canyon - Replacement of the 20in. Transmission line which will be fully funded by the bond. Reservoir/Water Canyon line replacement	Banning Canyon	3,007,562.49	16,284.57	3,023,847.06		663-6300-471.90-78 663-6300-471.95-10	19,521.56	186,885.94	28,259.75 1,302,148.26 1,330,408.01			
							19,521.56	186,885.94			1,536,815.51	1,487,031.55

1.6 Mll finance or refinance various rehabilitation and replacement projects to improve the Water Enterprise service reliability, as well as the construction of new facilities and upgrades to improve and augment the water supply and delivery capabilities of the Water Enterprise, including the replacement of a 20inch transmission line in the Banning Canyon.

1.4 Mll COH (cash on hand) from 2005 Series Water Project Fund to be used for the Banning Canyon replacement of a 20inch transmission line. Estimated Cost \$2,500,000. It is the only project anticipated to be fully funded by the Bond Proceeds. The remaining is intended to be used for the Water Enterprise Service. (see above)

\$ 1,602,496.59

\$ 1,405,065.90
\$ 3,007,562.49

ATTACHMENT 3

General Activity Detail of Project Accounts

PREPARED 05/08/2018, 9:43:39
 PROGRAM GW3601
 CITY OF BANNING

ACCOUNT ACTIVITY LISTING

PAGE 1
 ACCOUNTING PERIOD 14/2016

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION----- NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 663 BUA WATER CAP PROJ FUND									
663-6300-471.90-78						PLANNING/DESIGN-CAPITAL			
5423				13/16	AJ 06/30/16 06501	Close out Capital Expend FY16		19,521.56	
5209	027967			12/16	AP 06/25/16 0155428	ALBERT A. WEBB ASSOCIATES	19,521.56		
4565				11/16	BA 05/24/16 A05001	BANNING WATER CANYON Reso 2016-02 UA - Banning Wtr Canyon Wtr Main Repl			
ACCOUNT TOTAL							19,521.56	19,521.56	.00
FUND TOTAL							19,521.56	19,521.56	.00
GRAND TOTAL							19,521.56	19,521.56	.00

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 663	BUA	WATER CAP PROJ FUND							
663-6300-471	90-78	CAPITAL EXPENDITURES	/			PLANNING/DESIGN-CAPITAL			
4960	13/17	AP 06/30/17 06300				Close out capital expend for FY 17		186,885.94	
4777	027967	12/17 AP 06/30/17 0160361				ALBERT A. WEBB ASSOCIATES	19,422.50		
4376	027967	11/17 AP 05/27/17 0159893				ALBERT A. WEBB ASSOCIATES	8,457.00		
4120	027967	10/17 AP 04/29/17 0159644				ALBERT A. WEBB ASSOCIATES	9,435.00		
2706	027967	07/17 AP 01/28/17 0158284				ALBERT A. WEBB ASSOCIATES	24,580.00		
2389	027967	06/17 AP 12/31/16 0157931				ALBERT A. WEBB ASSOCIATES	8,971.50		
1959	027967	05/17 AP 11/26/16 0157452				ALBERT A. WEBB ASSOCIATES	53,328.30		
1528	027967	04/17 AP 10/22/16 0157008				ALBERT A. WEBB ASSOCIATES	5,175.62		
1162	027967	03/17 AP 09/24/16 0156581				ALBERT A. WEBB ASSOCIATES	25,197.48		
646	027967	02/17 AP 08/20/16 0156148				ALBERT A. WEBB ASSOCIATES	25,265.80		
284	027967	01/17 AP 07/23/16 0155690				ALBERT A. WEBB ASSOCIATES	7,052.74		
1447	01/17	BA 07/01/16 ENC/BUADAJ							
ACCOUNT TOTAL							186,885.94	186,885.94	.00
FUND TOTAL							186,885.94	186,885.94	.00
GRAND TOTAL							186,885.94	186,885.94	.00

PREPARED 05/08/2018, 9:44:16
 PROGRAM GM360L
 CITY OF BANNING

ACCOUNT ACTIVITY LISTING

PAGE 1
 ACCOUNTING PERIOD 02/2018

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 663	663	BOA WATER CAP PROJ FUND							
663-6300-471	90-78	CAPITAL EXPENDITURES				/ PLANNING/DESIGN-CAPITAL			
2353		07/18 AP 01/09/18 0162965				STATE WATER RESOURCES CONTROL	442.00		
		WATER CANYON WATERLINE				FILING FEE			
1465	027967	04/18 AP 10/28/17 0162038				ALBERT A. WEBB ASSOCIATES	13,825.00		
		BANNING WATER CANYON							
775		03/18 AP 09/18/17 0161376				STATE WATER RESOURCES CONTROL	3,179.00		
		WDID: 7A333176001				RM 415942, PL ID: 839206			
734	027967	02/18 AP 08/26/17 0161295				ALBERT A. WEBB ASSOCIATES	2,827.50		
		BANNING WATER CANYON							
288		02/18 AP 08/09/17 0160622				CA. ST. DEPT. OF FISH AND GAM	5,000.00		
		PROJECT 2016-02W BANNING				WATER CANYON LINE REPLCMNT			
288		02/18 AP 08/09/17 0160670				STATE WATER RESOURCES CONTROL	720.00		
		PROJECT 2016-02W BANNING				WATER CANYON LINE REPLCMNT			
210		01/18 AP 07/27/17 0160591				RIV. CO. CLERK RECORDER	2,266.25		
		BANNING WATER CANYON				NOTICE OF DETERMINATION			
1325		01/18 BA 07/01/17 ENC/BUADAJ							
ACCOUNT TOTAL							28,259.75	.00	28,259.75
FUND TOTAL							28,259.75	.00	28,259.75
GRAND TOTAL							28,259.75	.00	28,259.75

PROGRAM GM360L
CITY OF BANNING

GROUP NBR		PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----										
FUND 663 BUA WATER CAP PROJ FUND										
663-6300-471.95-10 SPECIAL UTILITY CAP							ITEMS / WATER MAINS			
3604 028880 10/18 AP 04/10/18 0164200							MICHAEL BAKER INTERNATIONAL,	31,866.58		
							CONTRACT ADMIN. SERVICES			
3547 028830 09/18 AP 03/26/18 0164088							HEMET MANUFACTURING COMPANY,	157,025.55		
							PROJECT 2016-02W			
3450 028753 09/18 AP 03/22/18 0163969							ASPEN ENVIRONMENTAL GROUP	15,451.19		
							ENVIRONMENTAL SERVICE PRO			
3245 028880 09/18 AP 03/09/18 0163829							MICHAEL BAKER INTERNATIONAL,	16,732.46		
							CONTRACT ADMIN. SERVICES			
3245 028798 09/18 AP 03/08/18 0163832							MORONGO BAND OF MISSION INDIA	7,560.00		
							MONITORING SERVICE			
3514 028830 08/18 AP 02/26/18 0164087							HEMET MANUFACTURING COMPANY,	189,370.00		
							2016-02W BANNING WATER			
3038 028753 08/18 AP 02/20/18 0163564							ASPEN ENVIRONMENTAL GROUP	6,915.97		
							PROJECT 2016-02W			
2906 028798 08/18 AP 02/12/18 0163433							MORONGO BAND OF MISSION INDIA	700.00		
							2016-02W MONITORING			
2743 028880 08/18 AP 02/06/18 0163348							MICHAEL BAKER INTERNATIONAL,	10,751.15		
							2016-02W CONST. MGMT			
3490 028815 07/18 AP 01/31/18 0164098							MCWANE DUCTILE	2,500.69		
							6"412"PIPE,LUBE,CAP,GASKT			
3031 028815 07/18 AP 01/30/18 0163620							MCWANE DUCTILE	26,767.76		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/30/18 0163620							MCWANE DUCTILE	26,600.30		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/30/18 0163620							MCWANE DUCTILE	26,600.30		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/30/18 0163620							MCWANE DUCTILE	26,642.16		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/30/18 0163620							MCWANE DUCTILE	26,684.03		
							PIPE,LUBE,CAP,GASKET,KI			
3490 028815 07/18 AP 01/30/18 0164098							MCWANE DUCTILE	24,371.14		
							24"416"PIPE,LUBE,CAP,GASK			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,558.42		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,600.30		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,767.76		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,642.16		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,642.16		
							PIPE,LUBE,CAP,GASKET,KI			
3031 028815 07/18 AP 01/29/18 0163620							MCWANE DUCTILE	26,600.30		
							PIPE,LUBE,CAP,GASKET,KI			
2665 028830 07/18 AP 01/26/18 0163252							HEMET MANUFACTURING COMPANY,	149,076.25		
							2016-02W BANNING WATER			
2423 028753 06/18 AP 01/15/18 0163066							ASPEN ENVIRONMENTAL GROUP	4,741.10		
							2012-02W ENV. SERVICES			
2422 028815 07/18 AP 01/05/18 0163125							MCWANE DUCTILE	26,684.03		

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 663 BUA WATER CAP PROJ FUND									
663	6300	471.95-10				SPECIAL UTILITY CAP ITEMS / WATER MAINS			
2422	028815	07/18	AP	01/05/18	0163125	MCWANE DUCTILE	26,725.89		
2422	028815	07/18	AP	01/05/18	0163125	MCWANE DUCTILE	26,725.89		
2422	028815	07/18	AP	01/05/18	0163125	MCWANE DUCTILE	26,544.45		
2422	028815	07/18	AP	01/05/18	0163125	MCWANE DUCTILE	26,516.57		
2435	028815	07/18	AP	01/05/18	0163125	MCWANE DUCTILE	26,767.76		
2411	028815	07/18	AP	01/04/18	0163024	MCWANE DUCTILE	26,544.44		
2422	028815	07/18	AP	01/04/18	0163125	MCWANE DUCTILE	26,767.76		
2422	028815	07/18	AP	01/04/18	0163125	MCWANE DUCTILE	26,642.16		
2422	028815	07/18	AP	01/04/18	0163125	MCWANE DUCTILE	26,725.89		
2422	028815	07/18	AP	01/04/18	0163125	MCWANE DUCTILE	26,684.03		
2422	028815	07/18	AP	01/04/18	0163125	MCWANE DUCTILE	26,544.45		
2007	028830	06/18	AP	12/20/17	0162615	HEMET MANUFACTURING COMPANY,	39,677.00		
1995	028753	06/18	AP	12/13/17	0162490	ASPEN ENVIRONMENTAL GROUP	7,047.42		
1959	06/18	BA	12/12/17	A12001		Continuing Appropriations			
1813	028753	05/18	AP	11/28/17	0162397	2017-21 UA - Expenditures			
1669	05/18	BA	11/14/17	A11000		ASPEN ENVIRONMENTAL GROUP	24,220.49		
1668	04/18	BA	10/31/17	A10000		Reso 2017-18UA Pipeline			
1668	04/18	BA	10/31/17	A10000		project- Water Canyon			
1302	028572	04/18	AP	10/13/17	0161992	Reso 2017-15 UA Morongo			
1196	028572	04/18	AP	10/06/17	0161797	Banning Wtr Canyon Proj			
1583	028525	03/18	AP	09/29/17	0162205	Reso 2017-16 UA Aspen			
						Banning Wtr Canyon Proj	233.20		
						PRESS-ENTERPRISE, THE			
						PRESS-ENTERPRISE, THE	470.40		
						RECORD GAZETTE, THE	458.70		
						IFB 17-093, 2016-02W			
						ACCOUNT TOTAL	1,302,148.26	.00	1,302,148.26
						FUND TOTAL	1,302,148.26	.00	1,302,148.26

ATTACHMENT 4

US Bank Statement- April 30, 2018 for Water Project Fund Account



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0228457-00-01445-01 Page 2 of 5

ACCOUNT NUMBER: ~~25822005~~
BANNING UTILITY AUTHORITY
WATER ENTERPRISE REVENUE BONDS
REFUNDING AND IMPROVEMENT PROJECTS
2015 SERIES
WATER PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

MARKET VALUE SUMMARY

	Current Period 04/01/18 to 04/30/18
Beginning Market Value	\$3,021,338.45
Investment Results	
Interest, Dividends and Other Income	2,508.61
Total Investment Results	\$2,508.61
Ending Market Value	\$3,023,847.06





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0228457-00-01445-01 Page 3 of 5

ACCOUNT NUMBER: 250225005
BANNING UTILITY AUTHORITY
WATER ENTERPRISE REVENUE BONDS
REFUNDING AND IMPROVEMENT PROJECTS
2015 SERIES
WATER PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

ASSET DETAIL AS OF 04/30/18

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equivalents					
3,023,847.060	First American Treasury Oblig Fd Cl D #3800 31846V302	3,023,847.06 1.0000	3,023,847.06 1.00	100.0 1.12	33,764.52
Total Cash Equivalents		\$3,023,847.06	\$3,023,847.06	100.0	\$33,764.52
Total Assets		\$3,023,847.06	\$3,023,847.06	100.0	\$33,764.52

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period (or most recent daily rate available) and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.



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0228457-00-01445-01 Page 4 of 5

ACCOUNT NUMBER: 25022005
BANNING UTILITY AUTHORITY
WATER ENTERPRISE REVENUE BONDS
REFUNDING AND IMPROVEMENT PROJECTS
2015 SERIES
WATER PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Cash Balance as of 04/01/2018	\$0.00	\$0.00	\$0.00
Taxable Interest	2,508.61		2,508.61
Transfers	- 2,508.61	2,508.61	
Net Money Market Activity		- 2,508.61	- 2,508.61
Ending Cash Balance as of 04/30/2018	\$0.00	\$0.00	\$0.00





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0228457-00-01445-01 Page 5 of 5

ACCOUNT NUMBER: ~~20180005~~
BANNING UTILITY AUTHORITY
WATER ENTERPRISE REVENUE BONDS
REFUNDING AND IMPROVEMENT PROJECTS
2015 SERIES
WATER PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

TRANSACTION DETAIL				
Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 04/01/2018	\$0.00	\$0.00	\$3,021,338.45
04/02/18	Interest Earned On First Am Treas Ob Fd Cl D Interest From 3/1/18 To 3/31/18 31846V302	2,508.61		
04/03/18	Cash Disbursement Transfer To Principal Income Earnings	- 2,508.61		
04/03/18	Cash Receipt Transfer From Income Income Earnings		2,508.61	
04/03/18	Purchased 2,508.61 Units Of First Am Treas Ob Fd Cl D Trade Date 4/3/18 31846V302		- 2,508.61	2,508.61
	Ending Balance 04/30/2018	\$0.00	\$0.00	\$3,023,847.06

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**CITY OF BANNING
BANNING UTILITY AUTHORITY REPORT**

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director/Interim ASD

MEETING DATE: June 12, 2018

SUBJECT: Wastewater Enterprise Revenue Bonds Refunding and Improvement Projects, 2005 Series Project Funds Drawdown

RECOMMENDATION:

That Council approve Requisition No. 16 to drawdown funds from the Project Fund of the Banning Utility Authority Wastewater Enterprise Revenue Refunding Bonds, Series 2005.

BACKGROUND:

On November 22, 2005 Resolution 2005-02 UA was passed, approved and adopted authorizing the issuance its Water enterprise revenue bonds, refunding and improvement projects, 2005 Series and its Wastewater enterprise revenue bonds, refunding and improvement projects 2005 series, the aggregate principal amounts not to exceed \$41,000,000 and \$8,000,000, respectively. The Bonds Funded on December 21, 2015.

The Bonds are being issued pursuant to the Constitution and the laws of the State of California (the "State"), including the Mark-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Bond Law"), and, as to the Water Bonds, pursuant to an Indenture of Trust, dated as of December 1, 2005 (the "water Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and, as to the Wastewater Bonds, pursuant to an Indenture of Trust, dated as of December 1, 2005 (the "Wastewater Indenture" and, together with the Water Indenture, the "Indentures", and , each, an "Indenture, as applicable), by and between the Authority and the Trustee.

The Bonds are special obligations of the Authority, and are payable from, and are secured by a charge and lien on, Net Water Revenues or Net Wastewater Revenues, as applicable, and from amounts held from time to time in the funds and accounts established under the respective Indenture.

Approximately \$5,000,000 of the net proceeds of the Bonds will be used to finance the 1.5 MGD Tertiary Treatment Plant. The estimated cost of the tertiary treatment plant is \$9,000,000 and it is anticipated that the additional \$4,000,000 required for this project will be funded from undesignated reserves of the Wastewater Enterprise. The Authority plans to expand the tertiary treatment facilities in phases to accommodate the future needs for recycled water. The project identified is the first phase expansion required to accommodate planned development within the City.

The Wastewater Project Fund Account was established with a beginning balance of \$5,074,121.57.

FISCAL IMPACT:

Description	Current Month
Wastewater Project Fund Beginning Balance	\$ 5,074,121.57
Interest Earned to date	\$ 564,780.52
Wastewater Fund Balance Available for Drawdown	\$ 5,638,902.09
Requisitions No. 1-15	\$ 2,344,823.16
Requisition No. 16	\$ 16,288.76
Total Amount of Drawdowns	\$ 2,361,111.92
Wastewater Project Fund Balance after Drawdown	\$ 3,277,790.17

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction. If not approved, then the BUA will not be reimbursed for its expenditures on the Bond projects

ATTACHMENTS:

1. Wastewater Project Fund Requisition No. 16
2. Wastewater Enterprise Bonds Reconciling Spreadsheet
3. General Activity Detail of Project Accounts
4. US Bank Statement – April 30, 2018 for Wastewater Enterprise Project Fund

Approved by:


 Rochelle Clayton
 Interim City Manager

ATTACHMENT 1

Wastewater Project Fund Requisition No. 1

BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE REVENUE BONDS, REFUNDING AND IMPROVEMENT
PROJECTS, 2005 SERIES

(Issue Date: November 1, 2005)

Requisition of the City
(Wastewater Project Fund)
(Section 3.04 of the Indenture)

Request No.: P-16 (to be sequentially numbered)

<u>Project Component</u>	<u>Amount of This Draw</u>	<u>Aggregate Amount Draws Including This Draw</u>
1.5 MGD Tertiary Treatment Plant - Planning and Design Wastewater Treatment Plant Expansion and to accommodate future needs for recycled water	<u>\$16,288.76</u>	<u>\$2,361,111.92</u>
Total for this Draw	\$16,288.76	
Total aggregates draws to date		\$2,361,111.92

Name and Address of party to whom payment is to be made:

City of Banning (per wiring instructions below)

Purpose for which the obligation was incurred:

Project costs related to the upgrade and expansion of the City's wastewater treatment facility and to accomodate the future needs for recycled water.

The undersigned (the "City") hereby represents, warrants and certifies to the Trustee that it is authorized to tender this requisition and that a duly authorized representative of the City has executed this requisition, that if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder, that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty, and that the Trustee has no duty under the Indenture to audit or otherwise monitor, in any respect, the application or use of such funds paid pursuant to this requisition.

Date: 5/22/2018

CITY OF BANNING

By: _____

Title:

Name of Bank – Wells Fargo Bank

ABA Number - 121000248

Account Number – 0610605798

Name on Account – City of Banning

Wells Fargo's physical address is:

1735 W. Ramsey Street
Banning, CA 92220
(951) 849-5605

45643722.3

ATTACHMENT 2

Wastewater Enterprise Bonds Reconciling Spreadsheet

City of Banning Financing Authority
WasteWater Enterprise Revenue Bonds
Refunding and Improving Projects, Series 2005

Project Description Per Official Statement	Project Component	Budget	Interest To Date	Total Available Funds	FY Projected Completion	GL Account #	Req. 1 FY2007	Req. 2 FY2007
First Phase expansion of the Tertiary Treatment Plant will address current and future needs of the wastewater Ent. Est. total cost of tertiary treatment plant approx 9mil. Aprox. 4mil of total will be funded from undesignated reserves of the Wastewater Ent. To accomodate future needs for recycled water	1.5 MGD Tertiary Treatment Plant	5,074,121.57	564,780.52	5,638,902.09		683-8000-454.90-78	83,832.50	149,774.20
Total Budget 2005 Bond Project Fund		\$ 5,074,121.57	\$ 564,780.52	\$ 5,638,902.09		Totals Per Year	83,832.50	149,774.20
Less Total Requisitions P1 -		\$ 2,361,111.92						
Interest To Date		\$ 564,780.52						
Budget Remaining		\$ 3,277,990.17						

Requisition of the City
Acquisition and Construction Fund Expenditures

Requisition #'s 1-15												
Req. 3 FY2007	Req. 4 FY2008	Req. 5 FY2008	Req. 6 FY2008	Req. 7 FY2009	Req. 9 FY2009	Req. 10 FY2009	Req. 10 FY2009	Req. 11 FY2010	Req. 12 FY2010	Req. 13 FY2013	Req. 14 FY2013	Req. 15 FY2015
100,858.31	519,014.03	658,829.77	292,133.45	60,460.66	24,282.30	14,347.72	6,156.70	5,429.05	3,674.31	386,860.98	9,256.00	29,913.18
100,858.31	519,014.03	658,829.77	292,133.45	60,460.66	24,282.30	14,347.72	6,156.70	5,429.05	3,674.31	386,860.98	9,256.00	29,913.18

ATTACHMENT 3

General Activity Detail of Project Accounts

ACCOUNT ACTIVITY LISTING

PREPARED 05/08/2010, 11:07:27

PROGRAM GM360L
CITY OF BANNING

GROUP		PO	ACCTG	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
NBR		NBR	PER.							
-----TRANSACTION-----										
FUND 683 BUA W/WATER CAP PROJ FUND										
683-8000-454.90-78 CAPITAL EXPENDITURES / PLANNING/DESIGN-CAPITAL										
4730					13/15	AJ 06/30/15	06501		1,578.20	
								Close out capital expend. FY15		
1945					06/15	AJ 12/31/14	12901	683.47		
								Reclass Charges		
1689	024043		05/15	AP	11/22/14		0147480	894.73		
								Segment C (Recycled Water ALBERT A. WEBB ASSOCIATES		
1508			01/15	BA	07/31/14		A07000			
								Continuing Appropriations and proj Rev Carryovers		
1008			01/15	BA	07/01/14		ENC/BUDADJ			
								1,578.20	1,578.20	.00
								ACCOUNT TOTAL		
								1,578.20	1,578.20	.00
								FUND TOTAL		
								1,578.20	1,578.20	.00
								GRAND TOTAL		

CITY OF BANNING									
GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 683 BUA W/WATER CAP PROJ FUND									
683-8000-4960			13/17	AJ	06/30/17	06300 / PLANNING/DESIGN-CAPITAL Close out capital expend for FY 17		14,710.56	
3674	020185	10/17	AP	04/11/17	0159258	PARSONS WATER & INFRASTRUCTUR	14,710.56		
1447						WWTP EXPANSION PROJECT			
		01/17	BA	07/01/16	ENC/BUDADJ		14,710.56	14,710.56	.00
ACCOUNT TOTAL									
FUND TOTAL									
GRAND TOTAL									
							14,710.56	14,710.56	.00

ATTACHMENT 4

US Bank Statement – April 30, 2018 for Wastewater Enterprise Project Fund



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0205175-00-01445-01 Page 2 of 5

ACCOUNT NUMBER: 790110006
BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE LEASE
REVENUE BONDS SERIES 2005
PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

MARKET VALUE SUMMARY

Current Period	
04/01/18 to 04/30/18	
Beginning Market Value	\$3,277,233.49
Investment Results	
Interest, Dividends and Other Income	556.68
Total Investment Results	\$556.68
Ending Market Value	\$3,277,790.17





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0205175-00-01445-01 Page 3 of 5

ACCOUNT NUMBER: 782412005
BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE LEASE
REVENUE BONDS SERIES 2005
PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

ASSET DETAIL AS OF 04/30/18

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equivalents					
3,277,790.170	US Bank Mmkt 5 - Ct 9AMMF05B2	3,277,790.17 1.0000	3,277,790.17 1.00	100.0 .25	8,194.48
Total Cash Equivalents		\$3,277,790.17	\$3,277,790.17	100.0	\$8,194.48
Total Assets		\$3,277,790.17	\$3,277,790.17	100.0	\$8,194.48

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period (or most recent daily rate available) and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.



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ACCOUNT NUMBER: 712043006
BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE LEASE
REVENUE BONDS SERIES 2005
PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Cash Balance as of 04/01/2018	\$0.00	\$0.00	\$0.00
Taxable Interest	556.68		556.68
Transfers	- 556.68	556.68	
Net Money Market Activity		- 556.68	- 556.68
Ending Cash Balance as of 04/30/2018	\$0.00	\$0.00	\$0.00





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ACCOUNT NUMBER: 79245006
BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE LEASE
REVENUE BONDS SERIES 2005
PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

TRANSACTION DETAIL

Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 04/01/2018	\$0.00	\$0.00	\$3,277,233.49
04/02/18	Interest Earned On US Bank Mmkt 5 - Ct Interest From 3/1/18 To 3/31/18 9AMMF05B2	556.68		
04/03/18	Cash Disbursement Transfer To Principal Income Earnings	- 556.68		
04/03/18	Cash Receipt Transfer From Income Income Earnings		556.68	
04/03/18	Purchased 556.68 Units Of US Bank Mmkt 5 - Ct Trade Date 4/3/18 9AMMF05B2		- 556.68	556.68
	Ending Balance 04/30/2018	\$0.00	\$0.00	\$3,277,790.17



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0205175-00-01445-01 Page 5 of 5

ACCOUNT NUMBER: 792445006
BANNING UTILITY AUTHORITY
WASTEWATER ENTERPRISE LEASE
REVENUE BONDS SERIES 2005
PROJECT FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

TRANSACTION DETAIL

Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 04/01/2018	\$0.00	\$0.00	\$3,277,233.49
04/02/18	Interest Earned On US Bank Mmkt 5 - Ct Interest From 3/1/18 To 3/31/18 9AMMF05B2	556.68		
04/03/18	Cash Disbursement Transfer To Principal Income Earnings	- 556.68		
04/03/18	Cash Receipt Transfer From Income Income Earnings		556.68	
04/03/18	Purchased 556.68 Units Of US Bank Mmkt 5 - Ct Trade Date 4/3/18 9AMMF05B2		- 556.68	556.68
	Ending Balance 04/30/2018	\$0.00	\$0.00	\$3,277,790.17



**CITY OF BANNING
CITY COUNCIL AND
UTILITY AUTHORITY REPORT**

TO: CITY COUNCIL AND BANNING UTILITY AUTHORITY

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Rochelle Clayton, Interim City Manager

MEETING DATE: June 12, 2018

SUBJECT: Adopt Ordinance 1525 Setting the Water and Wastewater Rate Increases as Approved at the Public Hearing Conducted on May 22, 2018 in compliance with California Proposition 218

RECOMMENDATION:

Adopt Ordinance 1525 Setting the Water and Wastewater rate increases as approved at the Public Hearing conducted on May 22, 2018, in compliance with California Proposition 218.

JUSTIFICATION:

The need for rate increases are to pay for the increasing cost of service to deliver safe and reliable water, collect and treat wastewater, and maintain the infrastructure associated with both the water and wastewater systems.

On August 22, 2017, Willdan Financial Services ("Willdan") presented their rate analysis to Council with proposed rates based on the current operating costs and Capital Improvement Plan. The proposed increases on the consumption rates were 19%, 18%, 18%, 5% and 3% annually over five years. At that meeting, Council gave direction for staff to work with the Budget and Finance Committee ("Committee") to identify what options were available to allow for a lesser rate increase.

At a workshop on January 9, 2018, Staff presented to Council the Committee's proposed CIP cuts to accommodate Willdan's updated (reduced) proposed rate increases to 3% annually over five years. Council supported the 75% reduction of the Capital Improvement Plan for Water and Wastewater, resulting in the deferred capital projects identified in Appendix E of Willdan's final report, while the reduced Capital Improvement Plan is found on appendices pages A-7 and B-6 of the report.

BACKGROUND:

The last rate study was completed in 2010 and prior to that was 2003. In October 2013, the Banning Utility Authority approved the contract with Willdan Financial Services ("Willdan") to complete this Rate Study. Willdan completed nearly all of the work on the Rate Study, however on May 28, 2014 the Office of Administrative Law ("OAL") approved regulations, which were effective on July 1, 2014, for the reduction in chromium-6 standards to 10 parts per billion ("PPB") from 50 PPB in California.

Due to Banning having more than a third of the City's water wells affected by the updated regulation, Council gave direction to stop the study as the cost of treating for chromium-6 needed to be better understood prior to finalizing the study. Based on the recent repeal in the chromium-6 standard of 10 PPB in California, Willdan has based the proposed rates without the cost of the City treating for chromium-6.

APPROVED RATES:

The Proposition 218 notice was mailed on March 30, 2018 and the Public Hearing was held on May 22, 2018. As stipulated under Proposition 218, the City must receive fifty percent (50%) plus one (1) protests for a majority protest to prohibit the proposed rate increases. As a majority protest was not received, Council voted to implement the rate increases at a rate increase of 3% each year for five years, which shall commence on August 1, 2018 for year one, and on July 1st each year thereafter.

The rates and effective dates are as follows:

WATER RATES						
MONTHLY FIXED CHARGE						
Meter Size	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
5/8"	20.94	21.57	22.22	22.88	23.57	24.28
3/4"	20.94	21.57	22.22	22.88	23.57	24.28
1"	31.75	32.70	33.68	34.69	35.73	36.81
1 1/2"	58.74	60.50	62.32	64.19	66.11	68.10
2"	91.14	93.87	96.69	99.59	102.58	105.66
3"	166.77	171.77	176.93	182.23	187.70	193.33
4"	274.83	283.07	291.57	300.31	309.32	318.60
6"	544.79	561.13	577.97	595.31	613.17	631.56
8"	868.83	894.89	921.74	949.39	977.88	1,007.21
Percentage Increased:		3%	3%	3%	3%	3%

WATER RATES

COMMODITY CHARGE PER HUNDRED CUBIC FEET (HCF)						
Tier	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Tier 1 - 0-12 hcf	1.84	1.90	1.95	2.01	2.07	2.13
Tier 2 - 13-25 hcf	2.34	2.41	2.48	2.56	2.63	2.71
Tier 3 - 26+ hcf	2.64	2.72	2.80	2.88	2.97	3.06
City / Parks	0.58	0.60	0.62	0.63	0.65	0.67
Percentage Increased:		3%	3%	3%	3%	3%

WASTEWATER RATES

	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Residential	18.48	19.03	19.61	20.19	20.80	21.42
Commercial	18.48	19.03	19.61	20.19	20.80	21.42
Tertiary Surcharge	2.00	2.06	2.12	2.19	2.25	2.32
Percentage Increased:		3%	3%	3%	3%	3%

ATTACHMENTS:

1. Ordinance 1525

Approved by:


 Rochelle Clayton, Interim City Manager

ATTACHMENT 1

Ordinance 1525

ORDINANCE 1525

AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA, AMENDING CHAPTER 13.08 OF THE BANNING MUNICIPAL CODE APPROVING THE WATER AND WASTEWATER RATE SCHEDULES

WHEREAS, Chapter 13.08 of the Banning Municipal Code establishes the Water and Wastewater Rate Schedules which lists water and wastewater rates for the City of Banning ("City"); and

WHEREAS, the City Water and Wastewater rates are subject to periodic reviews and adjustments in order to maintain the rates at a level which ensures the City recovers all costs associated with providing water and wastewater services; and

WHEREAS, increasing the water and wastewater rates is essential to generate the revenues to maintain the minimum debt coverage ratio required by bond covenants; cover increasing costs for the water and wastewater systems operations and maintenance; cover costs of the annual replacement program of water and wastewater infrastructure; and cover costs of the construction of new water and wastewater facilities; and

WHEREAS, the City Council last approved an increase in water and wastewater rates in 2010, which increased rates for four years beginning in October 2010; and

WHEREAS, in October 2013 the Banning Utility Authority approved a Professional Services Agreement with Willdan Financial Services to develop a financial plan for the water enterprise and wastewater enterprise which resulted in the "March 7, 2018 Water and Wastewater Rate Study Final Report" attached hereto as Exhibit "A"; and

WHEREAS, on March 30, 2018, the City mailed the "Notice to Property Owners of Public Hearing Regarding Proposed Water and Sewer Rate Changes" to customers and property owners in the City for the proposed update to water and wastewater rates as required by Proposition 218 and its implementing laws; and

WHEREAS, on May 22, 2018, a public hearing was held regarding the proposed update to the City's water and wastewater rates; and

WHEREAS, the City did not receive protests against the proposed update to the City's water and wastewater rates by a majority of property owners or customers of record; and

WHEREAS, the water and wastewater rate schedule increases are recommended in accordance with the Banning Municipal Code; and

WHEREAS, Section 5471 of the Health and Safety Code and Section 13.08.030 of the Banning Municipal Code requires that an increase in water and wastewater rates

be adopted by ordinance approved by a two-thirds vote of the members of the City Council.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Adopt Ordinance 1525 approving the increases to the Water and Wastewater Rate Schedules as set forth in Exhibits "B" and "C", respectively, attached hereto and by reference made apart hereof.

SECTION 2. This Ordinance shall become effective on the thirty-first (31st) day following its passage and adoption.

SECTION 3. Authorize the City Manager, or his/her designee, to implement the necessary annual changes to the City's billing system after the Ordinance becomes effective. All previous Water and Wastewater Rate Structures are hereby rescinded.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2018.

George Moyer, Mayor
City of Banning

ATTEST:

Sonja De La Fuente, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Sonja De La Fuente, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Ordinance 1525 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 22nd day of May, 2018, and was duly adopted at a regular meeting of said City Council on the 12th day of June, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonja De La Fuente, Deputy City Clerk
City of Banning, California

EXHIBIT “A”

MARCH 7, 2018

WATER & WASTEWATER RATE STUDY FINAL REPORT

CITY OF BANNING



FINAL REPORT

2018

MARCH 7

RATE STUDY

WATER

WASTEWATER



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Section 1 - Introduction

1.1. Introduction

Willdan Financial Services (“Willdan”) was retained by the City of Banning, California (“City”) to conduct a Water and Wastewater Rate Study (“Rate Study”) for the City’s Water and Wastewater utilities (“Utilities”). This report details the results of the Rate Study analysis for the forecast period, Fiscal Year (FY) 2017-18 to FY 2026-27.

The results of the Rate Study presented herein include a financial plan and rate structure designed to provide revenues sufficient to fund the ongoing operating and Council approved capital costs necessary to operate the City’s water and wastewater utilities, while meeting the financial requirements and goals set forth by the City for the water and wastewater enterprise funds.

1.2. Goals and Objectives

The primary goal of the Rate Study was to develop cost based rates that will allow the City to meet its ongoing costs (operations & maintenance and capital), and to maintain industry standard financially prudent cash reserves for the utilities. More specifically the Rate Study was undertaken to:

- Conduct the analysis in accordance with industry standards consistent with American Water Works (“AWWA”) and Water Environment Federation (“WEF”) guidelines;
- Develop financial plans and rates consistent with industry standards and best practices while recognizing the needs specific to the City;
- Recommend rates that will meet the City’s revenue requirements based on City specific water and wastewater utility operating and capital costs and reserve requirements; and
- Recommend rates that adhere to and meet Proposition 218 requirements.

1.3. Overview of the Rate Study Process

The Rate Study process consisted of two primary study components. First, a determination of the adequacy of system revenues to meet system expenses during the study forecast period was made. The result of this analysis, known as the Revenue Sufficiency Analysis, is an assessment of the ability of the existing water and sewer rate revenue streams to meet the projected financial requirements of the



systems during the forecast period. This analysis also identifies, to the extent required, the magnitude and timing of any required rate adjustments.

Second, specific rates and charges were developed which when implemented, would provide sufficient revenue, as identified in the Revenue Sufficiency Analysis, to recover costs in a manner consistent with general rate-making practices. This step is known as the Rate Design Analysis.

1.4. Organization of this Report

This Rate Study presents an overview of the rate-making concepts utilized in the development of the analysis outlined in this report. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Rate Study. The report is organized as follows:

- Section 1 - Introduction
- Section 2 – Overview of Utility Rate-Making Principles, Processes and Issues
- Section 3 – Rate Study Development and Results
- Section 4 – Conclusions and Recommendations
- Appendix A – Water Financial Plan
- Appendix B - Sewer Financial Plan
- Appendix C – Water Rates
- Appendix D – Sewer Rates
- Appendix E – Full Capital Improvements Program



1.5. Reliance on Data

During the course of this project the City (and/or its representatives) provided Willdan with a variety of technical information, including cost and revenue data. Willdan did not independently assess or test for the accuracy of such data – historic or projected. Willdan has relied on this data in the formulation of its findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, Willdan does not take responsibility for the accuracy of data or projections provided by or prepared on behalf of the City, nor does Willdan have responsibility for updating this report for events occurring after the date of this report.

1.6. Acknowledgements

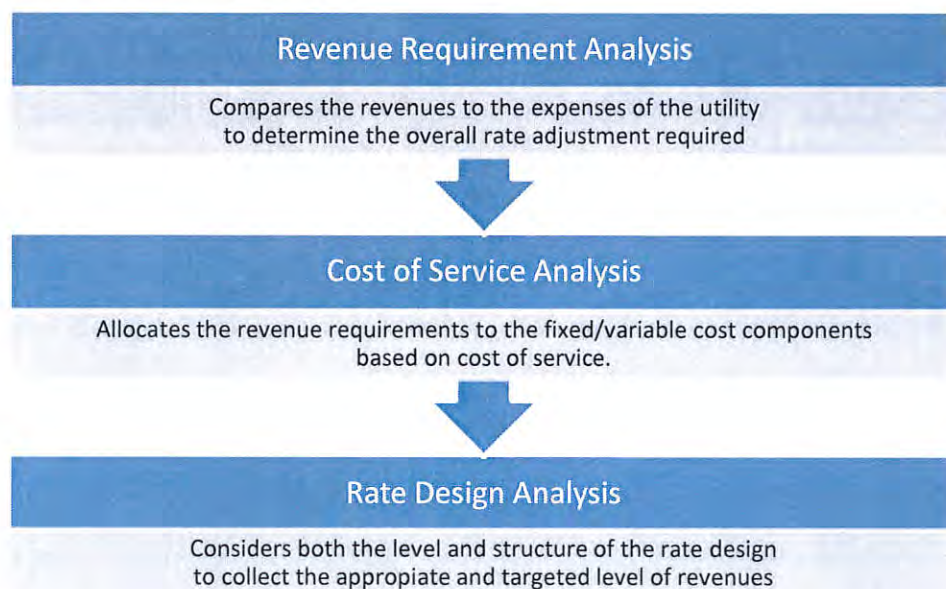
We wish to extend our appreciation to the City and its staff for their cooperation during the progress of this study. In particular, we would like to thank Ms. Rochelle Clayton, Deputy City Manager/Administrative Services Director, Mr. Art Vela, Public Works Director/City Engineer and Ms. Stacy Bouslog, Utility Financial Analyst for their guidance and assistance throughout this project.

Section 2 - Overview of Utility Rate-Making Principles, Processes and Issues

2.1. Introduction

The scope of this study included the development of cost-based water and wastewater user charges through a cost of service and rate design analysis. Utility rates must be set at a level where operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to insufficient funds being available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses:

- I. *Financial Planning/Revenue Requirement Analysis*: Create a ten-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and the City of Banning's fiscal policies.
- II. *Cost of Service Analysis*: Identifies and apportions annual revenue requirements to functional cost components based on the demand placed on the utility system.
- III. *Rate Design*: Develops an equitable and proportionate fixed/variable schedule of rates for the City's customer base. This is also where other policy objectives can be achieved, such as, promoting the efficient use of water. The policy objectives are harmonized with cost of service objectives to achieve the delicate balance between customer equity, financial stability and resource conservation goals.





The Rate Study utilized generally accepted rate-making principles established by the American Water Works Association (AWWA) in its “M1 Principles of Water Rates Fees and Charges” manual and by the Water Environment Federation (WEF) in its “Financing and Charges for Wastewater Systems, Manual of Practice No. 27 (2004)”. The principles used resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the water and sewer utilities, and 2) address the need to recover costs from users in a manner which is proportionate to the cost of providing service on a fair and equitable basis relative to the service provided, and which does not exceed the cost of providing the service. A discussion of some of the key principles of rate-making, and how the processes employed herein are guided by those principles, is presented below.

2.2. Discussion of General Rate-Making Principles

While the individual rates for the utility vary based on a variety of factors, the development of rates should, for the most part, be consistent with general rate-making principles set forth in utility rate-making practice and literature, and in compliance with State law (Proposition 218). State Law requires that property-related fees and charges (including water and sewer utility rates) must be based upon the proportionate cost of providing the services, and not exceed the cost of providing the services. The principles by which rate practitioners are guided is that rates designed for any utility should strike a reasonable balance between several key factors. In general, rates designed should:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements and cost of service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which the utility operates.

2.3. The Revenue Sufficiency Process

In order to develop rates and charges which will generate sufficient revenue to meet the fiscal requirements of the water and sewer utilities, a determination of the annual rate revenue required must be completed. The first step in the process is the Revenue Sufficiency Analysis. The Revenue Sufficiency Analysis compares the forecasted revenues of the utility under its existing rates to its forecasted operations and maintenance, capital, and reserve costs to determine the adequacy of the existing rates to recover the utility's costs.

The process employed in the Revenue Sufficiency Analysis involves a rigorous review of operating, maintenance and capital budgets for the utility, and results in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), debt service expense (including a provision for debt service coverage), transfers in and out, and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue requirements are then compared to the total sources of funds available during each year of the forecast period to determine the adequacy of projected revenues to meet projected revenue requirements. To the extent that the existing revenue stream is projected to be insufficient to meet the annual revenue requirements of the system during the projection period, a series of rate revenue increases are calculated which would be required to provide revenue sufficient to meet those needs.

2.3.1 Determination of the Revenue Requirements

Considerations in Setting Revenue Requirements

There are a multitude of considerations, ranging from financial to political to legal that must be analyzed or discussed during the revenue requirements process of a rate analysis. This section provides an overview of the considerations that are reviewed during this process.



Capital Budgeting and Financing

Capital needs are defined by the City's Water and Sewer Capital Improvement Plan. As part of its budget and planning process, the City identifies capital improvements that are necessary for the continued delivery of clean, safe, drinking water, and collection and treatment of sewer flows. The Capital Improvement Plan is funded by a variety of sources including system depreciation, water rates, connection (impact) fees, and capital reserves.



Capital Funding: Debt vs. PAYGO

The selection of the most appropriate funding strategy for capital projects is primarily a policy decision between use of cash ("Pay-as-you-go financing" or PAYGO), the issuance of debt, or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are funded with borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on water rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end; however, debt typically ensures greater generational equity for larger and longer lasting capital projects.

The City, as is typical for a public utility, operates its water and sewer utilities on a "cash basis". Under the "cash basis" approach, revenues and expenses are recognized at the time physical cash is received or paid out. Revenue requirements are determined for a specified period of time (in the case of the City an annual fiscal year), by summing the total anticipated expenses to be paid out during the fiscal year. Where cash flows and balances are insufficient, the revenue requirements analysis recommends the needed additional cash flows to meet all funding goals. The two primary categories of expenses are as follows:

- Operations and Maintenance (O&M) expenses, such as salaries and benefits of utility personnel, transfers out, existing and anticipated debt service, and reserves; and
- Capital expenses, such as the annual capital improvement program, including waterline replacements and sewer capacity projects.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. The City's budget documents are used as the baseline, which are then projected over a planning horizon to account for fluctuations in costs from year to year as well as any adjustments to debt service payments. Conservative growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The financial model developed for this study considers the City's existing debt service coverage ratio and operating cash balances (cash on hand). The cost of depreciated infrastructure is collected and used to fund annual repair and replacement. As existing debt



is redeemed, additional debt may be utilized to fund additional capital improvements required due to aging infrastructure.

2.4. The Cost Allocation Process

In order to provide guidance to the City as to how to appropriately recover the rate revenue requirements identified in the Revenue Sufficiency Analysis, a Cost of Service Analysis is required.

The process employed in the Cost of Service Analysis results in the identification of the cost to provide water and sewer service to customers. These water and sewer cost allocations are then used as the basis for the assignment of revenue requirements to customer classes, upon which the development of rates and charges is based.

The industry standard approach to the development of a cost of service analysis is the Base-Extra Capacity methodology, as detailed in the American Water Works Association (AWWA) M1 Manual – Principles of Water Rates, Fees and Charges.

The general approach to the development of cost of service allocations under the Base-Extra Capacity methodology is to: 1) identify the costs by functional cost category, 2) allocate the functionalized costs further to cost categories and then 3) allocate rate revenue requirements to customer classes based on the distribution of costs and customer characteristics.

The resulting allocations provide guidance to the rate practitioner which, combined with the other goals and objectives of the utility, provides the necessary information required to proceed to the development of utility rates and charges.

2.5. The Rate Design Process

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges can be undertaken. Once the rate revenue requirement has been identified, the manner in which those requirements should be recovered, and the billing units to be used to recover the required revenue determined, specific rates and charges can then be developed.

Utilities consider a variety of factors in establishing rates, including cost allocation, customer impact, conservation of resources and ease of administration. The rate design process seeks to find the balance between the need to recover sufficient revenue in a fair and equitable manner and the need to do so within the constraints of other objectives which are unique to each utility. By understanding the types of



customers served by the utility, and the general usage characteristics of those customers, a system of rates and charges can be developed that balances those many objectives while also generating sufficient revenue.

First, the rate design goals of the utility are reviewed to identify areas the utility wishes to address over the course of the Rate Study. Next, an assessment of the existing rate design is undertaken to identify what has worked well for the utility with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. This assessment typically also identifies areas for improvement which can provide guidance to the rate practitioner with respect to the design of future rates and charges.

After a review of the existing rates and charges, a dialog of how to build on the positive aspects of the existing structure and how to address deficiencies in the existing structure occurs with utility management and staff. For instance, for a utility with a primary goal of encouraging water conservation, the substitution of a uniform rate structure, which charges the same unit price for water regardless of consumption level, with a conservation/inclining block rate structure, which charges a greater unit price as usage levels increase beyond certain thresholds, would better address that primary goal.

With an evaluation of the strengths and weaknesses of the existing rate structure and the goals of the utility going forward, the development of a new rate structure can begin. Development of a new rate structure which recovers the costs to provide water and sewer service in a manner which achieves the goals of the utility in a manner consistent with standard rate-making practice requires an analysis of the projected usage characteristics of the customer base to which the rates will apply. This analysis is typically referred to as a billing frequency analysis.

In the State of California, rates must adhere to and conform to the California Constitution article XIII D, section 6 commonly referred to as Proposition 218 (Prop 218). More specifically, Prop 218 requires that property related fees and charges, such as sewer rates, must not exceed the reasonable cost of providing the service associated with the fee or charge, and shall not exceed the proportional cost of the service attributable to the parcel that is subject to the fee or charge.

Besides ensuring compliance with State law, another key principle for a comprehensive Rate Study is found in economic theory, which suggests the price of a commodity must roughly equal its cost or value if equity among customers is to be maintained – i.e., cost-based. In terms of economic theory, the



principle is that the price of a commodity (water or sewer service) must be proportionately equal to its cost (the City's cost of providing the service).

This Rate Study was performed to allocate the costs of providing service to users to ensure that rates are equitable and in compliance with Proposition 218 requirements.

2.6. Financial Management Goals of the City

The establishment of specific financial management goals of a utility is a key step in developing financial plans which will ensure the financial health of the utility remains strong. The financial management goals of the City are described below.

2.6.1 Minimum Unrestricted Working Capital Balance

In order to maintain a certain level of liquidity, the City has developed a goal of maintaining unrestricted working capital reserves in an amount greater than or equal to approximately 45 days of operating expenses.

2.6.2 Debt Service Coverage

The City currently has outstanding debt which contains covenants requiring the City to maintain rates and charges such that a debt service coverage ratio, defined as Current Year Net Revenues divided by Current Year Debt Service, be maintained at a minimum of 1.20 for water and 1.15 for sewer. The coverage requirements of 1.20x and 1.15x respectively are associated with all outstanding debt for each specific year the coverage is being calculated. The analysis presented herein meets this goal in each year of the forecast period. The debt service coverage requirement is intended to provide assurance to debt holders that the City will be able to meet its annual debt obligations.



Section 3 - Rate Study Development and Results

3.1. Revenue Sufficiency Analysis

3.1.1 General Methodology

The general methodology utilized in the Revenue Sufficiency Analysis was discussed previously in Section 2.3. In summary, however, the level of revenues generated by rates must be sufficient to recover the fiscal requirements, or projected expenditures of the utility. To the extent that the projected revenue stream based upon current water and sewer rates are not sufficient to meet the annual revenue requirements of the systems, a series of rate revenue increases were calculated to provide the revenue necessary to meet those expenditure needs, while satisfying the financial goals and objectives of the utilities. From a financial perspective, the City's utilities must "stand on their own" by meeting its respective financial obligations without assistance from other City funds. The financial plan was developed for the ten-year period fiscal year (FY) 2017-18 through FY 2026-27.

3.1.2 Data Items

Key data items reviewed, discussed and incorporated into the Revenue Sufficiency Analysis were:

- Financial management goals of the City;
- FY 2015-16 fund balance;
- FY 2016-17 and FY 2017-18 budgets; and
- Capital improvement program (CIP).

General assumptions utilized in the analysis include the following:

- Customer growth; and
- Cost escalation factors.

A discussion of the use of each of the above data items and general assumptions is presented below.

3.1.3 FY 2015-16 Fund Balance

To better understand what funds the City will have on hand to start the forecast period, a detailed review of fund balances from the FY 2015-16 period was discussed and reviewed with City staff. Assumptions were made to estimate the actual unrestricted cash (available cash) balances available at the end of FY



2015-16, and therefore at the beginning of FY 2016-17. A summary of the fund balances for the water and wastewater utilities, for the end of FY 2015-16 and therefore the beginning of FY 2016-17, as adjusted and subsequently used in this analysis, is presented in Table 3-1 below.

Table 3-1 Beginning Fund Balance Fiscal Year Ending June 30, 2016		
Description	Water	Sewer
Cash Balance	\$9,278,125	\$1,686,520

3.1.4 FY 2016-17 and FY 2017-18 Budgets

Staff provided Willdan with the FY 2016-17 and FY 2017-18 budgets, and associated line-item detail, as the basis for the projection of financial needs for FY 2018-19 (the base year). The FY 2017-2018 budget was also used as the basis for the projection of future budgetary line-items for the remainder of the forecast period. Cost escalation factors were reviewed by staff (see section 3.1.6.2) and were used to project line-item costs beyond the FY 2017-18 budget. Those factors were applied based on line-item cost classifications.

In order to maintain a certain level of liquidity, the City has developed a goal of maintaining unrestricted working capital reserves in an amount greater than or equal to approximately 45 days of operating expenses. The financial plan was developed such that there would be at least 45 days of working capital reserves for each year of the study period.

A summary of the FY 2017-18 operating budgets for water and wastewater, as well as subsequent projected budgetary expenses through FY 2022-23 is presented in Table 3-2

A more detailed presentation of the line-item budgeted and projected revenues and expenses is presented in Schedules A-3 through A-6 of Appendix A and B-3 through B-5 of Appendix B.



Table 3-2
Operating Budget
Fiscal Years Ending June 30

Description	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Water						
O&M	\$5,604,202	\$5,797,640	\$5,998,828	\$6,208,131	\$6,425,922	\$6,652,608
Debt Service	1,803,846	1,787,863	1,983,063	1,984,563	1,988,563	1,989,813
Transfers	<u>1,077,624</u>	<u>1,104,499</u>	<u>1,132,030</u>	<u>1,160,250</u>	<u>1,189,176</u>	<u>1,218,824</u>
Total Expenses	\$8,485,672	\$8,690,002	\$9,113,921	\$9,352,944	\$9,603,661	\$9,861,245
Sewer						
O&M	\$2,029,965	\$2,084,478	\$2,140,468	\$2,191,978	\$2,257,048	\$2,317,733
Debt Service	388,473	393,781	396,150	393,106	394,106	394,656
Transfers	<u>705,661</u>	<u>714,993</u>	<u>725,261</u>	<u>431,498</u>	<u>442,285</u>	<u>453,342</u>
Total Expenses	\$3,124,099	\$3,193,252	\$3,261,879	\$3,022,582	\$3,093,439	\$3,165,731

3.1.5 Capital Improvements Plan (CIP)

The City provided Willdan with a forecast of capital requirements for the ten-year study period. The City originally identified water related capital needs in the amount of \$95.75 million between FY 2017-18 and FY 2022-23, which would require a cumulative revenue increase of 62% and the issuance of \$69.1 million in debt to finance the capital program. The original sewer related capital program for FY 2017-18 through FY 2022-23 totaled \$43.0 million and required a cumulative revenue increase of 29% and debt a debt issuance of \$20.8 million to fund the capital program. City Council directed staff to reevaluate the capital projects and choose the highest priority items that would be funded due to increases in revenue from 3% annual rate increases. The original capital improvement project list can be found in Appendix E, while the revised list can be found on appendices pages A-6 and B-6.

The capital projects identified by the City are required to maintain service to customers by making investments in the water and sewer systems to repair or replace aging system components as they wear out over time. The City provided cost estimates for capital projects in current day dollars which were subsequently annually escalated at 2.50% using the Engineering News Record (ENR) Construction Cost Index (CCI) to adjust the cost items to real dollars for the years in which construction is estimated to occur. These adjusted capital costs were then used in the analysis for rate-making purposes.

A summary table of the adjusted CIP for the FY 2016-17 – FY 2022-23 study period is presented below in Table 3-3. The CIP for the full forecast period is presented in the Schedules B-6 of Appendix B.

**Table 3-3****Capital Improvement Plan****Fiscal Years Ending June 30 (\$ thousands)**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Capital Costs - W	\$1,602	\$2,306	\$1,681	\$485	\$883	\$113	\$7,070
Capital Costs - S	102	192	149	0	19	0	463

Note: Values are rounded to the nearest \$1,000

3.1.6 General Assumptions

In order to develop the financial and rate projections, certain assumptions were made with regard to elements of the revenue sufficiency analysis. A summary of those assumptions is presented below.

3.1.6.1. System Growth

The City anticipates population growth of 2.3% per year based on their analysis of current City population growth projections and trends. Through discussions with City staff, it was determined that the 2.3% annual population increase would reasonably translate to a 2.3% annual increase in water and sewer service units respectively, and is consistent with recent system growth trends.

3.1.6.2. O&M Escalation Factors

Willdan worked with City staff to identify reasonable cost escalation factors to be applied to operations and maintenance expenses in recognition of increasing costs over time. It was determined that a 2.5% general inflationary factor represented a reasonable estimate of annual cost increases during the study period. There were, however, some expenses which were anticipated to have increases above the projected 2.5% general inflationary increase. Personnel increases were projected to increase at an annual rate of 3%, electricity costs were projected to increase at the rate of system growth and chemicals at an annual inflationary rate of 4%.

3.1.6.3. Results of the Revenue Sufficiency Analysis

After a thorough review of the above-mentioned data elements, a draft of the Revenue Sufficiency Analysis was developed and reviewed with City staff. This draft provided the forum in which various alternative assumptions were discussed, tested and evaluated for both their reasonableness and their impact upon the ultimate financial health of the utility. Table 3-4 provides a summary of the annual revenue requirements for both the water and sewer utilities incorporating the assumptions in Section 3



of this report as compared to the projected rate revenue described in in more detail in Schedules A-1 and B-1 of the appendices.

Table 3-4					
Revenue Requirements vs. Revenue Under Existing Rates					
Fiscal Years Ending June 30 (\$ thousands)					
	2019	2020	2021	2022	2023
Water					
Revenue Under Existing Rates	<u>\$8,886</u>	<u>\$9,075</u>	<u>\$9,273</u>	<u>\$9,479</u>	<u>\$9,688</u>
Revenue Requirements	<u>10,996</u>	<u>10,795</u>	<u>9,838</u>	<u>10,487</u>	<u>9,974</u>
Difference	(2,110)	(1,720)	(565)	(1,008)	(286)
Sewer					
Revenue Under Existing Rates	<u>\$3,281</u>	<u>\$3,356</u>	<u>\$3,432</u>	<u>\$3,513</u>	<u>\$3,595</u>
Revenue Requirements	<u>3,385</u>	<u>3,411</u>	<u>3,023</u>	<u>3,113</u>	<u>3,166</u>
Difference	(104)	(55)	409	400	429
Note: Values are rounded to the nearest \$1,000					

The resulting financial plans presented herein is the embodiment of the data, assumptions and review process undertaken with City staff.

3.1.6.4. Rate Revenue Increases Required

As discussed in section 3.1.6.2, operations and maintenance expenses are growing at a faster rate than the City's increase in service units (section 3.1.6.1). The average annual increase in revenue requirements (identified in Table 3-4) is projected at 3.50% for water and 2.87% for sewer. Our financial analysis of the utilities indicates that the increase in operating costs is projected to outpace revenue increases through growth in service units alone. Revenue increases above growth in service units are therefore required in order to maintain the financial integrity of the water and sewer utilities.

The analysis indicated that the City would need to increase water and sewer rate revenues by 3%, in addition to the anticipated growth in service units for FY 2018-19, in order to meet revenue requirements (O&M, capital and debt service). Table 3-5 reflects our projections of revenue increases required during the forecast period in order for the City to meet its ongoing operational costs (revenue requirements) and meet minimum prudent financial and system maintenance standards.



Table 3-5 Projected Rate Revenue Increases Fiscal Years Ending June 30		
Description	Water Rate Revenue Increases	Sewer Rate Revenue Increases
2018-19	3.00%	3.00%
2019-20	3.00%	3.00%
2020-21	3.00%	3.00%
2021-22	3.00%	3.00%
2022-23	3.00%	3.00%

A more detailed presentation of the pro forma, including a fund balance reconciliation is presented in Schedules A-1 and B-1 of the appendices.

3.1.6.5. Summary of Revenue Sufficiency Analysis

The resulting financial plan is presented in Table 3-6, which provides for funding of projected revenue requirements based on the current knowledge of expected expenditure forecasts during the forecast period, as provided by the City, and is projected to meet or exceed the financial operations of the sewer utility. A more detailed presentation of the financial plan, including fund balance reconciliations for the forecast period, is presented in appendices A and B.



Table 3-6 Projected Net Operating Fund Results Fiscal Years 2017-18- to 2021-22 (\$ thousands)					
Description	18-19	19-20	20-21	21-22	22-23
Water					
Beginning Fund Balance	\$6,562	\$4,713	\$3,537	\$3,820	\$3,989
Total Operating Revenue	9,147	9,619	10,121	10,656	11,219
Operating Expenses	<u>5,798</u>	<u>5,999</u>	<u>6,208</u>	<u>6,426</u>	<u>6,653</u>
Net Revenue	3,349	3,620	3,913	4,230	4,567
Less:					
CIP, Debt Service and Transfers Out	<u>5,199</u>	<u>4,796</u>	<u>3,629</u>	<u>4,061</u>	<u>3,322</u>
Net Cash Flow	(1,850)	(1,176)	283	169	1,245
Ending Fund Balance	\$4,713	\$3,537	\$3,820	\$3,989	\$5,234
Sewer					
Beginning Fund Balance	\$1,435	\$1,430	\$1,578	\$2,307	\$3,151
Total Operating Revenue	3,379	3,560	3,752	3,956	4,172
Operating Expenses	<u>2,084</u>	<u>2,140</u>	<u>2,198</u>	<u>2,257</u>	<u>2,318</u>
Net Revenue	1,295	1,419	1,554	1,700	1,855
Less:					
CIP, Debt Service and Transfers Out	<u>1,300</u>	<u>1,271</u>	<u>825</u>	<u>856</u>	<u>848</u>
Net Cash Flow	(5)	149	729	844	1,007
Ending Fund Balance	\$1,430	\$1,578	\$2,307	\$3,151	\$4,158
Note: Variances are due to rounding values to the nearest \$1,000					

3.1.6.6. Revenue Sufficiency Analysis Conclusions

Based on the revenue requirements identified in our analysis, it is our opinion that:

- Revenue projections based on existing rates are insufficient to meet the revenue requirements for FY 2018-19 through FY 2022-23;
- Rate revenue adjustments are needed in order to keep pace with increasing O&M and capital costs; and
- The proposed rate revenue increases identified in Table 3-6, maintain the financial integrity of the City's utilities based upon the assumptions contained in this report.



3.2. Rate Design Analysis

3.2.1 General Methodology

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges was completed as described below.

First, the rate design goals of the City were reviewed to identify areas the City wanted to address over the forecast period included in this Rate Study. Next, an assessment of the existing rate design was completed to identify areas which have worked well for the City with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. In addition to the City's goals, rate design should seek to achieve the following industry standard objectives:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers;
- Be easy to administer by the utility; and
- Be compliant with State law, specifically Proposition 218, whereby the rates must be based upon the proportionate cost of providing sewer service.

This analysis was conducted consistent with the provisions of Proposition 218.

3.2.2 Review of Existing Rate Structure

The City's current water rates are comprised of a fixed monthly charge by meter size and a 3-tier volume rate assessed on a per 100 cubic foot (HCF) basis for all customers except City facilities and parks which are assessed volume rates on a uniform rate basis. As a customer's water use progresses through the higher tiers, the incremental cost per HCF of water use increases. The City's sewer rate structure is comprised of a flat monthly rate per equivalent dwelling unit (EDU) for residential customers and a flat monthly charge per EDU and a flat tertiary charge (both per EDU) for commercial customers. An EDU represents the estimated flow of a single family residential customer. In other words, each single-family customer is



assigned 1 EDU. If a property or customer contributes the equivalent flow of two single family residences, the monthly fee charged to this property or customer will be two times the monthly rate per single EDU.

3.2.3 Cost of Service Analysis

Willdan reviewed the most recent (June 9, 2010 Raftelis Financial Consultants Rate Study, beginning page 21) water cost of service analysis conducted for the City, which used the AWWA base-extra capacity methodology for assigning costs to customers based on each customer classes proportionate cost to be served. The peaking factor as well as the cost allocation and unit cost summaries from the report are provided in Table 3-7 and 3-8.

Table 3-7 Peaking Factors ¹					
Base Extra Capacity Method Components	Factors	Base	Max Day	Max Hour	Total
Base	1.0	100.00%			100.00%
Max Day	1.7	58.82%	41.18%		100.00%
Max Hour	3.0	33.33%	23.33%	43.33%	100.00%

¹ From Table II-12: Peaking Factors, June 9, 2010 Raftelis Financial Consultants Rate Study Report page 23.



Table 3-8
Cost Allocation and Unit Cost Calculation²

	Base	Max Day	Max Hour	Meter Charges	Billing & Cust Serv	Fire Hydrant	General	Total
Allocation %	43.2%	14.3%	5.3%	5.9%	4.5%	0.6%	26.1%	100.00%
Net Op Expense	\$3,056,777	\$1,008,956	\$377,700	\$420,176	\$318,992	\$44,003	\$1,850,672	\$7,027,275
Debt Service	<u>1,189,761</u>	<u>651,215</u>	<u>72,887</u>	<u>88,203</u>	<u>73,815</u>	<u>40,314</u>	<u>180,646</u>	<u>2,296,842</u>
Cost of Service	4,246,538	1,660,171	450,856	508,379	392,807	84,317	2,031,318	9,374,117
Allocation of General Cost	1,188,412	464,606	126,099	142,272	109,929			2,013,318
Allocation of Fire Service				84,317				84,317
Total Modified COS	\$5,163,203	\$1,106,144	\$300,218	\$2,301,816	\$502,736			\$9,374,117
Unit of Measure	hcf	hcf/day	hcf/day	Equiv Meters	Monthly Bills			
Total Units of Service	3,314,078	6,356	3,632	14,028	10,326			
Unit Cost of Service	\$1.56	\$0.48	\$0.23	\$13.67	\$4.06			
Average Unit Cost of Service	\$1.98							

While the costs identified in Table 3-8 have changed since the 2010 study, the City has not experienced any significant changes in its customer base (new industries coming to the City or existing industries leaving, or a significant increase in residential customers) that would result in a change in the overall distribution of accounts and flows by customer class or changes, or in peaking factors identified in Table 3-7. Therefore, the distribution of costs identified in the prior study are believed to remain unchanged for the current study.

As was the case for the prior sewer analysis (June 9, 2010 Raftelis Financial Consultants Rate Study, beginning page 26), the City does not actively monitor sewer flows for different strength characteristics by customer type. Monitoring of strength characteristics is a typical industry accepted approach for assessing different sewer rates to different customer types. Because the City does not monitor individual customer flows, the cost to treat flows is assumed to be consistent across all customer classes, with only the amount or volume of flows from each customer class as the basis for higher fees. The discharge from a single family residence (an equivalent dwelling unit or EDU) is 225 gallons per day (GPD). An EDU value

² From Table II-13: Cost Allocation and Unit Cost Calculation, June 9, 2010 Raftelis Financial Consultants Rate Study Report page 23.



of 225 GPD forms the basis for customers with higher flows paying incrementally higher monthly rates as described in Section 3.2.2.

3.2.4 Revised Rates

Willdan reviewed the cost of service analysis completed in the previous study (Section 3.2.3) with City Staff, and reviewed current system operating data and customer demand characteristics. As discussed in the prior section, there have not been significant changes in operating characteristics, or the composition of customers and customer classes, or customer demand characteristics, which would require the completion of a completely new cost of service analysis and change to the existing rate structure. Similar to the water utility, Willdan reviewed the previous analysis with the City, along with current operating characteristics. Willdan did not identify any issues with the City's existing cost allocations or sewer rate structure, or need to complete a new cost of service analysis with changes to the rate structure, furthermore, through discussions with City staff it was determined that the existing sewer structure is effectively meeting the City's goals and is consistent with both AWWA and WEF rate making practices. As such, no changes are proposed to the current rate structures themselves, but the individual rates are proposed to increase in an across-the-board manner consistent with the financial plan projections. The proposed water rates are summarized in Table 3-9, while the proposed sewer rates are illustrated in Table 3-10.



Table 3-9

Proposed Water Rates

Fiscal Years 2018-19 through FY 2022-23

Monthly Charge/ Volume Rate	18-19	19-20	20-21	21-22	22-23
Fixed Charge - \$/Month					
5/8-inch	\$21.57	\$22.22	\$22.88	\$23.57	\$24.28
3/4-inch	21.57	22.22	22.88	23.57	24.28
1-inch	32.70	33.68	34.69	35.73	36.81
1 ½-inch	60.50	62.32	64.19	66.11	68.10
2-inch	93.87	96.69	99.59	102.58	105.66
3-inch	171.77	176.93	182.23	187.70	193.33
4-inch	283.07	291.57	300.31	309.32	318.60
6-inch	561.13	577.97	595.31	613.17	631.56
8-inch	894.89	921.74	949.39	977.88	1,007.21
Volume Rate - \$/HCF					
0-12 HCF	\$1.90	\$1.95	\$2.01	\$2.07	\$2.13
13-25 HCF	2.41	2.48	2.56	2.63	2.71
26+ HCF	2.72	2.80	2.88	2.97	3.06
City/Parks	0.60	0.62	0.63	0.65	0.67

Table 3-10

Proposed Sewer Rates

Fiscal Years 2018-19 through FY 2022-23 (\$/EDU)

Monthly Charge per EDU	18-19	19-20	20-21	21-22	22-23
Residential	\$19.03	\$19.61	\$20.19	\$20.80	\$21.42
Commercial	19.03	19.61	20.19	20.80	21.42
Tertiary Surcharge	2.06	2.12	2.19	2.25	2.32

Water and sewer rates are further presented in appendices C and D.

3.2.5 Summary of the Rate Study

The Rate Study presented herein utilized generally accepted rate-making principles which resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the utility, 2) address the need to recover costs from users in a manner which is fair and equitable relative to service provided, and 3) meet the financial and rate design goals of the City.



Section 4 - Conclusions and Recommendations

4.1. Conclusions

- Projected operating revenues and operating expenses for the forecast period were developed by, and/or in consultation with, City staff and are based upon reasonable projections.
- The projected capital project expenses have been developed by City staff to address water and sewer systems renewal and replacement.
- Based on Conclusions 1 and 2 above, Willdan is of the opinion that the financial projections presented herein demonstrate the sewer utility's ability to meet its obligations with regard to:
 - Operating expenses,
 - Non-operating expenses,
 - Capital project expenses, and
 - Key financial policies, including maintenance of at least 45 days of operating reserve balances.
- The proposed rates presented herein are in conformance with industry standard rate-making practice, Proposition 218 and/or the City's rate policies with respect to:
 - The fair and equitable recovery of costs through water and sewer rates;
 - Water and sewer rates based upon the proportionate cost of providing services, and
 - Generation of sufficient revenue to fully recover system revenue requirements and reserve requirements.

4.2. Recommendations

- It is recommended that the City implement the proposed rates presented in this Report for FY 2018-19 through FY 2022-23.
- It is recommended that the City update the Revenue Sufficiency Analysis portion of this study each year to ensure projected revenue is sufficient to fund projected expenses going forward as assumptions made during this analysis may change and have a material impact upon the analysis.

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Pro Forma with Debt Service Coverage and Fund Balance Reconciliation

Line No		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Operations											
1	Water Rate Revenue Increases	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%
	% of Year Rate Increase Effective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Beginning Unrestricted Fund Balance	\$ 9,278,185	\$ 7,952,011	\$ 8,581,917	\$ 4,712,881	\$ 3,537,042	\$ 3,820,265	\$ 3,989,210	\$ 5,234,034	\$ 5,998,118	\$ 7,927,024	\$ 9,001,110
3	Rate Revenue 1	\$ 7,900,000	\$ 8,500,000	\$ 8,956,365	\$ 9,437,232	\$ 9,843,917	\$ 10,477,808	\$ 11,040,359	\$ 11,633,118	\$ 12,257,698	\$ 12,539,625	\$ 12,828,038
4	Total Rate Revenue	\$ 7,900,000	\$ 8,500,000	\$ 8,956,365	\$ 9,437,232	\$ 9,843,917	\$ 10,477,808	\$ 11,040,359	\$ 11,633,118	\$ 12,257,698	\$ 12,539,625	\$ 12,828,038
5	Other Operating Revenue	127,400	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850
6	Interest Income - Operating Fund	25,000	69,000	62,000	53,000	48,000	49,000	50,000	56,000	60,000	70,000	75,000
7	Total Operating Revenue	\$ 8,052,400	\$ 8,697,850	\$ 9,147,215	\$ 9,619,082	\$ 10,120,767	\$ 10,655,658	\$ 11,219,209	\$ 11,817,968	\$ 12,446,548	\$ 12,738,475	\$ 13,031,888
8	Operating Expenses	(8,429,745)	(5,804,202)	(5,797,540)	(5,998,628)	(6,208,131)	(6,425,922)	(6,652,608)	(6,888,801)	(7,134,349)	(7,390,314)	(7,656,987)
9	Net Revenue	\$ 1,622,655	\$ 3,093,648	\$ 3,349,575	\$ 3,620,254	\$ 3,912,636	\$ 4,229,734	\$ 4,566,601	\$ 4,929,365	\$ 5,312,199	\$ 5,348,161	\$ 5,374,899
	Plus:											
	Other Sources of Funds											
10	Transfers In	-	-	-	-	-	-	-	-	-	-	-
	Less:											
	Other Uses of Funds											
11	Minor Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Major Capital Funded with Existing Reserves/Current Cash	(320,000)	(1,602,272)	(2,306,250)	(1,681,000)	(484,601)	(883,050)	(113,141)	(927,755)	(118,869)	(974,722)	(124,886)
13	Transfers Out	(2,628,829)	(2,881,470)	(2,892,362)	(3,115,093)	(3,144,813)	(3,177,739)	(3,208,637)	(3,237,526)	(3,264,425)	(3,299,353)	(3,331,830)
14	Non Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
15	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
16	Existing Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
17	New Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
18	Net Cash Flow	\$ (1,326,174)	\$ (1,390,094)	\$ (1,846,037)	\$ (1,175,839)	\$ 283,223	\$ 169,945	\$ 1,244,824	\$ 764,085	\$ 1,928,906	\$ 1,074,086	\$ 1,918,183
19	Ending Unrestricted Fund Balance	\$ 7,952,011	\$ 6,561,917	\$ 4,712,881	\$ 3,537,042	\$ 3,820,265	\$ 3,989,210	\$ 5,234,034	\$ 5,998,118	\$ 7,927,024	\$ 9,001,110	\$ 10,919,294
20	Months of O&M and R&R Capital	15	14	10	7	7	7	9	10	13	15	17
21	Target Unrestricted Fund Balance	\$ 603,838	\$ 740,805	\$ 756,550	\$ 798,189	\$ 819,269	\$ 841,448	\$ 864,242	\$ 887,691	\$ 911,841	\$ 937,738	\$ 964,380
	Debt Service Coverage Calculations:											
	Revenue Bond Debt Service Coverage											
22	Rate Covenant Debt Service Coverage Test:											
	Net Revenue Available for Debt Service Coverage Test:	\$ 1,622,655	\$ 3,093,648	\$ 3,349,575	\$ 3,620,254	\$ 3,912,636	\$ 4,229,734	\$ 4,566,601	\$ 4,929,365	\$ 5,312,199	\$ 5,348,161	\$ 5,374,899
23	Revenue Bond Debt Service:											
24	Existing Revenue Bond Debt Service	1,608,634	1,803,846	1,787,863	1,983,063	1,984,563	1,988,563	1,989,813	1,988,313	1,984,063	1,987,063	1,986,813
25	New Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
26	Total Revenue Bond Debt Service	\$ 1,608,634	\$ 1,803,846	\$ 1,787,863	\$ 1,983,063	\$ 1,984,563	\$ 1,988,563	\$ 1,989,813	\$ 1,988,313	\$ 1,984,063	\$ 1,987,063	\$ 1,986,813
27	Debt Service Coverage - Rate Covenant	1.01	1.72	1.87	1.83	1.87	2.13	2.29	2.48	2.68	2.69	2.71
	Debt Service Coverage Requirement	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

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Beginning Fund Balance Reconciliation

BEGINNING BALANCES		
Line No:		Operations
1	Current assets:	
2	Pooled cash and investments	\$ 9,278,185
	Receivables (net of allowance for uncollectibles):	
	Loans	
	Interest	
	Inventories	
3		-
4		-
5		-
6		-
7		-
8	Total Current Assets	\$ 9,278,185
	Current Liabilities:	
	Accounts and contracts payable	
	Accrued Liabilities	
	Accrued Interest	
	Deposits Payable	
	Compensated Absences	
	Bonds, Notes & Capital Leases	
9		-
10		-
11	Total Current Liabilities	\$ -
	Adjustments by:	
12	Removal of Inventories (Not Liquid)	-
13	Other Assets (Unkown Cash)	-
14	Net Adjustments	\$ -
15	Net Beginning Balances (Curr Assets less Current Liabilities - with Adjustments)	\$ 9,278,185

Banning CA
Revenue

Line No.	Code	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	RR1	Rate Revenue 1	\$ 7,900,000	\$ 8,500,000	\$ 8,956,355	\$ 9,437,232	\$ 9,943,917	\$ 10,477,806	\$ 11,040,359	\$ 11,633,116	\$ 12,257,698	\$ 12,839,625	\$ 12,828,038
2	OR	Other Operating Revenue	127,400	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850	128,850
3	TRIN	Transfers In	-	-	-	-	-	-	-	-	-	-	-
4	Sources - Fund 2	Sources of Funds - Fund 2	95,000	32,000	-	-	-	-	-	-	-	-	-
5	INT - Fund 1	Interest Earnings - Fund 1	16,000	40,000	33,000	24,000	18,000	19,000	20,000	25,000	30,000	40,000	45,000
6	INT - Fund 2	Interest Earnings - Fund 2	9,000	29,000	29,000	29,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
7													
8													
9													
10	RR1 - Growth	Rate Revenue 1	\$ 7,900,000	\$ 8,500,000	\$ 8,956,355	\$ 9,437,232	\$ 9,943,917	\$ 10,477,806	\$ 11,040,359	\$ 11,633,116	\$ 12,257,698	\$ 12,839,625	\$ 12,828,038
11	RR1 - Growth	Growth	0.00%	0.00%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
12	RR1 - Growth	Revenue Increase	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
13	RR1 - Growth	Pct of Year Revenue Increase Effective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
14	RR1	Total Rate Revenue 1 - After Revenue Increase	\$ 7,900,000	\$ 8,500,000	\$ 8,956,355	\$ 9,437,232	\$ 9,943,917	\$ 10,477,806	\$ 11,040,359	\$ 11,633,116	\$ 12,257,698	\$ 12,839,625	\$ 12,828,038
15	OR	Turn on Charges	47,500	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
16	OR	Dealing, Reconnect Fee	37,500	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000
17	OR	Backflow Charges	25,500	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750
18	OR	Miscellaneous Revenues	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19	OR	Restitution/Subrogation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
20	OR	Misc. Receipts/Revenue	2,250	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
21	OR	Meter Installation & Conn	2,150	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
22		Interest Earning Calculation											
23		Average Balance	\$ 4,639,000	\$ 3,976,000	\$ 3,281,000	\$ 2,356,000	\$ 1,769,000	\$ 1,910,000	\$ 1,995,000	\$ 2,617,000	\$ 2,999,000	\$ 3,964,000	\$ 4,501,000
24		Assumed Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	INT - Fund 1	Projected Interest Earnings	16,000	40,000	33,000	24,000	18,000	19,000	20,000	25,000	30,000	40,000	45,000

Banning CA
Expenses Other than Major Capital Expenses

Line No.	Summary - Operations													
	FUND #	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
1	1	Operating	\$ 6,429,745	\$ 6,804,202	\$ 5,797,840	\$ 5,998,828	\$ 6,208,131	\$ 6,425,922	\$ 6,652,608	\$ 6,888,001	\$ 7,134,349	\$ 7,390,314	\$ 7,550,987	
2	1	Non Operating	-	-	-	-	-	-	-	-	-	-	-	
3	1	Minor Capital	-	-	-	-	-	-	-	-	-	-	-	
4	1	Transfers	2,628,829	2,881,470	2,892,362	3,115,093	3,144,813	3,177,739	3,208,637	3,237,526	3,264,425	3,299,353	3,331,830	
5	1	Existing Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
6	1	New Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
7	1	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-	
8	1	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-	
9	1	TOTAL	9,058,574	8,485,672	8,690,002	9,113,921	9,352,944	9,603,661	9,861,245	10,126,127	10,398,774	10,689,667	10,988,817	
Detail														
	Annual Expense Escalation													
FUND #	Factor	EXPENSES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Detail														
Operations														
13	1	3.0%	Water Operations											
14	1	3.0%	Payroll - Regular	1,001,231	969,370	968,451	1,028,405	1,059,257	1,091,035	1,123,766	1,157,479	1,192,203	1,227,969	1,264,808
14	1	3.0%	Chromium 6	-	-	-	-	-	-	-	-	-	-	
14	1	3.0%	Overtime	55,000	55,000	56,550	58,350	60,101	61,904	63,761	65,674	67,644	69,673	71,763
15	1	3.0%	Incentive Pay	8,534	8,534	8,790	9,054	9,326	9,608	9,894	10,191	10,497	10,812	11,136
16	1	3.0%	Standby Pay	32,100	32,100	33,063	34,055	35,077	36,129	37,213	38,329	39,479	40,663	41,883
17	1	3.0%	Education Incentive Bonus	29,890	30,942	30,943	31,871	32,827	33,812	34,826	35,871	36,947	38,053	39,197
18	1	3.0%	Comp Time Payoff	22,450	22,522	23,198	23,894	24,611	25,349	26,109	26,892	27,699	28,530	29,386
19	1	3.0%	Vacation Payoff	10,383	10,227	10,534	10,850	11,176	11,511	11,856	12,212	12,578	12,955	13,344
20	1	3.0%	Sick Leave Payoff	30,245	34,986	35,015	37,095	38,208	39,354	40,535	41,751	43,004	44,294	45,623
21	1	3.0%	FICA	96,521	94,353	97,184	100,100	103,103	106,195	109,382	112,663	116,043	119,524	123,110
22	1	3.0%	PERS	248,832	259,114	266,897	274,894	283,141	291,635	300,384	309,396	318,678	328,238	338,085
23	1	3.0%	Workers Comp	46,566	43,846	45,161	46,516	47,911	49,348	50,828	52,353	53,924	55,542	57,208
24	1	3.0%	Unemployment Insurance	6,365	6,277	6,465	6,659	6,859	7,065	7,277	7,495	7,720	7,952	8,191
25	1	3.0%	Life Insurance	1,518	1,122	1,150	1,191	1,227	1,264	1,302	1,341	1,381	1,422	1,465
26	1	3.0%	Health Insurance	5,144	5,144	5,328	5,518	5,714	5,915	6,122	6,335	6,556	6,783	7,016
27	1	3.0%	Dental Insurance	1,073	1,073	1,105	1,138	1,172	1,207	1,243	1,280	1,318	1,358	1,399
28	1	3.0%	Utility Credit	2,925	2,925	3,013	3,103	3,196	3,292	3,391	3,493	3,598	3,706	3,817
29	1	3.0%	Benefit Allowance	240,964	227,114	233,927	240,945	248,173	255,618	263,287	271,186	279,322	287,702	296,333
30	1	3.0%	Vehicle Allowance	5,115	5,115	5,268	5,426	5,589	5,757	5,930	6,108	6,291	6,480	6,674
31	1	3.0%	Boat Allowance	2,851	2,851	2,919	3,003	3,093	3,188	3,282	3,380	3,481	3,585	3,693
32	1	2.5%	Advertising/Publishing	3,100	3,100	3,178	3,257	3,338	3,421	3,507	3,595	3,685	3,777	3,871
33	1	2.5%	Printing/Binding	2,377	1,709	1,743	1,787	1,832	1,878	1,925	1,973	2,022	2,073	2,125
34	1	2.5%	Dues/Subscriptions	17,750	17,750	18,194	18,649	19,115	19,593	20,083	20,585	21,100	21,628	22,169
35	1	2.5%	Postage/Mailing Costs	4,500	1,750	1,794	1,839	1,885	1,932	1,980	2,030	2,081	2,133	2,186
36	1	2.5%	Travel/Conferences	2,500	2,500	2,563	2,627	2,693	2,760	2,829	2,900	2,973	3,047	3,123
37	1	2.5%	Staff Training	2,000	2,000	2,050	2,101	2,154	2,208	2,263	2,320	2,378	2,437	2,498
38	1	2.5%	Alarm Service	940	940	964	988	1,013	1,038	1,064	1,091	1,118	1,146	1,175
39	1	2.5%	Paging Service	600	600	615	630	646	662	679	696	713	731	749
40	1	2.5%	Pest Eradication Service	3,000	3,000	3,075	3,152	3,231	3,312	3,395	3,480	3,567	3,655	3,747
41	1	2.5%	Laboratory Services	60,000	65,000	66,525	68,291	69,998	71,748	73,542	75,381	77,266	79,198	81,178
42	1	2.5%	NPDES Storm Water Expense	60,000	55,000	56,375	57,784	59,229	60,710	62,228	63,784	65,379	67,013	68,688
43	1	2.5%	Uniform Purchase/Maint	6,500	6,500	6,663	6,830	7,001	7,176	7,355	7,539	7,727	7,920	8,118
44	1	3.0%	Overtime Meals	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
45	1	3.0%	Vision Allowance	2,000	2,000	2,080	2,122	2,168	2,252	2,320	2,390	2,462	2,536	2,612
46	1	6.0%	Utilities-Banning	1,100,000	1,250,000	1,325,000	1,404,500	1,488,770	1,578,096	1,672,782	1,773,149	1,879,538	1,992,310	2,111,849
47	1	2.3%	Electricity-Edison	17,500	20,000	20,460	20,931	21,412	21,904	22,408	22,923	23,450	23,989	24,541
48	1	3.0%	Telephone Service	13,900	13,900	14,317	14,747	15,189	15,645	16,114	16,597	17,095	17,608	18,135
49	1	2.5%	Natural Gas Service	1,000	1,000	1,025	1,051	1,077	1,104	1,132	1,160	1,189	1,219	1,249
50	1	2.5%	Radio Transmission Svcs	19,000	19,000	19,475	19,962	20,461	20,973	21,497	22,034	22,585	23,150	23,729
51	1	2.5%	Water Purchase-Resale	500,000	575,000	589,375	604,109	619,212	634,692	650,559	666,823	683,494	700,581	718,096
52	1	2.5%	Repair/Maint-Buildings	5,000	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
53	1	2.5%	Repair/Maint-Equipment	7,500	8,500	8,713	8,931	9,154	9,383	9,618	9,858	10,104	10,357	10,618
54	1	2.5%	Repair/Maint-Other	1,826	1,500	1,538	1,576	1,615	1,655	1,696	1,738	1,781	1,826	1,872
55	1	2.5%	Repair/Maint-Software	8,000	7,500	7,888	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,366
56	1	2.5%	Equipment Rental	10,000	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
57	1	2.5%	Lease/Purchase Payments	1,700	1,700	1,743	1,787	1,832	1,878	1,925	1,973	2,022	2,073	2,125
58	1	2.5%	City Hall Lease	41,750	41,750	42,794	43,884	44,961	46,085	47,237	48,418	49,628	50,869	52,141
59	1	2.5%	Professional Services	1,133,848	30,000	30,750	31,519	32,307	33,115	33,943	34,792	35,662	36,554	37,468
60	1	2.5%	Audit Services	1,800	1,800	1,845	1,891	1,938	1,986	2,036	2,087	2,139	2,192	2,247
61	1	3.0%	Medical/Physical Exams	300	300	309	318	328	338	348	358	369	380	391
62	1	2.5%	Engineering Services	151,534	-	-	-	-	-	-	-	-	-	-
63	1	2.5%	Departmental Supplies	4,000	4,000	4,100	4,203	4,308	4,416	4,526	4,639	4,755	4,874	4,995
64	1	2.5%	Food/Meals Cost	500	500	513	528	539	552	566	580	595	610	625
65	1	4.0%	Center/Gas/Pool Sup/DRG	33,111	31,037	32,278	33,559	34,912	36,308	37,790	39,270	40,841	42,475	44,174

City of Banning, CA

Water Financial Plan

A-4

Banning CA
Expenses Other than Major Capital Expenses

Summary - Operations												
FUND #	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Operating	\$ 8,429,745	\$ 8,604,202	\$ 8,787,840	\$ 8,968,828	\$ 9,208,131	\$ 9,425,922	\$ 9,652,608	\$ 9,888,801	\$ 10,134,349	\$ 10,390,314	\$ 10,656,987
2	Non Operating	-	-	-	-	-	-	-	-	-	-	-
3	Minor Capital	-	-	-	-	-	-	-	-	-	-	-
4	Transfers	2,628,829	2,881,470	2,892,392	3,115,093	3,144,813	3,177,739	3,208,637	3,237,526	3,264,425	3,290,353	3,331,830
5	Existing Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
6	New Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
7	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
8	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
9	TOTAL	9,058,574	8,485,672	8,680,002	9,113,921	9,352,944	9,603,661	9,861,245	10,126,127	10,398,774	10,689,667	10,988,817

Detail												
FUND #	EXPENSES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Operations												
66	1 2.5% Licenses/Permits/Fees	51,000	45,000	46,125	47,278	48,400	49,672	50,914	52,187	53,492	54,829	56,200
67	1 2.5% Taxes/Assessments	2,000	2,000	2,050	2,101	2,154	2,208	2,263	2,320	2,378	2,437	2,498
68	1 2.5% Water Rebate Program	47,500	50,000	51,250	52,531	53,844	55,190	56,570	57,984	59,434	60,920	62,443
69	1 2.5% Community Promotions	60,000	60,000	61,500	63,038	64,614	66,229	67,885	69,582	71,322	73,105	74,933
70	1 2.5% Watermaster Services	50,000	50,000	51,250	52,531	53,844	55,190	56,570	57,984	59,434	60,920	62,443
71	1 2.5% Wells/Pump Equip Expense	76,425	75,000	76,875	78,797	80,787	82,786	84,858	86,977	89,151	91,380	93,665
72	1 2.5% Reservoir Expenses	60,000	9,000	9,225	9,456	9,692	9,934	10,182	10,437	10,698	10,965	11,239
73	1 2.5% Water Distribution System Expense	262,232	250,000	258,250	262,656	269,222	275,953	282,852	289,923	297,171	304,600	312,215
74	1 2.5% Meters Expense	24,023	450,000	461,250	472,781	484,601	496,716	509,134	521,862	534,909	548,282	561,989
75	1 2.5% Tools/Misc Supplies	12,500	12,500	12,813	13,133	13,461	13,798	14,143	14,497	14,859	15,230	15,611
76	1 2.5% Aggregate/Asphalt	30,000	35,000	35,875	36,772	37,691	38,633	39,599	40,589	41,604	42,644	43,710
77	1 2.5% Water Reg. Valves, Etc	15,000	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733
78	1 2.5% Interfund SVC-Personnel	32,325	33,087	33,914	34,762	35,631	36,522	37,435	38,371	39,330	40,313	41,321
79	1 2.5% Interfund SVC-C Attorney	58,945	49,720	50,963	52,237	53,543	54,882	56,254	57,660	59,102	60,580	62,095
80	1 2.5% Interfund SVC-Janitor/Maint	27,987	28,767	29,485	30,223	30,979	31,753	32,547	33,361	34,195	35,050	35,926
81	1 2.5% Interfund SVC-Insurance	36,140	37,693	38,543	39,507	40,495	41,507	42,545	43,609	44,699	45,816	46,961
82	1 2.5% Interfund SVC-Purch & A/P	26,370	27,113	27,791	28,498	29,198	29,928	30,678	31,443	32,229	33,035	33,861
83	1 2.5% Interfund SVC-Fleet Maint	93,422	134,559	137,923	141,371	144,905	148,528	152,241	156,047	159,948	163,947	168,046
84	1 2.5% Interfund SVC-Bill/Coll	313,446	323,755	331,849	340,145	348,640	357,365	366,299	375,456	384,842	394,463	404,325
85	1 2.5% Interfund SVC-Mtr Read SVC	290,810	299,464	308,951	314,825	322,491	330,553	338,817	347,287	355,969	364,868	373,990
86	1 2.5% Interfund SVC-Financial	71,361	73,382	75,217	77,097	79,024	81,000	83,025	85,101	87,229	89,410	91,645
87	1 2.5% Interfund SVC-Computer	48,164	48,939	50,162	51,416	52,701	54,019	55,369	56,753	58,172	59,626	61,117
88	1 2.5% Transfr-General Fund	18,000	18,000	18,450	18,911	19,384	19,869	20,366	20,875	21,397	21,932	22,480
89	1 2.5% TRSF - BUA Water Debt Svc	1,611,869	1,907,081	1,791,113	1,986,313	1,987,813	1,991,813	1,993,063	1,991,563	1,987,313	1,990,313	1,990,063
90	1 2.5% Lease Payment	470,000	470,000	481,750	493,794	506,139	518,792	531,762	545,056	558,682	572,649	586,965
91	1 2.5% Bond Paying Agent Fees	2,000	2,000	2,050	2,101	2,154	2,208	2,263	2,320	2,378	2,437	2,498
92	1 2.5% Building Improvements	30,000	30,000	30,750	31,519	32,307	33,115	33,943	34,792	35,662	36,554	37,468
93	1 2.5% Fencing Improvements	10,000	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
94	1 2.5% Off Furn/Equip/Fixtures	7,500	7,500	7,688	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,365
95	1 2.5% Computer Hardware	4,500	1,000	1,025	1,051	1,077	1,104	1,132	1,160	1,189	1,219	1,249
96	1 2.5% Computer Software	7,500	-	-	-	-	-	-	-	-	-	-
97	1 2.5% Radio Equipment/Radios	100	100	103	106	109	112	115	118	121	124	127
98	1 2.5% Machinery/Equipment	10,000	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
99	1 2.5% Planning/Engineering SVC	242	-	-	-	-	-	-	-	-	-	-
100	1 2.5% Building Improvements	60,000	25,000	25,825	26,266	26,923	27,596	28,288	28,993	29,718	30,461	31,223
101	1 2.5% Vehicles	50,000	-	-	-	-	-	-	-	-	-	-
102	1 2.5% Water Debt - Professional Services	1,000	1,600	1,640	1,681	1,723	1,768	1,810	1,855	1,901	1,949	1,998
103	1 2.5% Interfund Transfer	-	-	-	-	-	-	-	-	-	-	-
104	1 0.0% Transfer to Repair and Replacement Fund	-	-	-	-	-	-	-	-	-	-	-
105	1 0.0%	-	-	-	-	-	-	-	-	-	-	-

Banning CA
CIP (Inflated)

Line No:	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Capital Projects											
2	City Facility Programming Assessment	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Water Master Plan Update	-	152,272	-	-	-	-	-	-	-	-	-
4	Flume Consultant Costs	300,000	300,000	-	-	-	-	-	-	-	-	-
5	Replace SCADA Comp Hardware/Software	-	250,000	256,250	-	-	-	-	-	-	-	-
6	Water Line Replacement Locations #2 (Const)	-	400,000	256,250	-	-	-	-	-	-	-	-
7	Water Line Replacement Locations #3 (Const)	-	-	256,250	420,250	-	-	-	-	-	-	-
8	Annual Main Replacement (PS&E)	-	-	-	-	107,889	-	113,141	-	118,869	-	124,886
9	Annual Main Replacement (Const)	-	-	-	-	-	883,050	-	927,753	-	974,722	-
10	Pilot and Drill Well in Cabazon SU	-	500,000	512,500	-	-	-	-	-	-	-	-
11	Equip Well in Cabazon SU	-	-	1,025,000	525,313	-	-	-	-	-	-	-
12	Main to Cabazon Well	-	-	-	735,438	376,912	-	-	-	-	-	-
	Total	\$ 320,000	\$ 1,002,272	\$ 2,306,250	\$ 1,681,000	\$ 484,801	\$ 883,050	\$ 113,141	\$ 927,753	\$ 118,869	\$ 974,722	\$ 124,886
											Total	\$ 9,536,546
	Description	2017	2018	2019	Uninflated 2020	2021	2022	2023	2024	2025	2026	2027
	Capital Projects											
	City Facility Programming Assessment	\$20,000										
	Water Master Plan Update	-	152,272									
	Flume Consultant Costs	300,000	300,000									
	Replace SCADA Comp Hardware/Software	-	250,000	250,000								
	Water Line Replacement Locations #2 (Const)	-	400,000	250,000								
	Water Line Replacement Locations #3 (Const)	-	-	250,000	400,000							
	Annual Main Replacement (PS&E)	-	-	-	-	100,000						
	Annual Main Replacement (Const)	-	-	-	-	-	800,000	100,000	800,000	100,000	800,000	100,000
	Pilot and Drill Well in Cabazon SU	-	500,000	500,000								
	Equip Well in Cabazon SU	-	-	1,000,000	500,000							
	Main to Cabazon Well	-	-	-	700,000	350,000						
		\$320,000	\$1,002,272	\$2,250,000	\$1,600,000	\$450,000	\$800,000	\$100,000	\$800,000	\$100,000	\$800,000	\$100,000
	Inflation Factor	100.00%	100.00%	102.50%	105.06%	107.69%	110.38%	113.14%	115.97%	118.87%	121.64%	124.89%

Banning CA
Pro Forma with Debt Service Coverage and Fund Balance Reconciliation

Line No		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Operations											
	<i>Wastewater Rate Revenue Increases</i>	<i>0.00%</i>	<i>0.00%</i>	<i>1.00%</i>	<i>1.00%</i>	<i>1.00%</i>	<i>1.00%</i>	<i>1.00%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
	<i>% of Year Rate Increase Effective</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>	<i>100.00%</i>
2	Beginning Unrestricted Fund Balance	\$ 1,686,520	\$ 1,454,301	\$ 1,434,870	\$ 1,428,855	\$ 1,577,731	\$ 2,308,845	\$ 3,150,776	\$ 4,157,521	\$ 5,298,363	\$ 6,624,343	\$ 7,965,262
3	Rate Revenue 1	\$ 3,200,000	\$ 3,200,000	\$ 3,371,808	\$ 3,552,840	\$ 3,743,592	\$ 3,944,585	\$ 4,158,370	\$ 4,379,526	\$ 4,614,863	\$ 4,720,800	\$ 4,829,378
4	Total Rate Revenue	\$ 3,200,000	\$ 3,200,000	\$ 3,371,808	\$ 3,552,840	\$ 3,743,592	\$ 3,944,585	\$ 4,158,370	\$ 4,379,526	\$ 4,614,863	\$ 4,720,800	\$ 4,829,378
5	Other Operating Revenue	104	104	104	104	104	104	104	104	104	104	104
6	Interest Income - Operating Fund	8,000	7,000	7,000	7,000	8,000	12,000	16,000	21,000	26,000	33,000	40,000
7	Total Operating Revenue	\$ 3,208,104	\$ 3,207,104	\$ 3,378,912	\$ 3,560,944	\$ 3,751,696	\$ 3,956,689	\$ 4,174,474	\$ 4,400,630	\$ 4,640,967	\$ 4,783,904	\$ 4,899,482
8	Operating Expenses	(2,174,108)	(2,029,985)	(2,084,478)	(2,140,458)	(2,197,978)	(2,257,048)	(2,317,733)	(2,380,053)	(2,444,090)	(2,509,860)	(2,577,425)
9	Net Revenue	\$ 1,033,996	\$ 1,177,139	\$ 1,294,434	\$ 1,419,476	\$ 1,553,718	\$ 1,699,641	\$ 1,854,741	\$ 2,020,567	\$ 2,196,677	\$ 2,244,044	\$ 2,292,057
	Plus:											
	Other Sources of Funds											
10	Transfers In	-	-	-	-	-	-	-	-	-	-	-
	Less:											
	Other Uses of Funds											
11	Minor Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Major Capital Funded with Existing Reserves/Current Cash	(182,500)	(102,437)	(191,875)	(149,189)	-	(19,317)	-	(20,295)	-	(21,322)	-
13	Transfers Out	(1,093,715)	(1,094,134)	(1,108,774)	(1,121,411)	(824,604)	(836,391)	(847,998)	(859,430)	(870,696)	(881,803)	(897,449)
14	Non Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
15	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
16	Existing Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
17	New Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
18	Net Cash Flow	\$ (232,219)	\$ (18,432)	\$ (6,015)	\$ 148,877	\$ 729,114	\$ 843,933	\$ 1,006,743	\$ 1,140,842	\$ 1,325,981	\$ 1,340,919	\$ 1,394,611
19	Ending Unrestricted Fund Balance	\$ 1,454,301	\$ 1,434,870	\$ 1,428,855	\$ 1,577,731	\$ 2,308,845	\$ 3,150,778	\$ 4,157,521	\$ 5,298,363	\$ 6,624,343	\$ 7,965,262	\$ 9,359,873
20	Months of O&M and R&R Capital	8	8	8	9	13	17	22	27	33	38	44
21	Target Unrestricted Fund Balance	Target	\$ 285,709	\$ 271,083	\$ 278,255	\$ 284,091	\$ 258,108	\$ 265,115	\$ 271,230	\$ 277,482	\$ 283,850	\$ 290,347
	Debt Service Coverage Calculations:											
	Revenue Bond Debt Service Coverage											
	Rate Covenant Debt Service Coverage Test:											
22	Net Revenue Available for Debt Service Coverage Test	\$ 1,033,996	\$ 1,177,139	\$ 1,294,434	\$ 1,419,476	\$ 1,553,718	\$ 1,699,641	\$ 1,854,741	\$ 2,020,567	\$ 2,196,677	\$ 2,244,044	\$ 2,292,057
23	Revenue Bond Debt Service	390,289	388,473	393,781	398,150	393,106	394,106	394,656	394,758	394,406	393,606	397,044
24	New Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
25	Total Revenue Bond Debt Service	\$ 390,289	\$ 388,473	\$ 393,781	\$ 398,150	\$ 393,106	\$ 394,106	\$ 394,656	\$ 394,758	\$ 394,406	\$ 393,606	\$ 397,044
26	Debt Service Coverage - Rate Covenant	2.65	3.03	3.29	3.58	3.95	4.31	4.70	5.12	5.57	5.70	5.77
27	Debt Service Coverage Requirement	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
	Parity Debt Service Coverage Test:											
28	Net Revenue Available for Debt Service Coverage Test	\$ 1,033,996	\$ 1,177,139	\$ 1,294,434	\$ 1,419,476	\$ 1,553,718	\$ 1,699,641	\$ 1,854,741	\$ 2,020,567	\$ 2,196,677	\$ 2,244,044	\$ 2,292,057
29	Maximum Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
30	Debt Service Coverage - Parity Test	-	-	-	-	-	-	-	-	-	-	-
31	Debt Service Coverage Requirement	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
	SRF Debt Service Coverage Test											
	SRF Test:											
32	Net Revenue Available for Debt Service Coverage Test	\$ 1,033,996	\$ 1,177,139	\$ 1,294,434	\$ 1,419,476	\$ 1,553,718	\$ 1,699,641	\$ 1,854,741	\$ 2,020,567	\$ 2,196,677	\$ 2,244,044	\$ 2,292,057
	Less:											
33	Existing Revenue Bond Debt Service	\$ (390,289)	\$ (388,473)	\$ (393,781)	\$ (398,150)	\$ (393,106)	\$ (394,106)	\$ (394,656)	\$ (394,758)	\$ (394,406)	\$ (393,606)	\$ (397,044)
34	Net Revenue Available for SRF Debt Service Coverage Test	\$ 643,707	\$ 788,666	\$ 900,653	\$ 1,023,326	\$ 1,160,612	\$ 1,305,535	\$ 1,460,085	\$ 1,625,811	\$ 1,802,271	\$ 1,850,438	\$ 1,895,013
35	Existing SRF Debt Service	\$ 292,691	\$ 292,389	\$ 304,289	\$ 304,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
37	Total SRF Debt Service	\$ 292,691	\$ 292,389	\$ 304,289	\$ 304,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Debt Service Coverage - SRF Test	2.20	2.70	2.96	3.36	-	-	-	-	-	-	-
39	Debt Service Coverage Requirement	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10

Banning CA
Beginning Fund Balance Reconciliation

BEGINNING BALANCES		
Line No:		Operations
1	Current assets:	
2	Pooled cash and investments	\$ 1,686,520
3	Receivables (net of allowance for uncollectibles):	-
4	Loans	-
5		-
6		-
7		-
8		-
9		-
10		-
11		-
12	Total Current Assets	\$ 1,686,520
	Current Liabilities:	
13	Accounts and contracts payable	\$ -
14	Accrued Liabilities	-
15	Accrued Interest	-
16	Deposits Payable	-
17	Compensated Absences	-
18	Bonds, Notes & Capital Leases	-
19	Due to other funds	-
20	Deferred revenue	-
21	Total Current Liabilities	\$ -
	Adjustment:	
22	Removal of Inventories (Not Liquid)	-
23	Other Assets (Unkown Cash)	-
24	Net Adjustments	\$ -
25	Net Beginning Balances (Curr Assets less Current Liabilities - with Adjustments)	\$ 1,686,520

**Banning CA
Revenue**

Line No.	Code	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1		Summary											
2	RR1	Rate Revenue 1	\$ 3,200,000	\$ 3,200,000	\$ 3,371,808	\$ 3,552,840	\$ 3,743,592	\$ 3,944,585	\$ 4,156,370	\$ 4,379,526	\$ 4,614,663	\$ 4,720,800	\$ 4,829,378
3	OR	Other Operating Revenue	104	104	104	104	104	104	104	104	104	104	104
4	TRIN	Transfers In	-	-	-	-	-	-	-	-	-	-	-
5	Sources - Fund 2	Sources of Funds - Fund 2	70,000	18,000	-	-	-	-	-	-	-	-	-
6	INT - Fund 1	Interest Earnings - Fund 1	2,000	10,000	10,000	10,000	13,000	18,000	24,000	32,000	40,000	49,000	58,000
7	INT - Fund 2	Interest Earnings - Fund 2	20,000	72,000	72,000	72,000	73,000	73,000	73,000	74,000	74,000	75,000	75,000
8		Detail											
9		Operations											
10	RR1 - BEFORE GROWTH AND RATE INCR	Rate Revenue 1	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,371,808	\$ 3,552,840	\$ 3,743,592	\$ 3,944,585	\$ 4,156,370	\$ 4,379,526	\$ 4,614,663	\$ 4,720,800
11	RR1 - Growth	Growth	0.00%	0.00%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
12		Revenue Increase	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
13		Pct of Year Revenue Increase Effective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
14	RR1	Total Rate Revenue 1 - After Revenue Increase	\$ 3,200,000	\$ 3,200,000	\$ 3,371,808	\$ 3,552,840	\$ 3,743,592	\$ 3,944,585	\$ 4,156,370	\$ 4,379,526	\$ 4,614,663	\$ 4,720,800	\$ 4,829,378
15	OR	Misc. Receipts/Revenue	104	104	104	104	104	104	104	104	104	104	104
16		<u>Interest Earning Calculation</u>											
17		Average Balance	\$ 1,047,000	\$ 993,000	\$ 955,000	\$ 1,002,000	\$ 1,295,000	\$ 1,819,000	\$ 2,438,000	\$ 3,152,000	\$ 3,974,000	\$ 4,863,000	\$ 5,775,000
18		Assumed Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
19	INT - Fund 1	Projected Interest Earnings	2,000	10,000	10,000	10,000	13,000	18,000	24,000	32,000	40,000	49,000	58,000
20		<u>Capital Facility</u>											
21		Capital Facilities Fee	65,000	15,000	-	-	-	-	-	-	-	-	-
22		Capital Frontage Fee	5,000	3,000	-	-	-	-	-	-	-	-	-
23		Transfers In	-	-	-	-	-	-	-	-	-	-	-
24	Sources - Fund 2	Total Sources	70,000	18,000	-	-	-	-	-	-	-	-	-
25		<u>Interest Earnings Calculation</u>											
26		Average Balance	\$ 7,086,000	\$ 7,161,000	\$ 7,203,000	\$ 7,239,000	\$ 7,275,000	\$ 7,312,000	\$ 7,348,000	\$ 7,385,000	\$ 7,422,000	\$ 7,459,000	\$ 7,497,000
27		Assumed Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	INT - Fund 2	Projected Interest Earnings	\$ 20,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 73,000	\$ 73,000	\$ 73,000	\$ 74,000	\$ 74,000	\$ 75,000	\$ 75,000
29		<u>Tertiary Fund</u>											
30		Surcharge-Tertiary Reserv	355,000	355,000	-	-	-	-	-	-	-	-	-
31		Non Operating Revenue	-	-	-	-	-	-	-	-	-	-	-
32		Transfers In	-	-	-	-	-	-	-	-	-	-	-
33	Sources - Fund 3	Total Sources	355,000	355,000	-	-	-	-	-	-	-	-	-
34		<u>Interest Earnings Calculation</u>											
35		Average Balance	\$ 3,322,000	\$ 3,575,000	\$ 3,712,000	\$ 3,730,000	\$ 3,749,000	\$ 3,768,000	\$ 3,786,000	\$ 3,805,000	\$ 3,824,000	\$ 3,843,000	\$ 3,863,000
36		Assumed Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
37	INT - Fund 3	Projected Interest Earnings	\$ 7,500	\$ 36,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 39,000

Banning CA
Expenses Other than Major Capital Expenses

Line No.	FUND #	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	1	Operating	\$ 2,174,108	\$ 2,020,985	\$ 2,084,478	\$ 2,140,468	\$ 2,197,978	\$ 2,257,048	\$ 2,317,733	\$ 2,380,063	\$ 2,444,090	\$ 2,509,860	\$ 2,577,425
2	1	Non Operating	-	-	-	-	-	-	-	-	-	-	-
3	1	Minor Capital	-	-	-	-	-	-	-	-	-	-	-
4	1	Transfers	1,083,715	1,094,134	1,108,774	1,121,411	824,604	836,391	847,998	859,430	870,596	881,803	897,446
5	1	Existing Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
6	1	New Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
7	1	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
8	1	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
9	1	TOTAL	3,257,823	3,124,099	3,193,252	3,261,879	3,022,582	3,093,439	3,165,731	3,239,493	3,314,786	3,391,663	3,474,871

Line No.	FUND #	Factor	EXPENSES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
10			Detail											
11			Operations											
12	-	3.0%	Sewer Operations											
13	-	3.0%	Payroll-Regular	370,024	389,223	400,900	412,927	425,315	438,074	451,216	464,752	478,895	493,056	507,848
14	-	3.0%	Overtime	3,000	3,000	3,000	3,183	3,278	3,376	3,477	3,581	3,688	3,799	3,913
15	-	3.0%	Incentive Pay	5,692	5,692	5,693	6,039	6,220	6,407	6,590	6,797	7,001	7,211	7,427
16	-	3.0%	Standby Pay	17,800	17,800	18,334	18,884	19,451	20,035	20,636	21,255	21,893	22,550	23,227
17	-	3.0%	Education Incentive Bonus	8,591	8,591	8,591	8,963	9,359	9,761	10,169	10,583	10,999	11,426	11,861
18	-	3.0%	Comp Time Payoff	8,709	9,018	9,289	9,568	9,855	10,151	10,456	10,770	11,093	11,426	11,769
19	-	3.0%	Vacation Payoff	6,408	6,408	6,408	7,087	7,272	7,497	7,754	8,034	8,328	8,637	8,951
20	-	3.0%	Sick Leave Payoff	11,736	12,121	12,485	12,860	13,246	13,643	14,052	14,474	14,908	15,355	15,815
21	-	3.0%	FICA	33,049	33,523	34,529	35,565	36,632	37,731	38,863	40,029	41,230	42,467	43,741
22	-	3.0%	PERS	93,393	102,954	106,043	109,224	112,501	115,876	119,352	122,933	126,621	130,420	134,333
23	-	3.0%	Workers Comp	15,866	15,761	16,234	16,721	17,223	17,740	18,272	18,820	19,385	19,967	20,566
24	-	3.0%	Unemployment Insurance	2,297	2,514	2,589	2,657	2,747	2,829	2,914	3,001	3,091	3,184	3,280
25	-	3.0%	Life Insurance	767	767	760	814	838	863	889	916	943	971	1,000
26	-	3.0%	Health Insurance	4,311	4,311	4,440	4,573	4,710	4,851	4,997	5,147	5,301	5,460	5,624
27	-	3.0%	Dental Insurance	762	762	785	809	833	858	884	911	938	966	995
28	-	3.0%	Utility Credit	2,070	2,070	2,132	2,196	2,262	2,330	2,400	2,472	2,546	2,622	2,701
29	-	3.0%	Benefit Allowance	82,884	82,884	85,371	87,932	90,570	93,287	96,086	98,969	101,938	104,996	108,146
30	-	3.0%	Vehicle Allowance	3,615	3,615	3,723	3,835	3,950	4,069	4,191	4,317	4,447	4,580	4,717
31	-	2.5%	Boat Allowance	888	888	910	933	956	980	1,005	1,030	1,056	1,082	1,109
32	-	2.5%	Advertising/Publishing	1,500	1,500	1,538	1,576	1,615	1,655	1,696	1,738	1,781	1,825	1,872
33	-	2.5%	Printing/Binding	500	500	513	526	539	552	566	580	595	610	625
34	-	2.5%	Dues/Subscriptions	750	750	769	788	808	828	849	870	892	914	937
35	-	2.5%	Postage/Mailings	2,500	2,500	2,513	2,526	2,539	2,552	2,566	2,580	2,595	2,610	2,625
36	-	2.5%	Travel/Conferences	1,250	1,250	1,281	1,313	1,346	1,380	1,415	1,450	1,486	1,523	1,561
37	-	2.5%	Staff Training	500	500	513	526	539	552	566	580	595	610	625
38	-	2.5%	Contract Employment Svcs	7,500										
39	-	2.5%	Laboratory Services	12,000	12,000	12,300	12,608	12,923	13,246	13,577	13,916	14,264	14,621	14,987
40	-	2.5%	Sludge Hauling	25,000	25,000	25,825	26,266	26,723	27,196	27,684	28,186	28,703	29,235	29,781
41	-	2.5%	NPOES Storm Water Expense	25,000	25,000	25,825	26,266	26,723	27,196	27,684	28,186	28,703	29,235	29,781
42	-	2.5%	Contracted WWTR Plant SVC	663,000	678,200	693,187	710,496	728,238	746,464	765,128	784,254	803,860	823,957	844,556
43	-	2.5%	Uniform Purchase/Maint	1,000	1,000	1,025	1,051	1,077	1,104	1,132	1,160	1,189	1,219	1,249
44	-	2.5%	Overtime Meals	250	250	256	262	269	276	283	290	297	304	312
45	-	2.5%	Vision Allowance	250	250	256	262	269	276	283	290	297	304	312
46	-	2.3%	Utilities-Banning	95,000	95,000	97,185	99,420	101,707	104,046	106,439	108,887	111,391	113,953	116,574
47	-	2.5%	Telephone SVC	550	550	564	578	592	607	622	638	654	670	687
48	-	2.5%	Radio Transmission Svcs	400	400	410	420	431	442	453	464	476	488	500
49	-	2.5%	Repair/Maint-Buildings	2,890	2,890	2,938	2,981	3,023	3,067	3,112	3,158	3,205	3,253	3,301
50	-	2.5%	Repair/Maint-Plant	5,000	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
51	-	2.5%	Repair/Maint-Equipment	17,857	17,857	18,334	18,811	19,298	19,785	20,281	20,778	21,285	21,792	22,309
52	-	2.5%	Repair/Maint-Fencing	5,000	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
53	-	2.5%	Repair/Maint-Radios	150	150	154	158	162	166	170	174	178	182	187
54	-	2.5%	Repair/Maint-Radios	7,380	7,380	7,525	7,670	7,815	7,960	8,105	8,250	8,395	8,540	8,685
55	-	2.5%	City Hall Lease	16,700	16,700	17,118	17,546	17,985	18,433	18,896	19,368	19,850	20,342	20,857
56	-	2.5%	Professional Services	52,850	52,850	54,000	55,150	56,300	57,450	58,600	59,750	60,900	62,050	63,200
57	-	2.5%	Audit Services	1,800	1,800	1,845	1,891	1,938	1,985	2,033	2,081	2,130	2,179	2,227
58	-	2.5%	Medical/Physical Exams	300	300	305	310	315	320	325	330	335	340	345
59	-	2.5%	Departmental Supplies	1,000	1,000	1,025	1,051	1,077	1,104	1,132	1,160	1,189	1,219	1,249
60	-	2.5%	Food/Meals Cost	150	150	154	158	162	166	170	174	178	182	187
61	-	4.0%	Chemicals/Gases/Pool Suppls	30,000	30,000	31,200	32,448	33,746	35,096	36,500	37,960	39,476	41,050	42,690
62	-	2.5%	Laboratory Supplies	2,500	2,500	2,563	2,627	2,693	2,760	2,829	2,900	2,973	3,047	3,123
63	-	2.5%	Licenses/Permits/Fees	35,000	35,000	35,875	36,772	37,691	38,633	39,599	40,589	41,604	42,644	43,710
64	-	2.5%	Community Promotion	2,000	2,000	2,050	2,101	2,154	2,209	2,263	2,320	2,378	2,437	2,498
65	-	2.5%	Sewer Coll System Expense	85,000	85,000	87,125	89,303	91,536	93,824	96,170	98,574	101,038	103,564	106,153

City of Banning, CA

Sewer Financial Plan

B-4

Banning CA
Expenses Other than Major Capital Expenses

FUND		Summary - Operations											
#	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
1	Operating	\$ 2,174,108	\$ 2,029,965	\$ 2,084,478	\$ 2,140,468	\$ 2,197,978	\$ 2,257,048	\$ 2,317,733	\$ 2,380,063	\$ 2,444,090	\$ 2,509,860	\$ 2,577,425	
2	Non Operating	-	-	-	-	-	-	-	-	-	-	-	
3	Minor Capital	-	-	-	-	-	-	-	-	-	-	-	
4	Transfers	1,083,715	1,094,134	1,108,774	1,121,411	824,604	836,391	847,998	859,430	870,896	881,803	897,446	
5	Existing Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
6	New Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
7	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-	
8	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-	
9	TOTAL	3,257,823	3,124,099	3,193,252	3,261,879	3,022,582	3,093,439	3,165,731	3,239,493	3,314,786	3,391,663	3,474,871	

Detail														
Annual Expense Escalation	FUND #	Factor	EXPENSES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Detail													
	Operations													
66	1	2.5%	Tools/Misc Supplies	9,309	5,500	5,638	5,779	5,923	6,071	6,223	6,379	6,538	6,701	6,869
67	1	2.5%	Interfund SVC-Personnel	12,107	12,393	12,703	13,021	13,347	13,681	14,023	14,374	14,733	15,101	15,479
68	1	2.5%	Interfund SVC-Attorney	17,205	14,512	14,875	15,247	15,628	16,019	16,419	16,829	17,250	17,681	18,123
69	1	2.5%	Interfund SVC-Jan/Maint	10,412	10,703	10,971	11,245	11,526	11,814	12,109	12,412	12,722	13,040	13,366
70	1	2.5%	Interfund SVC-Insurance	27,572	28,689	29,405	30,141	30,895	31,667	32,459	33,270	34,102	34,955	35,829
71	1	2.5%	Interfund SVC-Purch & A/P	9,912	10,192	10,447	10,708	10,976	11,250	11,531	11,819	12,114	12,417	12,727
72	1	2.5%	Interfund SVC-Fleet Maint	29,839	34,339	35,194	36,074	36,976	37,900	38,848	39,819	40,814	41,834	42,880
73	1	2.5%	Interfund SVC-Bill/Col	233,461	234,589	240,454	246,465	252,627	258,943	265,417	272,052	278,853	285,824	292,970
74	1	2.5%	Interfund SVC-Financial	26,820	27,584	28,274	28,981	29,706	30,449	31,210	31,990	32,790	33,610	34,450
75	1	2.5%	Interfund SVC-Computer	27,133	27,688	28,380	29,000	29,817	30,562	31,326	32,109	32,912	33,735	34,578
76	1	2.5%	Interfund SVC-State Rev Loan FD	300,000	300,000	304,289	304,289	-	-	-	-	-	-	-
77	1	2.5%	Interfund SVC-BUA WWTR Debt SVC	395,264	393,448	393,781	396,150	393,106	394,106	394,656	394,756	394,406	393,606	397,044
78	1	2.5%	Lease Payment	181,000	181,000	185,525	190,163	194,917	199,790	204,785	209,905	215,153	220,532	226,045
79	1	2.5%	Bond Paying Agent Fees	1,975	1,975	2,024	2,075	2,127	2,180	2,235	2,291	2,348	2,407	2,467
80	1	2.5%	Computer Hardware	1,610	1,000	1,025	1,051	1,077	1,104	1,132	1,160	1,189	1,219	1,249
81	1	2.5%	Machinery/Equipment	7,500	7,500	7,688	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,366
82	1	2.5%	Fencing Improvements	-	-	-	-	-	-	-	-	-	-	-
83	1	2.5%	Machinery/Equipment	115,000	-	-	-	-	-	-	-	-	-	-
84	1	2.5%	Professional Services - Debt Service Fund	1,350	1,350	1,384	1,419	1,454	1,490	1,527	1,565	1,604	1,644	1,685
85	1	2.5%	Bond Paying Agent Fees - Debt Service Fund	3,275	3,275	3,357	3,441	3,527	3,615	3,705	3,798	3,893	3,990	4,090
109	1	3.0%	-	-	-	-	-	-	-	-	-	-	-	-
110	1	-	Non-Departmental Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
111	1	3.0%	Unemployment	-	-	-	-	-	-	-	-	-	-	-
112	1	2.5%	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-
113	1	3.0%	Salary Contingency	-	-	-	-	-	-	-	-	-	-	-
114	1	0.0%	Bond Paying Agent Fees	-	-	-	-	-	-	-	-	-	-	-
115	1	0.0%	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
116	1	2.5%	Interfund Transfer	-	-	-	-	-	-	-	-	-	-	-
117	1	0.0%	Transfer to Repair and Replacement Fund	-	-	-	-	-	-	-	-	-	-	-
118	1	0.0%	Loan to PIF Fund	-	-	-	-	-	-	-	-	-	-	-

Banning CA
CIP (Inflated)

Line No:	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1	Capital Projects											
2	City Facility Programming Assessment	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Digester Dome Repairs (PS&E)	20,000	-	-	-	-	-	-	-	-	-	-
4	Digester Cleaning/Dome Repairs (Const)	62,500	-	-	-	-	-	-	-	-	-	-
5	WWTP Fencing	45,000	-	-	-	-	-	-	-	-	-	-
6	Repairs to Heat Exchanger (WWTP)	-	5,000	25,025	-	-	-	-	-	-	-	-
7	Repairs to Boiler Gas Control Valves	-	7,500	33,313	-	-	-	-	-	-	-	-
8	PVC Digester Gas Piping	-	2,500	12,813	-	-	-	-	-	-	-	-
9	Iron Sponge Media Replacement	-	17,500	-	18,388	-	19,317	-	20,295	-	21,322	-
10	Portable Camera System (CCTV)	50,000	-	-	-	-	-	-	-	-	-	-
11	Sewer Master Plan Update	-	89,937	-	-	-	-	-	-	-	-	-
12	Replacement of 30" Trunk to WWTP w/DIP (Design)	-	-	-	-	-	-	-	-	-	-	-
13	Replacement of 30" Trunk to WWTP w/DIP (Const)	-	-	-	-	-	-	-	-	-	-	-
14	WWTP Expansion (D)	-	-	-	-	-	-	-	-	-	-	-
15	WWTP Expansion (C)	-	-	-	-	-	-	-	-	-	-	-
16	Capacity Project C-1	-	-	119,925	-	-	-	-	-	-	-	-
17	Capacity Project C-2	-	-	-	130,803	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-	-	-	-	-
Total		\$ 182,500	\$ 102,437	\$ 191,675	\$ 148,189	\$ -	\$ 19,317	\$ -	\$ 20,295	\$ -	\$ 21,322	\$ -
Total \$												886,734

Description	2017	2018	2019	Uninflated 2020	2021	2022	2023	2024	2025	2026	2027	
Capital Projects												
City Facility Programming Assessment	\$5,000											
Digester Dome Repairs (PS&E)	20,000											
Digester Cleaning/Dome Repairs (Const)	62,500											
WWTP Fencing	45,000											
Repairs to Heat Exchanger (WWTP)		5,000	25,000									
Repairs to Boiler Gas Control Valves		7,500	32,500									
PVC Digester Gas Piping		2,500	12,500									
Iron Sponge Media Replacement		17,500		17,500		17,500		17,500		17,500		
Portable Camera System (CCTV)	50,000											
Sewer Master Plan Update		89,937										
Replacement of 30" Trunk to WWTP w/DIP (Design)												
Replacement of 30" Trunk to WWTP w/DIP (Const)												
WWTP Expansion (D)												
WWTP Expansion (C)												
Capacity Project C-1			117,000									
Capacity Project C-2				124,500								
Total	\$ 182,500	\$ 102,437	\$ 187,000	\$ 142,000	\$ -	\$ 17,500	\$ -	\$ 17,500	\$ -	\$ 17,500	\$ -	
Total \$												886,437
Inflation Factor	100.00%	100.00%	102.50%	105.06%	107.69%	110.38%	113.14%	115.97%	118.87%	121.84%	124.89%	

Meter Size \$/Month	Current	Proposed				
		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
5/8-inch	\$20.94	\$21.57	\$22.22	\$22.88	\$23.57	\$24.28
3/4-inch	20.94	21.57	22.22	22.88	23.57	24.28
1-inch	31.75	32.70	33.68	34.69	35.73	36.81
1.5-inch	58.74	60.50	62.32	64.19	66.11	68.10
2-inch	91.14	93.87	96.69	99.59	102.58	105.66
3-inch	166.77	171.77	176.93	182.23	187.70	193.33
4-inch	274.83	283.07	291.57	300.31	309.32	318.60
6-inch	544.79	561.13	577.97	595.31	613.17	631.56
8-inch	868.83	894.89	921.74	949.39	977.88	1,007.21
Commodity \$/HCF						
0-12 HCF	\$1.84	\$1.90	\$1.95	\$2.01	\$2.07	\$2.13
13-25 HCF	2.34	2.41	2.48	2.56	2.63	2.71
26+ HCF	2.64	2.72	2.80	2.88	2.97	3.06
City/Parks	0.58	0.60	0.62	0.63	0.65	0.67

Class	Current	Proposed				
		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Residential	\$18.48	\$19.03	\$19.61	\$20.19	\$20.80	\$21.42
Commercial (\$/EDU)	18.48	19.03	19.61	20.19	20.80	21.42
Tertiary Surcharge (\$/EDU)	2.00	2.06	2.12	2.19	2.25	2.32

Banning CA
CIP (Revised)

Line No.	Service	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1		Capital Projects											
2	Water	City Facility Programming Assessment	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Water	Water Master Plan Update	-	-	-	-	-	-	-	-	-	-	-
4	Water	Flume Consultant Costs	300,000	300,000	307,500	-	-	-	-	-	188,624	-	-
5	Water	Replace SCADA Comp Hardware/Software	-	250,000	256,250	262,056	-	-	-	-	-	-	-
6	Water	Water Line Replacement Locations #2 (Const)	-	650,000	-	-	-	-	-	-	-	-	-
7	Water	Water Line Replacement Locations #3 (Const)	-	-	860,250	-	-	-	-	-	-	-	-
8	Water	New Transmission Main for Upper Main Reservoir 1	-	-	-	537,920	2,755,763	2,259,505	-	-	-	-	-
9	Water	New Transmission Main for Foothill West Reservoir 1 (Butterfield)	-	-	-	301,883	2,008,401	1,648,889	-	-	-	-	-
10	Water	New Transmission Main for Proposed Lower Main Well C-8	-	414,000	-	-	-	-	-	-	-	-	-
11	Water	New Transmission Main for Proposed Upper Main C-9	-	-	-	-	-	-	-	480,113	-	-	-
12	Water	Fireflow Improvement 1	-	125,000	-	-	-	-	-	-	-	-	-
13	Water	Fireflow Improvement 2	-	20,000	-	-	-	-	-	-	-	-	-
14	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)	-	341,000	-	-	-	-	-	-	-	-	-
15	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)	-	511,000	-	-	-	-	-	-	-	-	-
16	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)	-	-	412,050	173,353	-	-	-	-	-	-	-
17	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)	-	-	1,019,875	1,208,210	-	-	-	-	-	-	-
18	Water	Fireflow Improvement 4	-	-	-	-	62,460	-	-	-	-	-	-
19	Water	Fireflow Improvement 5	-	-	-	-	235,910	-	-	-	-	-	-
20	Water	Fireflow Improvement 6	-	-	-	-	31,230	-	-	-	-	-	-
21	Water	Fireflow Improvement 7	-	-	-	-	155,140	-	-	-	-	-	-
22	Water	Fireflow Improvement 8	-	-	-	-	67,844	-	-	-	-	-	-
23	Water	Fireflow Improvement 9	-	-	-	-	33,384	-	-	-	-	-	-
24	Water	Fireflow Improvement 10	-	-	-	-	31,230	-	-	-	-	-	-
25	Water	Fireflow Improvement 11	-	-	-	-	203,532	-	-	-	-	-	-
26	Water	Fireflow Improvement 12	-	-	-	-	155,140	-	-	-	-	-	-
27	Water	Fireflow Improvement 13	-	-	-	-	135,088	-	-	-	-	-	-
28	Water	Fireflow Improvement 14	-	-	-	-	238,016	-	-	-	-	-	-
29	Water	Fireflow Improvement 15	-	-	-	-	-	69,540	-	-	-	-	-
30	Water	Fireflow Improvement 15	-	-	-	-	-	915,091	-	-	-	-	-
31	Water	Fireflow Improvement 16	-	-	-	-	-	-	462,746	-	-	-	-
32	Water	Fireflow Improvement 16	-	-	-	-	-	-	703,736	-	-	-	-
33	Water	Fireflow Improvement 17	-	-	-	-	-	-	350,394	-	-	-	-
34	Water	Fireflow Improvement 18	-	-	-	-	-	-	498,951	-	-	-	-
35	Water	Fireflow Improvement 19	-	-	-	-	-	-	498,951	-	-	-	-
36	Water	Fireflow Improvement 20	-	-	-	-	-	-	-	1,753,456	-	-	-
37	Water	Two Additional Pump Stations	-	-	747,225	-	-	-	-	-	-	-	-
38	Water	Add VFD to Well C-4	-	-	-	-	-	183,233	-	-	-	-	-
39	Water	Add VFD to Well C-6	-	-	-	-	-	183,233	-	-	-	-	-
40	Water	Proposed Upper Main Reservoir 1	-	-	-	1,393,129	7,139,785	5,854,624	-	-	-	-	-
41	Water	Proposed Foothill West Reservoir 1	-	-	-	587,299	3,012,063	2,470,333	-	-	-	-	-
42	Water	Proposed Zone Main Well C-8	-	342,000	1,753,775	1,438,306	-	-	-	-	-	-	-
43	Water	Proposed Upper Main Well C-9	-	-	-	-	-	-	480,848	2,404,349	2,020,768	-	-
44	Water	Altitude Valves (City's Existing CIP)	-	250,000	-	-	-	-	-	-	-	-	-
45	Water	New Pressure Reducing Valve for Rancho San Geronimo	-	-	-	-	-	-	-	-	405,342	-	-
46	Water	Pipeline Age Replacement Program	-	-	-	-	-	-	-	-	116,800	-	-
47	Water	Water Line Replacement- Jacinto View/Chevy (City's Existing CIP)	-	-	30,750	577,844	107,889	863,050	113,141	927,755	-	-	-
48	Water	San Geronimo Reservoir Site R&R	-	-	-	-	-	-	-	434,885	445,757	-	-
49	Water	Southwest Reservoir Site R&R	-	-	-	29,418	-	-	-	-	-	-	-
50	Water	Mountain Reservoir Site R&R	-	-	185,025	189,151	230,455	-	-	-	-	-	-
51	Water	High Valley Reservoir Site R&R	-	181,000	185,525	-	-	-	-	-	-	-	-
52	Water	Sunset Reservoir Site R&R	-	-	-	-	-	-	958,480	-	-	-	-
53	Water	Hargrave & John PRV R&R	-	-	35,875	-	-	-	-	-	-	-	-
54	Water	Well 1 Site R&R	-	133,000	-	-	-	-	-	-	-	-	-
55	Water	Well 3 Site R&R	-	-	-	-	16,307	-	-	-	-	-	-
56	Water	Well C-2 Site R&R	-	-	-	-	675,210	-	-	-	-	-	-
57	Water	Well C-5 Site R&R	-	-	-	-	-	-	436,724	-	-	-	-
58	Water	Well C-6 Site R&R	-	-	-	-	-	14,350	-	-	-	-	-
59	Water	Well M-3 Site R&R	-	-	-	-	-	-	14,708	-	-	-	-
60	Water	Well M-11 Site R&R	-	-	-	-	-	-	-	26,002	-	-	-
61	Water	Well Enclosures (City's Existing CIP)	-	80,000	-	84,050	-	88,305	-	92,775	-	-	-
62	Water	Well Rehabilitation (City's Existing CIP)	-	150,000	-	157,594	-	165,572	-	173,954	-	-	-
63	Water	Multi Site Projects (Emergency Power & Sfaely Retrofits)	-	273,000	279,825	286,621	293,091	301,341	308,874	316,595	324,511	-	-
64	Water	Pipeline Rehabilitation Asset Study	-	249,000	-	-	-	-	-	-	-	-	-
65	Water	Security Cameras at Water yard (City's Existing CIP)	-	33,000	-	-	-	-	-	-	-	-	-
66	Water	Work Truck (City's Existing CIP)	-	-	-	42,025	43,076	-	-	-	-	-	-
67	Water	Automatic Meter Reading (AMR) (City's Existing CIP)	-	1,800,000	2,050,000	-	-	-	-	-	-	-	-
68	Water	Advanced Metering Infrastructure (AMI) (City's Existing CIP)	-	-	768,750	-	-	-	-	-	-	-	-
69	Water	Computer Information System/ERP (City's Existing CIP)	-	-	-	767,969	807,668	-	-	-	-	-	-
70	Water	Chromium 6 Treatment Pilot Study, Design and Construction (City's Existing CIP)	-	-	184,500	1,313,281	5,384,453	27,595,322	-	-	-	-	-
		Total	\$ 320,000	\$ 6,132,000	\$ 8,863,175	\$ 9,440,916	\$ 23,828,359	\$ 42,630,358	\$ 4,533,553	\$ 6,672,876	\$ 3,501,868	\$ -	\$ -

Line No.	Service	Description	Current Day Dollars										
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2	Water	Capital Projects											
3	Water	City Facility Programming Assessment	\$20,000	\$20,000									
4	Water	Water Master Plan Update											
5	Water	Flume Consultant Costs	300,000	300,000	300,000								
6	Water	Replace SCADA Comp Hardware/Software		250,000	250,000	250,000							
7	Water	Water Line Replacement Locations #2 (Const)		850,000									
8	Water	Water Line Replacement Locations #3 (Const)			650,000								
9	Water	New Transmission Main for Upper Main Reservoir 1				512,000	2,559,000	2,047,000					
10	Water	New Transmission Main for Foothill West Reservoir 1 (Butterfield)				373,000	1,895,000	1,492,000					
11	Water	New Transmission Main for Proposed Lower Main Well C-8		414,000									
12	Water	New Transmission Main for Proposed Upper Main C-8								414,000			
13	Water	Fireflow Improvement 1		128,000									
14	Water	Fireflow Improvement 2		29,000									
15	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)		341,000									
16	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)		511,000									
17	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)			402,000	165,000							
18	Water	Fireflow Improvement 3 (Includes PRV & Check Valves)			995,000	1,150,000							
19	Water	Fireflow Improvement 4					58,000						
20	Water	Fireflow Improvement 5					220,000						
21	Water	Fireflow Improvement 6					29,000						
22	Water	Fireflow Improvement 7					145,000						
23	Water	Fireflow Improvement 8					63,000						
24	Water	Fireflow Improvement 9					31,000						
25	Water	Fireflow Improvement 10					29,000						
26	Water	Fireflow Improvement 11					169,000						
27	Water	Fireflow Improvement 12					145,000						
28	Water	Fireflow Improvement 13					128,000						
29	Water	Fireflow Improvement 14					220,000						
30	Water	Fireflow Improvement 15						63,000					
31	Water	Fireflow Improvement 15						825,000					
32	Water	Fireflow Improvement 16							409,000				
33	Water	Fireflow Improvement 16							622,000				
34	Water	Fireflow Improvement 17							315,000				
35	Water	Fireflow Improvement 18							441,000				
36	Water	Fireflow Improvement 19							441,000				
37	Water	Fireflow Improvement 20								1,512,000			
38	Water	Two Additional Pump Stations			729,000								
39	Water	Add VFD to Well C-6						168,000					
40	Water	Add VFD to Well C-6						168,000					
41	Water	Proposed Upper Main Reservoir 1				1,329,000	6,630,000	5,304,000					
42	Water	Proposed Foothill West Reservoir 1				559,000	2,797,000	2,238,000					
43	Water	Proposed Zone Main Zone Well C-8		342,000	1,711,000	1,369,000							
44	Water	Proposed Upper Main Well C-9							425,000	2,125,000	1,700,000		
45	Water	Altitude Valves (City's Existing CIP)		250,000									
46	Water	New Pressure Reducing Valve for Rancho San Geronimo											
47	Water	Pipeline Age Replacement Program					100,000	800,000	100,000	800,000	341,000		
48	Water	Water Line Replacement- Jacinto View/Chevy (City's Existing CIP)			30,000	550,000							
49	Water	San Geronimo Reservoir Site R&R								375,000	375,000		
50	Water	Southwest Reservoir Site R&R				28,000							
51	Water	Mountain Reservoir Site R&R			161,000	161,000	214,000						
52	Water	High Valley Reservoir Site R&R		161,000	161,000								
53	Water	Sunset Reservoir Site R&R							582,000				
54	Water	Hargrove & John PRV R&R			35,000								
55	Water	Well 1 Site R&R		133,000									
56	Water	Well 3 Site R&R					17,000						
57	Water	Well C-2 Site R&R					927,000						
58	Water	Well C-5 Site R&R							380,000				
59	Water	Well C-6 Site R&R						13,000					
60	Water	Well M-3 Site R&R							13,000				
61	Water	Well M-11 Site R&R								25,000			
62	Water	Well Enclosures (City's Existing CIP)		80,000		80,000		80,000		80,000			
63	Water	Well Rehabilitation (City's Existing CIP)		150,000		150,000		150,000		150,000			
64	Water	Multi Site Projects (Emergency Power & Slurry Retrolits)		273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	
65	Water	Pipeline Rehabilitation Asset Study		249,000									
66	Water	Security Cameras at Water yard (City's Existing CIP)		33,000									
67	Water	Work Truck (City's Existing CIP)				40,000	40,000						
68	Water	Automatic Meter Reading (AMR) (City's Existing CIP)		1,800,000	2,000,000								
69	Water	Advanced Metering Infrastructure (AMI) (City's Existing CIP)			750,000								
70	Water	Computer Information System/ERP (City's Existing CIP)				750,000	750,000						
	Water	Chromium 6 Treatment Pilot Study, Design and Construction (City's Existing CIP)			160,000	1,250,000	5,000,000	25,000,000					
			\$320,000	\$6,132,000	\$8,647,000	\$8,988,000	\$22,127,000	\$38,621,000	\$4,007,000	\$5,754,000	\$2,948,000	\$0	\$0
	Inflation Factor		100.00%	100.00%	102.50%	105.06%	107.89%	110.38%	113.14%	115.97%	118.87%	121.84%	124.89%

Banning CA
CIP (Inflated)

Line No:	Service	Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1		Capital Projects											
2	Sewer	City Facility Programming Assessment	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sewer	Digester Dome Repairs (PS&E)	20,000	-	-	-	-	-	-	-	-	-	-
4	Sewer	Digester Cleaning/Dome Repairs (Const)	62,500	-	-	157,594	-	-	-	-	-	-	-
5	Sewer	WWTP Fencing	45,000	-	-	-	-	-	-	-	-	-	-
6	Sewer	Repairs to Heat Exchanger (WWTP)	-	10,000	51,250	-	-	-	-	-	-	-	-
7	Sewer	Repairs to Boiler Gas Control Valves	-	15,000	66,625	-	-	-	-	-	-	-	-
8	Sewer	PVC Digester Gas Piping	-	5,000	25,025	-	-	-	-	-	-	-	-
9	Sewer	Portable Camera System (CCTV)	50,000	-	-	-	-	-	-	-	-	-	-
10	Sewer	WWTP Expansion (D)	-	250,000	-	-	-	-	-	-	-	-	-
11	Sewer	WWTP Expansion (C)	-	-	1,703,750	15,759,375	10,768,900	-	-	-	-	-	-
12	Sewer	Gravity Mains Along Williams Street	-	-	-	-	-	320,108	-	-	-	-	-
13	Sewer	Gravity Mains Along Charles Street	-	456,000	-	-	-	-	-	-	-	-	-
14	Sewer	Northern Segment of Gravity Main Along Hathaway St	-	-	-	-	330,603	-	-	-	-	-	-
15	Sewer	Casing Under I-10	-	-	-	465,427	-	-	-	-	-	-	-
16	Sewer	Gravity Main Along Hathaway St	-	-	1,019,875	-	-	-	347,342	-	-	-	-
17	Sewer	Gravity Main Along Ramsey Street	-	-	-	-	-	-	-	-	-	-	-
18	Sewer	Gravity Main Along Livingston Street	-	-	-	-	-	-	-	350,029	-	-	-
19	Sewer	Gravity Main Along Fourth Street	-	-	-	-	-	-	-	-	181,869	-	-
20	Sewer	Butterfield Offsite Trunk	-	-	-	-	2,677,150	-	-	-	-	-	-
21	Sewer	Butterfield -Loma Linda Offsite Trunk	-	-	-	-	-	1,096,294	-	-	-	-	-
22	Sewer	Butterfield -Loma Linda Offsite Trunk	-	-	-	-	-	548,595	-	-	-	-	-
23	Sewer	RSG Main Trunk	-	-	-	-	-	1,646,889	3,868,285	1,652,563	-	-	-
24	Sewer	Westward Lift Station Bypass	-	-	-	-	-	-	-	828,861	-	-	-
25	Sewer	Gravity Main Along Wilson Street	-	-	-	-	-	-	-	-	1,004,439	-	-
26	Sewer	Annual Sewer Replacement	-	60,000	358,750	-	64,613	386,335	-	69,582	416,040	-	-
27	Sewer	Westward Lift Station Site Improvements	-	86,000	-	-	-	-	-	-	-	-	-
28	Sewer	Caltrans Lift Station Site Improvements	-	-	-	-	43,076	-	-	-	-	-	-
29	Sewer	Lift Station Telemetry	-	-	51,250	-	-	-	-	-	-	-	-
		Total	\$ 182,500	\$ 882,000	\$ 3,418,375	\$ 16,382,396	\$ 13,927,426	\$ 4,000,218	\$ 4,215,627	\$ 2,905,032	\$ 1,602,348	\$ -	\$ -

Line No:	Service	Description	2017	2018	2019	Current Day Dollars 2020	2021	2022	2023	2024	2025	2026	2027
1		Capital Projects											
2	Sewer	City Facility Programming Assessment	\$5,000										
3	Sewer	Digester Dome Repairs (PS&E)	20,000										
4	Sewer	Digester Cleaning/Dome Repairs (Const)	62,500			150,000							
5	Sewer	WWTP Fencing	45,000										
6	Sewer	Repairs to Heat Exchanger (WWTP)		10,000	50,000								
7	Sewer	Repairs to Boiler Gas Control Valves		15,000	65,000								
8	Sewer	PVC Digester Gas Piping		5,000	25,000								
9	Sewer	Portable Camera System (CCTV)	50,000										
10	Sewer	WWTP Expansion (D)		250,000									
11	Sewer	WWTP Expansion (C)			1,750,000	15,000,000	10,000,000						
12	Sewer	Gravity Mains Along Williams Street					250,000						
13	Sewer	Gravity Mains Along Charles Street		456,000									
14	Sewer	Northern Segment of Gravity Main Along Hathaway St				443,000	307,000						
15	Sewer	Casing Under I-10											
16	Sewer	Gravity Main Along Hathaway St			695,000								
17	Sewer	Gravity Main Along Ramsey Street						307,000					
18	Sewer	Gravity Main Along Livingston Street							307,000				
19	Sewer	Gravity Main Along Fourth Street								163,000			
20	Sewer	Butterfield Offsite Trunk					2,486,000						
21	Sewer	Butterfield -Loma Linda Offsite Trunk						995,000					
22	Sewer	Butterfield -Loma Linda Offsite Trunk						497,000					
23	Sewer	RSG Main Trunk						1,452,000	3,419,000	1,425,000			
24	Sewer	Westward Lift Station Bypass								713,000			
25	Sewer	Gravity Main Along Wilson Street									845,000		
26	Sewer	Annual Sewer Replacement		60,000	350,000		60,000	350,000		60,000	350,000		
27	Sewer	Westward Lift Station Site Improvements		85,000									
28	Sewer	Caltrans Lift Station Site Improvements					40,000						
29	Sewer	Lift Station Telemetry			50,000								
		Total	\$ 182,500	\$ 882,000	\$ 3,265,000	\$ 15,593,000	\$ 12,893,000	\$ 3,624,000	\$ 3,726,000	\$ 2,505,000	\$ 1,348,000	\$ -	\$ -

Inflation Factor	100.00%	100.00%	102.50%	105.06%	107.69%	110.38%	113.14%	115.97%	118.87%	121.84%	124.89%		
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27305 VIA INDUSTRIAL SUITE 201
TEMECULA, CALIFORNIA 92590-1816
800.735.6364 | 951.687.0500 | FAX 951.686.6364
WWW.WILLDAN.COM

EXHIBIT “B”

WATER & WASTEWATER RATE SCHEDULE

WATER RATES						
MONTHLY FIXED CHARGE						
Meter Size	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
5/8"	20.94	21.57	22.22	22.88	23.57	24.28
3/4"	20.94	21.57	22.22	22.88	23.57	24.28
1"	31.75	32.70	33.68	34.69	35.73	36.81
1 1/2"	58.74	60.50	62.32	64.19	66.11	68.10
2"	91.14	93.87	96.69	99.59	102.58	105.66
3"	166.77	171.77	176.93	182.23	187.70	193.33
4"	274.83	283.07	291.57	300.31	309.32	318.60
6"	544.79	561.13	577.97	595.31	613.17	631.56
8"	868.83	894.89	921.74	949.39	977.88	1,007.21
Percentage Increased:		3%	3%	3%	3%	3%
COMMODITY CHARGE PER HUNDRED CUBIC FEET (HCF)						
Tier	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Tier 1 - 0-12 hcf	1.84	1.90	1.95	2.01	2.07	2.13
Tier 2 - 13-25 hcf	2.34	2.41	2.48	2.56	2.63	2.71
Tier 3 - 26+ hcf	2.64	2.72	2.80	2.88	2.97	3.06
City / Parks	0.58	0.60	0.62	0.63	0.65	0.67
Percentage Increased:		3%	3%	3%	3%	3%
WASTEWATER RATES						
	Current Sept 2013	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Residential	18.48	19.03	19.61	20.19	20.80	21.42
Commercial	18.48	19.03	19.61	20.19	20.80	21.42
Tertiary Surcharge	2.00	2.06	2.12	2.19	2.25	2.32
Percentage Increased:		3%	3%	3%	3%	3%

EXHIBIT “B”

WATER RATE SCHEDULE

Section 13.08.040 of Chapter 13.08 (Water, Sewer and Electricity Rates) of Title 13 (Public Services) is hereby amended to read as follows:

"13.08.040 Water Rate Schedule

Water rates for the city are as follows:

Water Rate Schedule--July 2018

Customer Base Charge

MONTHLY FIXED CHARGE						
Meter Size	Current	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
5/8"	\$20.94	\$21.57	\$22.22	\$22.88	\$23.57	\$24.28
3/4"	\$20.94	\$21.57	\$22.22	\$22.88	\$23.57	\$24.28
1"	\$31.75	\$32.70	\$33.68	\$34.69	\$35.73	\$36.81
1 1/2"	\$58.74	\$60.50	\$62.32	\$64.19	\$66.11	\$68.10
2"	\$91.14	\$93.87	\$96.69	\$99.59	\$102.58	\$105.66
3"	\$166.77	\$171.77	\$176.93	\$182.23	\$187.70	\$193.33
4"	\$274.83	\$283.07	\$291.57	\$300.31	\$309.32	\$318.60
6"	\$544.79	\$561.13	\$577.97	\$595.31	\$613.17	\$631.56
8"	\$868.83	\$894.89	\$921.74	\$949.39	\$977.88	\$1,007.21

Commodity Charge

COMMODITY CHARGE PER HUNDRED CUBIC FEET (HCF)						
Tier	Current	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Tier 1 - 0-12 HCF	\$1.84	\$1.90	\$1.95	\$2.01	\$2.07	\$2.13
Tier 2 - 13-25 HCF	\$2.34	\$2.41	\$2.48	\$2.56	\$2.63	\$2.71
Tier 3 - 26+ HCF	\$2.64	\$2.72	\$2.80	\$2.88	\$2.97	\$3.06
Municipal Accounts						
City Facilities/Parks	\$0.58	\$0.60	\$0.62	\$0.63	\$0.65	\$0.67

Municipal Accounts

Meter Size	Customer Fixed Charge
All	None

Commodity Charges

COMMODITY CHARGE PER HUNDRED CUBIC FEET (HCF)						
	Current	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
MUNICIPAL ACCOUNTS						
City Parks/Facilities	\$0.58	\$0.60	\$0.62	\$0.63	\$0.65	\$0.67

EXHIBIT “C”

WASTEWATER RATE SCHEDULE

Section 13.08.070 of Chapter 13.08 (Water, Sewer and Electricity Rates) of Title 13 (Public Services) is hereby amended to read as follows:

"13.08.070 Wastewater rate schedule.

Wastewater rates for the city are as follows:

Wastewater Rate Schedule--July 2018

	Current	8/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023
Residential	\$18.48	\$19.03	\$19.61	\$20.19	\$20.80	\$21.42
Commercial (\$/EDU)	\$18.48	\$19.03	\$19.61	\$20.19	\$20.80	\$21.42
Tertiary Surcharge (\$/EDU)	\$2.00	\$2.06	\$2.12	\$2.19	\$2.25	\$2.32

*Note: EDU is Equivalent Dwelling Unit."



CITY OF BANNING FINANCING AUTHORITY REPORT

TO: CITY COUNCIL

FROM: Rochelle Clayton, Interim City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director/Interim ASD

MEETING DATE: June 12, 2018

SUBJECT: Refunding Revenue Bonds (Electric System Project), 2015 Series; Requisition No. 1 Bond Project Funds Drawdown

RECOMMENDATION:

That City Council approve Requisition No. 1 to drawdown funds from the Electric System Project Acquisition and Construction Fund of the Banning Financing Authority Revenue Refunding Bonds (Electric System Project), 2015 Series.

BACKGROUND:

On July 14, 2015 Resolution 2015-02 FA was passed, approved and adopted authorizing the issuance of not to exceed \$45,000,000 principal amount of its refunding revenue bonds (Electric System Project) Series 2015. The Bonds Funded on September 9, 2015.

The Bonds were issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and an Indenture of Trust, dated as of September 1, 2015 (the "Indenture"), among the Authority, the City, and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds are being issued to (i) refund the Authority's \$45,790,000 Revenue Bonds (Electric System Project) Series 2007 (the "2007 Bonds"), currently outstanding in the amount of \$34,270,000, (ii) finance certain improvements (the "Facilities") to the electric system (the "Electric System") of the City of Banning (the "City"), (iii) pay the insurance premium for the Bonds, (iv) purchase a reserve surety bond for the Bonds, and (v) pay costs of issuance of the Bonds.

Approximately \$11,000,000 of the net proceeds of the Bonds will be used to finance various rehabilitation and replacement projects to improve the Electric System. These existing and new developments will place increased demands on the City's Electric

System and will require the upgrading of existing Electric System facilities and the construction of new facilities. A portion of the proceeds of the Bonds will be deposited into the Acquisition and Construction Fund for the purpose of financing the Facilities.

Projects consisting of: Construct new Electric Warehouse at City Yard \$2,700,000 2016 Upgrade Alola Substation from 4kV to 12kV, complete 4kV to 12kV conversion of distribution system \$3,450,000, Upgrade Airport Substation from 4kV to 12kV \$2,100,090 2017 Replace two old wooden poles at Midway Substation freeway crossing with new engineered steel poles \$500,000 2017 Extend Sunset Substation distribution circuits to interconnect with the Wilson Street circuit \$1,900,000 (Budgeted costs are based on projected increases in the Producer Price Index for construction materials and components.)

Electric System Project Acquisition and Construction Fund account for a total of \$11,158,581.04.

FISCAL IMPACT:

Description	Current Month
Electric System Project Acquisition and Construction Fund Beginning Balance	\$ 11,158,581.04
Interest Earned to date	\$ 60,418.59
Electric System Project Acquisition and Construction Fund Balance Available for Drawdown	\$ 11,218,999.63
Requisition No. 1	\$ 8,508,725.99
Total Amount of Drawdowns	\$ 8,508,725.99
Electric System Project Acquisition and Construction Fund Balance after Drawdown	\$ 2,710,273.64


OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction. If not approved, then the City will not be reimbursed for its expenditures on the Bond projects

ATTACHMENTS:

1. Electric System Project Acquisition and Construction Fund Requisition No. 1
2. Electric System Revenue Bonds Reconciling Spreadsheet
3. General Activity Detail of Project Accounts
4. US Bank Statement – April 30, 2018 for Electric System Project Acquisition and Construction Fund

Approved by:



Rochelle Clayton
Interim City Manager

ATTACHMENT 1

Electric System Project Acquisition and Construction Fund Requisition No. 1

REFUNDING REVENUE BONDS (ELECTRIC SYSTEM PROJECT), SERIES 2015

(Issue Date: June 1, 2015)

Requisition of the City
(Acquisition and Construction Fund)
(Section 3.5 of the Indenture)

Attention: Corporate trust Department

Request No.: P-1 (to be sequentially numbered)

<u>Project Component</u>	<u>Amount of This Draw</u>	<u>Aggregate Amount Draws Including This Draw</u>
Airport Substation	\$ 1,675,610.84	\$ 1,675,610.84
Alola Substation	1,696,857.39	1,696,857.39
Downtown Underground Conversion	1,058,655.57	1,058,655.57
New Building-City Yard	3,842,454.11	3,842,454.11
Sunset Grade Separation Improvement	30,265.95	30,265.95
Sunset Substation	<u>204,882.13</u>	<u>204,882.13</u>
Total Amount for this Draw	\$ 8,508,725.99	\$ 8,508,725.99
	<u>Total draw to date</u>	<u>\$ 8,508,725.99</u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Name and Address of party to whom payment is to be made:

City of Banning

Purpose for which the obligation was incurred:

Expenses related to the Downtown Underground Conversion, New Building at the City Yards, the Airport Substation, the Alola Substation, Sunset Grade Separation Improvement, and the Sunset Substation.

The undersigned (the "City") hereby represents, warrants and certifies to the Trustee that it is authorized to tender this requisition and that a duly authorized representative of the City has executed this requisition, that if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder, that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty, and that the Trustee has no duty under the Indenture to audit or otherwise monitor, in any respect, the application or use of such funds paid pursuant to this requisition.

Date: 05/22/2018

CITY OF BANNING

By: _____

Title:

Name of Bank – Wells Fargo Bank

ABA Number - 121000248

Account Number – 0610605798

Name on Account – City of Banning

Wells Fargo's physical address is:

1735 W. Ramsey Street
Banning, CA 92220
(951) 849-5605

ATTACHMENT 2

Electric System Revenue Bonds Reconciling Spreadsheet

Requisition of the City
Acquisition and Construction Fund Expenditures

Project Description Per Official Statement	Project Component	Budget	Interest to Date	Total Available Funds	FY Projected Completion	GL Account#	For Calculations Only				Requisition P-1				Total Cost after Reimbursement
							FY2015	Less Request P-15 (FY15 Drawdown)	FY2015 Net Portion 2015-2016	FY2016	FY2017	FY2018 (4/30/2018)	Total Requisition	Requisition P1 Series 2015	
Upgrade Abate Substation from 480V to 720V, complete all 12KV conversion of distribution system	Abate Substation	3,450,000.00				674-7000-473.96.11	35,862.95		2,414,137.05	600,129.20	640,511.15	895,013.84	1,075,610.01	1,075,610.01	2,151,179.16
17185 Elm/Dec. Highway	Abate Substation					674-7000-473.96.32	1,375,515.20			150,435.39	991,274.98	955,147.02	1,096,957.39	1,096,957.39	1,751,142.61
DT Underground Conduit/Overhead Wiring	DT Underground Conduit/Overhead Wiring					674-7000-473.96.39	210,660.18			781,796.65	1,550,000.57	12,637.56	1,058,455.57	1,058,455.57	604,407.04
601 1/2 Ave./Dover/Dec. Highway	DT Underground Conduit/Overhead Wiring					674-7000-473.96.37	1,615,975.46	(1,409,697.46)	153,288.00	255,278.49	167,431.52	12,637.56	1,058,455.57	1,058,455.57	(1,135,473.13)
Construction new Electric Substation at City Yard	Electric Substation (City Yard)	7,710,160.00			2016	674-7000-473.90.11	290,732.96	(1,772,761.00)	210,068.04	2,993,110.82	664,116.10	-	1,041,474.11	1,041,474.11	1,067,731.05
Revised Street Substation distribution circuit to conform with the Adams Street Right of Way	Street Substation	1,900,000.00			2017	674-7000-473.93.11	14,947.24		14,947.24	15,864.85	15,864.85	1,526.40	30,862.95	30,862.95	
Replace two old vacuum breakers at Midway Substation	Midway Substation	500,000.00				674-7000-473.96.10				107,471.60	15,004.05	1,526.40	104,002.11	104,002.11	1,041,851.92
Recessed existing with three engineered steel poles	Midway Substation					674-7000-473.96.10				107,471.60	15,004.05	1,526.40	104,002.11	104,002.11	500,000.00
Budget Amount Listed in Official Statement for Abate Project	Use of funds 674-102.15-00	10,650,090.00	60,418.59	10,710,508.59		Total Per Year	1,097,018.04	(1,566,030.24)	430,997.80	4,879,944.59	2,037,438.60	1,364,324.92	8,500,725.99	8,500,725.99	2,201,783.62
Amount in Acquisition and Construction Fund		11,158,581.04													100,000.00
Amount in Acquisition and Construction Fund		60,418.59													7,710,223.64
Amount in Acquisition and Construction Fund		8,500,725.99													Total Amount Available
Amount in Acquisition and Construction Fund		2,710,223.64													

Interest to Date
Less Total Requisition 1
2,710,223.64

ATTACHMENT 3

General Activity Detail of Project Accounts

PROGRAM GM360L
CITY OF BANNING

GROUP NR	PO NR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674	07	ELEC REV BOND PROJ FD							
674-7000-4730		96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION							
		13/15 AJ 06/30/15 06501				Close out capital expend. FY15		75,362.35	
4891	027380	12/15 AP 06/25/15 0150615				REGENCY-PACIFIC DEVELOPMENT C	48,390.75		
		LINCOLN ST/AIRPORT							
4770	027350	11/15 AP 05/13/15 0150464				LEIDOS ENGINEERING, LLC	14,529.00		
		ARPT 12 KV CONVERSION							
4771	027350	10/15 AP 03/13/15 0150464				LEIDOS ENGINEERING, LLC	11,836.00		
		SUBSTATION 12 KV CONVERSN							
3467	026696	08/15 AP 02/13/15 0149064				PRESS-ENTERPRISE, THE	317.40		
		AIRPORT ELECTRICAL							
3480	026700	08/15 AP 02/13/15 0149067				RECORD GAZETTE, THE	289.20		
		AIRPORT YARD ELEC							
1508		01/15 BA 07/31/14 A07000				Continuing Appropriations and proj Rev Carryovers			
							75,362.35	75,362.35	.00
		ACCOUNT TOTAL							
							75,362.35	75,362.35	.00
		FUND TOTAL							
							75,362.35	75,362.35	.00
		GRAND TOTAL							
							75,362.35	75,362.35	.00

ACCOUNT ACTIVITY LISTING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-33	5423	13/16	AJ	06/30/16	06501	Close out Capital Expend		603,329.70	
5326	027350	12/16	AP	06/22/16	0155855	LEIDOS ENGINEERING, LLC FY16	5,938.09		
4958		12/16	AJ	06/16/16	PI	EL ISSUES 061616 - 061616	1.53		
4820		12/16	AJ	06/14/16	PI	EL ISSUES 061416 - 061416	78.36		
4357		11/16	AJ	05/16/16	PI	EL ISSUES 051616 - 051616 WORK ORDER: WF0148290		1,621.74	
4357		11/16	AJ	05/16/16	PI	EL ISSUES 051616 - 051616 WORK ORDER: WF0148290	009 1,633.72		
5253	027350	11/16	AP	05/16/16	1555634	LEIDOS ENGINEERING, LLC			
4570	027289	11/16	AP	05/13/16	0154884	FEDEX			
4301		11/16	AJ	05/12/16	PI	EL ISSUES 051216 - 051216	2.97		
4570	027350	11/16	AP	05/11/16	0154902	LEIDOS ENGINEERING, LLC	18,936.52		
4174		11/16	AJ	05/04/16	PI	EL ISSUES 050416 - 050416	8.71		
3989		10/16	AJ	04/21/16	PI	EL ISSUES 042116 - 042116 WORK ORDER: WF0148290	109.87		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 2,324.12		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 993.96		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 1,177.05		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 61.18		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 541.79		
3982		10/16	AJ	04/20/16	PI	EL ISSUES 042016 - 042016 WORK ORDER: WF0148290	002 36,354.73		
3989		10/16	AJ	04/19/16	PI	EL ISSUES 041916 - 041916 WORK ORDER: WF0148290	002 5,068.51		
4571	027350	10/16	AP	04/07/16	0154902	LEIDOS ENGINEERING, LLC	009 9,676.88		

ACCOUNT ACTIVITY LISTING

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION									
continued									
4177	027350	10/16	AP	04/06/16	0154307	LEIDOS ENGINEERING, LLC	5,189.01		
ENG & DESIGN SERV SUBS									
PUBLIC WORKS/RELATED SERV									
3733		10/16	AJ	04/05/16	PI	EL ISSUES	23.82		
040516 - 040516									
REGENCY-PACIFIC DEVELOPMENT C									
3828	027380	10/16	AP	04/04/16	0153968		25,100.00		
ENG SVCS YARD									
2829	027302	09/16	AP	03/23/16	0153962	PRESS-ENTERPRISE, THE	213.90		
LGL AD POWER CIRCUIT									
3829	027302	09/16	AP	03/23/16	0153962	PRESS-ENTERPRISE, THE	213.90		
LEGAL AD SWITCHGEAR BLDG									
3610	027307	09/16	AP	03/16/16	0153770	RECORD GAZETTE, THE	94.88		
LEGAL POSTING									
3610	027307	09/16	AP	03/16/16	0153770	RECORD GAZETTE, THE	104.36		
LEGAL POSTING ALOLA									
3610	027307	09/16	AP	03/16/16	0153770	RECORD GAZETTE, THE	94.88		
LEGAL POSTING									
3610	027307	09/16	AP	03/16/16	0153770	RECORD GAZETTE, THE	98.04		
LEGAL POSTING									
3414		09/16	AJ	03/15/16	PI	EL ISSUES	637.13		
031516 - 031516									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
3829	027350	09/16	AP	03/10/16	0153942		003		
ENG SVCS AIRPORT & ALOLA									
3414		09/16	AJ	03/08/16	PI	EL ISSUES	9,267.06		
030816 - 030816									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
3240		09/16	AJ	03/03/16	PI	EL ISSUES	3,021.68		
030316 - 030316									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
4582		08/16	BA	02/28/16	A02000	FY16 Mid-Year Adj	003		
Expenditures									
3104		08/16	AJ	02/22/16	PI	EL ISSUES	932.74		
022216 - 022216									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
3116		08/16	AJ	02/22/16	PI	EL ISSUES	617.02		
022216 - 022216									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
3116		08/16	AJ	02/10/16	PI	EL ISSUES	002		
021016 - 021016									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
3611	027350	08/16	AP	02/10/16	0153748		19,587.24		
ENG SERVICES SUBSTATIONS									
2920	027380	08/16	AP	02/09/16	0153173	REGENCY-PACIFIC DEVELOPMENT C	002		
CITY YARD									
4611	027307	08/16	AP	02/05/16	0154724	RECORD GAZETTE, THE	2,045.59		
LEGAL ADS									
3501	027350	07/16	AP	01/06/16	0153664	LEIDOS ENGINEERING, LLC	002		
AIRPORT AND ALOLA SUBSTN									
021016 - 021016									
WORK ORDER: WF0148290									
LEIDOS ENGINEERING, LLC									
REGENCY-PACIFIC DEVELOPMENT C									
RECORD GAZETTE, THE									
LEIDOS ENGINEERING, LLC									
82.23									
2,153.03									

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 574	07	ELEC REV BOND PROJ FD							
674-7000	473	96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION					continued		
2602	027380	07/16 AP 01/04/16 0152891				REGENCY-PACIFIC DEVELOPMENT C	64,839.44		
		CITY YARD WE 12/31/15							
2546	027350	06/16 AP 12/09/15 0152759				LEIDOS ENGINEERING, LLC	1,903.44		
2543	027350	SUBSTATION ENG SVCS				LEIDOS ENGINEERING, LLC	19,285.18		
		SUBSTATION ENG SVCS				REGENCY-PACIFIC DEVELOPMENT C	42,590.00		
1913	027380	04/16 AP 10/26/15 0152243				LEIDOS ENGINEERING, LLC	3,591.10		
1344	027350	04/16 AP 10/07/15 0151691				REGENCY-PACIFIC DEVELOPMENT C	42,660.00		
1229	027380	03/16 AP 09/28/15 0151615				LEIDOS ENGINEERING, LLC	6,535.36		
		PROG PAYMENT SEPT 2015				REGENCY-PACIFIC DEVELOPMENT C	63,996.43		
1229	027350	03/16 AP 09/09/15 0151596				LEIDOS ENGINEERING, LLC	13,041.61		
		DESIGN SERVICES							
1019	027380	02/16 AP 08/31/15 0151391				REGENCY-PACIFIC DEVELOPMENT C			
2529	027350	LINCOLN/AIRPORT CONST PRO				LEIDOS ENGINEERING, LLC			
2529	027350	SUBSTATION ENG SVCS				LEIDOS ENGINEERING, LLC			
		SUBSTATION ENG SVCS				TO CORRECT DUPLICATE PMT			
2690		01/16 BA 07/31/15 A07000				FY15 Continuing Apprtn			
						RevenueC/over			
574	027380	01/16 AP 07/27/15 0151015				REGENCY-PACIFIC DEVELOPMENT C	89,976.64		
2512	027350	01/16 AP 07/21/15 0152759				LEIDOS ENGINEERING, LLC	9,869.72		
604	027350	AIRPORT SUBSTN ENG SVCS				LEIDOS ENGINEERING, LLC	4,442.93		
		AIRPORT SUBSTN ENG SVCS							
1859		01/16 BA 07/01/15 ENC/BUDADJ							
ACCOUNT TOTAL							623,105.44	623,105.44	.00
FUND TOTAL							623,105.44	623,105.44	.00
GRAND TOTAL							623,105.44	623,105.44	.00

CITY OF BANNING										CURRENT BALANCE
GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS		
FUND 674 07 ELEC REV BOND PROJ FD										
674-7000-473.96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION										
4960				13/17	AJ 06/30/17	06300 Close out capital expend for FY 17			602,511.45	
4647	028181	12/17	AP	06/16/17	0160133	DIS-TRAN PACKAGED SUBSTATIONS	56,160.00			
SUBSTATION EQUIPMENT										
4413	028183	11/17	AP	05/25/17	0160066	SIEMENS INDUSTRY, INC	47,140.63			
CIRCUIT BREAKERS										
4442		11/17	BA	05/23/17	A05000	Continuing Appropriations from FY16 budgeted amts.				
4077	027350	11/17	AP	05/12/17	0159696	LEIDOS ENGINEERING, LLC	3,024.57			
ENG SERVICES										
3959		11/17	AJ	05/10/17	PI	EL ISSUES	4,268.42			
051017 - 051017										
3959		11/17	AJ	05/10/17	PI	EL ISSUES	308.61			
051017 - 051017										
4014		11/17	AJ	05/08/17	PI	EL ISSUES	1,852.83			
050817 - 050817										
WORK ORDER: WF0148290										
4056		11/17	AJ	05/08/17	PI	EL ISSUES	JOB ORDER: 018			
050817 - 050817										
3815	027350	10/17	AP	04/25/17	0159479	LEIDOS ENGINEERING, LLC	11,320.36			
3540	027350	10/17	AP	04/03/17	0159041	LEIDOS ENGINEERING, LLC	4,606.88			
3720	027350	10/17	AP	04/01/17	0159242	LEIDOS ENGINEERING, LLC	112.62			
3253	027350	09/17	AP	03/13/17	0158836	LEIDOS ENGINEERING, LLC	1,382.87			
3046	027350	08/17	AP	02/16/17	0158677	LEIDOS ENGINEERING, LLC	2,445.46			
3254	027350	08/17	AP	02/13/17	0158836	LEIDOS ENGINEERING, LLC	626.97			
2804		08/17	AJ	02/02/17	PI	EL ISSUES	1,036.67			
020217 - 020317										
WORK ORDER: WF0006687										
3640		07/17	AP	01/07/17	0159169	REGENCY-PACIFIC DEVELOPMENT C	JOB ORDER: 097			
2015-01EL CITY YRD/AIRPRT										
2672	027350	07/17	AP	01/06/17	0158330	LEIDOS ENGINEERING, LLC	24,238.14			
2490	027350	06/17	AP	12/12/16	0157978	LEIDOS ENGINEERING, LLC	6,172.11			
2168	028184	05/17	AP	11/27/16	0157751	LEIDOS ENGINEERING, LLC	4,352.21			
2168	028184	05/17	AP	11/27/16	0157751	VIRGINIA TRANSFORMER CORP	39,166.09			
1915	027350	05/17	AP	11/18/16	0157487	VIRGINIA TRANSFORMER CORP	352,494.82			
2027	027380	05/17	AP	11/18/16	0157509	LEIDOS ENGINEERING, LLC	376.20			
ENG SERVICES										
REGENCY-PACIFIC DEVELOPMENT C										
AIRPORT										
05/17 AJ 11/16/16 PI										
EL ISSUES										
226.02										

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION									
111616 - 111616									
WORK ORDER: WF0012861 JOB ORDER: 036									
2,850.04									
LEIDOS ENGINEERING, LLC									
2472	027350	05/17	AP	11/10/16	0157978	EL ISSUES	889.39		
1693		05/17	AJ	11/08/16	PI	110816 - 110816			
WORK ORDER: WF0012861 JOB ORDER: 036									
125.28									
1693		05/17	AJ	11/03/16	PI	110316 - 110316			
WORK ORDER: WF0012861 JOB ORDER: 036									
42.79									
1693		05/17	AJ	11/03/16	PI	110316 - 110316			
WORK ORDER: WF0012861 JOB ORDER: 036									
152.91									
1693		05/17	AJ	11/03/16	PI	110316 - 110316			
WORK ORDER: WF0012861 JOB ORDER: 036									
6,172.24									
LEIDOS ENGINEERING, LLC									
1469	027350	04/17	AP	10/18/16	0156947	EL ISSUES	344.79		
						081516 - 081516			
WORK ORDER: WF0012861 JOB ORDER: 036									
2,228.01									
1273	027350	03/17	AP	09/13/16	0156731	EL ISSUES	20.62		
						081116 - 081116			
WORK ORDER: WF0012861 JOB ORDER: 036									
90.37									
1084	027350	02/17	AP	08/19/16	0156547	EL ISSUES	41.13		
						081116 - 081116			
WORK ORDER: WF0012861 JOB ORDER: 036									
17,098.76									
434		02/17	AJ	08/15/16	PI	EL ISSUES	30.24		
						080916 - 080916			
WORK ORDER: WF0012861 JOB ORDER: 023									
3.05									
434		02/17	AJ	08/09/16	PI	EL ISSUES	5,180.62		
						080816 - 080816			
WORK ORDER: WF0003266 JOB ORDER: 449									
5,180.62									
300	027350	02/17	AP	08/05/16	1555634	LEIDOS ENGINEERING, LLC			
						LEIDOS ENGINEERING, LLC			
301	027350	02/17	AP	08/05/16	0155633	LEIDOS ENGINEERING, LLC			
						LEIDOS ENGINEERING, LLC			
1085	027350	01/17	AP	07/11/16	0156547	LEIDOS ENGINEERING, LLC			
						LEIDOS ENGINEERING, LLC			
1447		01/17	BA	07/01/16	ENC/BUDADJ				
ACCOUNT TOTAL							607,692.07		.00
FUND TOTAL							607,692.07		.00

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CITY OF BANNING

-----TRANSACTION-----				DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
GROUP NBR	PO NBR	ACCTG PER.	CD DATE NUMBER				
FUND 674 07 ELEC REV BOND PROJ FD							
674-7000-473.96-33 SPL UTIL CAP-SPL PROJECTS / AIRPORT SUBSTATION							
3737	028185	09/18	AP 03/28/18	0164300 MYERS POWER PRODUCTS, INC	43,926.88		
SWITCHGEAR							
3009		08/18	BA 02/28/18	A02001 Mid-Year Adjustments Reso 2018-21			
2890	027350	08/18	AP 02/12/18	0163515 LEIDOS ENGINEERING, LLC	132.61		
1992	027350	06/18	AP 12/11/17	0162539 LEIDOS ENGINEERING, LLC	132.61		
2172	028185	06/18	AP 12/07/17	0162862 MYERS POWER PRODUCTS, INC	332,209.63		
SWITCHGEAR							
1657	027350	05/18	AP 11/14/17	0162263 LEIDOS ENGINEERING, LLC	198.92		
1533	027350	03/18	AP 09/21/17	0162088 LEIDOS ENGINEERING, LLC	13,860.58		
909	027350	03/18	AP 09/20/17	0161585 LEIDOS ENGINEERING, LLC	448.22		
910	027350	02/18	AP 08/15/17	0161506 LEIDOS ENGINEERING, LLC	3,526.30		
911	027350	01/18	AP 07/12/17	0161506 LEIDOS ENGINEERING, LLC	578.19		
ENGINEERING SVCS							
1325		01/18	BA 07/01/17	ENC/BUDADJ			
ACCOUNT TOTAL					395,013.94	.00	395,013.94
FUND TOTAL					395,013.94	.00	395,013.94
GRAND TOTAL					395,013.94	.00	395,013.94

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GROUP NBR		PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----										
FUND 674 07 ELEC REV BOND PROJ FD										
674-7000-473.96-32 SPL UTIL CAP-SPL PROJECTS / ALOLA SUBSTATION										
5423					13/16	AJ 06/30/16 06501	Close out Capital Expend FY16		150,435.39	
5253	027350				11/16	AP 05/16/16 1555634	LEIDOS ENGINEERING, LLC	19,385.56		
4570	027289				11/16	AP 05/13/16 0154884	SUBSTATION IMP	81.58		
4570	027350				11/16	AP 05/11/16 0154902	DOCUMENTS	24,106.41		
4571	027350				10/16	AP 04/07/16 0154902	ENG & DESIGN SERVICE	20,172.43		
4177	027350				10/16	AP 04/06/16 0154307	ENG & DESIGN SERV SUBS	5,916.70		
3829	027302				09/16	AP 03/23/16 0153962	PUBLIC WORKS/RELATED SERV	227.70		
3829	027302				09/16	AP 03/23/16 0153962	LEGAL AD TRANSFORMER	234.60		
3857					10/16	AP 03/16/16 0153918	LEGAL ADSUB STRUCT	1,138.00		
3829	027350				09/16	AP 03/10/16 0153942	NOTICES	10,754.89		
4582					08/16	BA 02/28/16 A02000	ENG SVCS AIRPORT & ALOLA			
3611	027350				08/16	AP 02/10/16 0153748	FY16 Mid-Year Adj Expenditures	5,688.75		
3501	027350				07/16	AP 01/06/16 0153664	LEIDOS ENGINEERING, LLC	4,153.13		
2546	027350				06/16	AP 12/09/15 0152759	AIRPORT AND ALOLA SUBSTN	2,460.17		
2543	027350				05/16	AP 11/24/15 0152759	SUBSTATION ENG SVCS	19,399.04		
1344	027350				04/16	AP 10/07/15 0151691	SUBSTATION ENG SVCS	3,804.82		
1229	027350				03/16	AP 09/09/15 0151596	ENG SERVICES	6,842.81		
2529	027350				02/16	AP 08/18/15 0152759	DESIGN SERVICES	6,720.50		
2529	027350				02/16	AP 08/18/15 0152759	SUBSTATION ENG SVCS	6,318.00		
2690					01/16	BA 07/31/15 A07000	SUBSTATION ENG SVCS			
588	027350				01/16	AP 07/21/15 0152759	FY15 Continuing Apprtn RevenueC/over	6,747.28		
2512	027350				01/16	AP 07/07/15 0152759	LEIDOS ENGINEERING, LLC	6,283.02		
1859					01/16	BA 07/01/15 ENC/BUADAJ	LEIDOS ENGINEERING, LLC			
ACCOUNT TOTAL								150,435.39	150,435.39	.00

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
4960						Close out capital expend for FY 17		591,274.98	
4413	028183	11/17	AP	05/25/17	0160066	SIEMENS INDUSTRY, INC	94,281.25		
4442						CIRCUIT BREAKERS			
		11/17	BA	05/23/17	A05000	Continuing Appropriations from FY16 budgeted amts.			
4077	027350	11/17	AP	05/12/17	0159696	LEIDOS ENGINEERING, LLC	3,024.57		
3815	027350	10/17	AP	04/25/17	0159479	LEIDOS ENGINEERING, LLC	32,798.63		
3631						EL ISSUES	4,096.39		
		10/17	AJ	04/17/17	PI	041717 - 041717 WORK ORDER: WF0012861	JOB ORDER: 041		
3946						EL ISSUES	151.12		
		10/17	AJ	04/17/17	PI	041717 - 041717 WORK ORDER: WF0012861	JOB ORDER: 041		
3540	027350	10/17	AP	04/03/17	0159041	LEIDOS ENGINEERING, LLC	161.13		
3720	027350	10/17	AP	04/01/17	0159242	VIRGINIA TRANSFORMER CORP	39,075.43		
4649	028184	11/17	AP	04/01/17	0160243	VIRGINIA TRANSFORMER CORP	351,678.87		
4649	028184	11/17	AP	04/01/17	0160243	TRANSFORMER 10%			
3253	027350	09/17	AP	03/13/17	0158836	TRANSFORMER 90%	983.99		
3046	027350	08/17	AP	02/16/17	0158677	LEIDOS ENGINEERING, LLC	4,376.28		
2804						EL ISSUES	151.61		
		08/17	AJ	02/15/17	PI	021517 - 021517			
2804						EL ISSUES	348.26		
		08/17	AJ	02/15/17	PI	021517 - 021517 WORK ORDER: WF0012861	JOB ORDER: 042		
2804						EL ISSUES	215.09		
		08/17	AJ	02/15/17	PI	021517 - 021517 WORK ORDER: WF0012861	JOB ORDER: 016		
2807						EL ISSUES	734.44		
		08/17	AJ	02/15/17	PI	021517 - 021517 WORK ORDER: WF0012861	JOB ORDER: 042		
2807						EL ISSUES	105.57		
		08/17	AJ	02/15/17	PI	021517 - 021517 WORK ORDER: WF0012861	JOB ORDER: 042		
3254	027350	08/17	AP	02/13/17	0158836	LEIDOS ENGINEERING, LLC	731.47		
2672	027350	07/17	AP	01/06/17	0158330	LEIDOS ENGINEERING, LLC	6,002.37		
2490	027350	06/17	AP	12/12/16	0157978	LEIDOS ENGINEERING, LLC	3,941.11		
1803						EL ISSUES	4,311.63		

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GROUP NBR	PO NBR	ACTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-32 SPL UTIL CAP-SPL PROJECTS / ALOLA SUBSTATION									
112816 - 112816 WORK ORDER: continued									
1796	05/17	AJ	11/23/16	PI		EL ISSUES	036		
						112316 - 112316 WORK ORDER:	60.76		
1796	05/17	AJ	11/23/16	PI		EL ISSUES	036		
						112316 - 112316 WORK ORDER:	4,696.55		
1918	05/17	AJ	11/23/16	PI		EL ISSUES	035		
						112316 - 112316 WORK ORDER:	71.82		
2848	05/17	AJ	11/23/16	PI		EL ISSUES	035		
						110116 - 112316 WORK ORDER:	3,871.83		
1915	027350	05/17	AP	11/18/16	0157487	LEIDOS ENGINEERING, LLC	040		
						WORK ORDER:	424.12		
2472	027350	05/17	AP	11/10/16	0157978	LEIDOS ENGINEERING, LLC	3,061.68		
1409	027350	04/17	AP	10/18/16	0156947	LEIDOS ENGINEERING, LLC	3,940.64		
1218	04/17	AJ	10/04/16	PI		EL ISSUES	1,573.17		
						100416 - 100416 WORK ORDER:			
1218	04/17	AJ	10/04/16	PI		EL ISSUES	036		
						100416 - 100416 WORK ORDER:	455.17		
1273	027350	03/17	AP	09/13/16	0156731	LEIDOS ENGINEERING, LLC	036		
						WORK ORDER:	344.79		
1084	027350	02/17	AP	08/19/16	0156547	LEIDOS ENGINEERING, LLC	6,684.03		
881	027350	02/17	AP	08/10/16	0156369	LEIDOS ENGINEERING, LLC	13,615.77		
300	027350	02/17	AP	08/05/16	1555634	LEIDOS ENGINEERING, LLC		19,385.56	
301	027350	02/17	AP	08/05/16	0155633	LEIDOS ENGINEERING, LLC	19,385.56		
1085	027350	01/17	AP	07/11/16	0156547	LEIDOS ENGINEERING, LLC	698.56		
1447	01/17	BA	07/01/16	ENC/BUDADJ					
ACCOUNT TOTAL							610,660.54		.00
FUND TOTAL							610,660.54		.00

ACCOUNT ACTIVITY LISTING

PREPARED 05/07/2018, 17:25:50
PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-32 SPL UTIL CAP-SPL PROJECTS / ALOLA SUBSTATION									
2890	027350	08/18	AP	02/12/18	0163515	LEIDOS ENGINEERING, LLC	132.61		
ENG SERVICES									
2892	028584	07/18	AP	01/01/18	0163437	ONE SOURCE DISTRIBUTORS	54,861.99		
SUBSTATION SWITCH									
1955		06/18	BA	12/12/17	A12000	Continuing Appropriations Expenditures			
LEIDOS ENGINEERING, LLC									
1992	027350	06/18	AP	12/11/17	0162539	LEIDOS ENGINEERING, LLC	656.14		
PUBLIC WORKS/RELATED SERV									
2172	028185	06/18	AP	12/07/17	0162862	MYERS POWER PRODUCTS, INC	346,377.46		
SWITCHGEAR									
1657	027350	05/18	AP	11/14/17	0162263	LEIDOS ENGINEERING, LLC	262.57		
ENG SERVICES									
1383	028184	03/18	AP	09/29/17	0162025	VIRGINIA TRANSFORMER CORP	352,494.83		
SUB TRANSFORMER 90%									
1504	028184	03/18	AP	09/29/17	0162129	VIRGINIA TRANSFORMER CORP	38,259.47		
FINAL DOC ALOLA TRANSF									
1533	027350	03/18	AP	09/21/17	0162088	LEIDOS ENGINEERING, LLC	18,852.54		
ENG SERVICES									
909	027350	03/18	AP	09/20/17	0161585	LEIDOS ENGINEERING, LLC	167.61		
ENGINEERING SVCS									
1383	028181	03/18	AP	09/15/17	0161943	DIS-TRAN PACKAGED SUBSTATIONS	139,050.01		
SUB TRANSFORMER									
390		02/18	AJ	08/17/17	PI	EL ISSUES	269.95		
081717 - 081717									
WORK ORDER: WF0012861 JOB ORDER: 054									
395		02/18	AJ	08/17/17	PI	EL ISSUES	283.20		
081717 - 081717									
WORK ORDER: WF0012861 JOB ORDER: 055									
910	027350	02/18	AP	08/15/17	0161506	LEIDOS ENGINEERING, LLC	1,415.20		
ENGINEERING SVCS									
743	028584	02/18	AP	08/08/17	0161354	ONE SOURCE DISTRIBUTORS	1,053.20		
OVERHEAD WIRE									
311		02/18	AJ	08/02/17	PI	EL ISSUES	700.07		
080217 - 080217									
WORK ORDER: WF0012861 JOB ORDER: 057									
395		02/18	AJ	08/01/17	PI	EL ISSUES	8.87		
080117 - 080117									
911	027350	01/18	AP	07/12/17	0161506	LEIDOS ENGINEERING, LLC	301.30		
ENGINEERING SVCS									
1325		01/18	BA	07/01/17	ENC/BUDADJ				
ACCOUNT TOTAL							955,147.02	.00	955,147.02
FUND TOTAL							955,147.02	.00	955,147.02

ACCOUNT ACTIVITY LISTING

PREPARED 05/08/2018, 10:11:39

PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674	07	ELEC REV BOND PROJ FD							
674-7000-4730		96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING							
4730		13/15 AJ 06/30/15 06501				Close out capital expend. FY15			
4445		12/15 AJ 06/15/15 PI				EL ISSUES 061515 - 061515	22.88		
4365		12/15 AJ 06/11/15 PI				EL ISSUES 061115 - 061115 WORK ORDER: WF0096240 JOB ORDER: 086	743.09		
4330	026719	12/15 AP 06/04/15 0149928				SO CAL WEST COAST ELECTRIC, I			1,375,515.28
4155	027185	11/15 AP 05/20/15 0149712				J & R CONCRETE PRODUCTS, INC.			
3989		11/15 AJ 05/19/15 PI				EL ISSUES 051915 - 051915 HOME DEPOT #8987	119.06		
4041		10/15 AP 04/27/15 0149566				WASHERS	11.24		
3640		10/15 AJ 04/23/15 PI				EL ISSUES 042315 - 042315	246.23		
3640		10/15 AJ 04/23/15 PI				EL ISSUES 042315 - 042315	116.75		
3640		10/15 AJ 04/23/15 PI				EL ISSUES 042315 - 042315	58.00		
3672		10/15 AJ 04/22/15 PI				EL ISSUES 042215 - 042215 HOME DEPOT #8987	15.62		
4041		10/15 AP 04/14/15 0149566				PAINT	173.57		
3452		10/15 AJ 04/13/15 PI				EL ISSUES 041315 - 041315 WORK ORDER:	3,008.94		
3452		10/15 AJ 04/13/15 PI				EL ISSUES 041315 - 041315 WORK ORDER:	070 341.75		
3452		10/15 AJ 04/13/15 PI				EL ISSUES 041315 - 041315 WORK ORDER:	074 97.07		
3461		10/15 AJ 04/13/15 PI				EL ISSUES 041315 - 041315 WORK ORDER:	072 10,511.68		
3461		10/15 AJ 04/13/15 PI				EL ISSUES 041315 - 041315 WORK ORDER:	073 1,860.91		
3418		10/15 AJ 04/09/15 PI				EL ISSUES 040915 - 040915	077 22.55		
3650		10/15 AJ 04/08/15 PI				EL ISSUES 040815 - 040815	42.76		
3261		09/15 AJ 03/25/15 PI				EL ISSUES 032515 - 032515 WORK ORDER:	1,724.79		
3166		09/15 AP 03/19/15 0148585				WIRE CONNECTORS, WIRE	062		159.39

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION----- NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ PD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING continued									
3167				09/15 AP	03/19/15 0148691	HOME DEPOT #8987			159.39
WIRE CONNECTORS, WIRE									
3248				09/15 AJ	03/16/15 PI	EL ISSUES 031615 - 031615 WORK ORDER:			1,681.18
							WF0096240	JOB ORDER: 075	
									1,247.36
3248				09/15 AJ	03/13/15 PI	EL ISSUES 031315 - 031315 WORK ORDER:			
							WF0096240	JOB ORDER: 076	
									185.12
3269				09/15 AJ	03/12/15 PI	EL ISSUES 031215 - 031215			73.16
3269				09/15 AJ	03/12/15 PI	EL ISSUES 031215 - 031215			53.68
3094				09/15 AJ	03/11/15 PI	EL ISSUES 031115 - 031115			1,049.60
3086				09/15 AJ	03/09/15 PI	EL ISSUES 030915 - 030915			710.24
3065				09/15 AJ	03/05/15 PI	EL ISSUES 030515 - 030515			98.55
3065				09/15 AJ	03/05/15 PI	EL ISSUES 030515 - 030515			236.20
3079				09/15 AJ	03/05/15 PI	EL ISSUES 030515 - 030515			130.14
3065				09/15 AJ	03/04/15 PI	EL ISSUES 030415 - 030415			143.35
3079				09/15 AJ	03/04/15 PI	EL ISSUES 030415 - 030415			695.25
3079				09/15 AJ	03/04/15 PI	EL ISSUES 030415 - 030415			69.83
3065				09/15 AJ	03/03/15 PI	EL ISSUES 030315 - 030315 HOME DEPOT #8987			176.42
									159.39
3017				09/15 AP	03/03/15 0148585	SO CAL WEST COAST ELECTRIC, I			254,089.00
WIRE CONNECTORS, WIRE									
3199	026719			08/15 AP	02/25/15 0148826	LEIDOS ENGINEERING, LLC			1,070.25
PUBLIC WORKS/RELATED SERV									
3002	026634			07/15 AP	02/19/15 0148600	CONV PROJ-12/6/14-1/30/15			112.50
PROJ MGMT UNDERGROUND									
2574				08/15 AJ	02/10/15 PI	EL ISSUES 021015 - 021015			23.74
2832				08/15 AJ	02/10/15 PI	EL ISSUES 021015 - 021015			222.48
2535				08/15 AJ	02/09/15 PI	EL ISSUES 020915 - 020915 WORK ORDER:			
							WF0132512	JOB ORDER: 127	
2535				08/15 AJ	02/09/15 PI	EL ISSUES 020915 - 020915			444.96
2535				08/15 AJ	02/09/15 PI	EL ISSUES 020915 - 020915			222.48

GROUP PO ACCTG PER. CD DATE DESCRIPTION

FUND 674 07 ELEC REV BOND PROJ FD

674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING

WORK ORDER: WF0132512

continued JOB ORDER: 128

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 138 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 138 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 070 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 134 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 125 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 141 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 107 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 130 222.48

2535 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 117 222.48

2574 08/15 AJ 02/09/15 PI EL ISSUES 020915 - 020915 WORK ORDER: WF0132512 JOB ORDER: 137 1,164.92

2592 08/15 AJ 02/05/15 PI EL ISSUES 020515 - 020515 WORK ORDER: WF0132512 JOB ORDER: 148 222.48

2592 08/15 AJ 02/05/15 PI EL ISSUES 020515 - 020515 WORK ORDER: WF0132512 JOB ORDER: 152 222.48

2592 08/15 AJ 02/05/15 PI EL ISSUES 020515 - 020515 WORK ORDER: WF0132512 JOB ORDER: 153 222.48

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING continued									
2592	08/15	AJ	02/05/15	PI	EL ISSUES	020515 - 020515 WORK ORDER: WF0132512	JOB ORDER: 158 1,334.88		
2592	08/15	AJ	02/05/15	PI	EL ISSUES	020515 - 020515 WORK ORDER: WF0125558	JOB ORDER: 026 222.48		
2599	08/15	AJ	02/05/15	PI	EL ISSUES	020515 - 020515 WORK ORDER: WF0125558	JOB ORDER: 029 222.48		
2605	08/15	AJ	02/05/15	PI	EL ISSUES	020515 - 020515 WORK ORDER: WF0125558	JOB ORDER: 022 222.48		
2605	08/15	AJ	02/05/15	PI	EL ISSUES	020515 - 020515 WORK ORDER: WF0125558	JOB ORDER: 022 222.48		
2574	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 023 40.75		
2592	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 018 444.96		
2592	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 017 444.96		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 016 222.48		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 015 222.48		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 014 444.96		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 013 1,112.40		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 012 889.92		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 011 1,112.40		
2599	08/15	AJ	02/04/15	PI	EL ISSUES	020415 - 020415 WORK ORDER: WF0125558	JOB ORDER: 025 222.48		
2526	08/15	AJ	02/03/15	PI	EL ISSUES	020315 - 020315 WORK ORDER: WF0132512	JOB ORDER: 154		

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ PD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
2526		08/15	AJ	02/03/15	PI	EL ISSUES 020315 - 020315 WORK ORDER: WF0132512	continued 222.48		
2526		08/15	AJ	02/03/15	PI	EL ISSUES 020315 - 020315 WORK ORDER: WF0132512	157 222.48		
2526		08/15	AJ	02/03/15	PI	EL ISSUES 020315 - 020315 WORK ORDER: WF0132512	156 222.48		
2526		08/15	AJ	02/02/15	PI	EL ISSUES 020315 - 020315 WORK ORDER: WF0132512	155 222.48		
2535		08/15	AJ	02/02/15	PI	EL ISSUES 020215 - 020215 WORK ORDER: WF0132512	133 222.48		
2535		08/15	AJ	02/02/15	PI	EL ISSUES 020215 - 020215 WORK ORDER: WF0132512	140 222.48		
2535		08/15	AJ	02/02/15	PI	EL ISSUES 020215 - 020215 WORK ORDER: WF0132512	098 396.36		
2349		07/15	AJ	01/28/15	PI	EL ISSUES 012815 - 012815 WORK ORDER: WF0132512	107 222.48		
2349		07/15	AJ	01/28/15	PI	EL ISSUES 012815 - 012815 WORK ORDER: WF0132512	072 222.48		
2349		07/15	AJ	01/28/15	PI	EL ISSUES 012815 - 012815 WORK ORDER: WF0132512	072 444.96		
2349		07/15	AJ	01/28/15	PI	EL ISSUES 012815 - 012815 WORK ORDER: WF0132512	136 222.48		
2264		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	073 222.48		
2349		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	113 222.48		
2349		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	007 792.72		
2349		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	076 222.48		
2349		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	089 222.48		
2349		07/15	AJ	01/26/15	PI	EL ISSUES 012615 - 012615 WORK ORDER: WF0132512	085 222.48		

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
012615 - 012615 WORK ORDER: WF0132512 JOB ORDER: 087 continued									
2349		07/15	AJ	01/26/15	PI	EL ISSUES	222.48		
012615 - 012615 WORK ORDER: WF0132512 JOB ORDER: 050									
2319		07/15	AJ	01/22/15	PI	EL ISSUES	222.48		
012215 - 012215 WORK ORDER: WF0132512 JOB ORDER: 118									
2319		07/15	AJ	01/22/15	PI	EL ISSUES	222.48		
012215 - 012215 WORK ORDER: WF0132512 JOB ORDER: 119									
2572	026719	07/15	AP	01/20/15	0148270	SO CAL WEST COAST ELECTRIC, I	115,808.25		
PUBLIC WORKS/RELATED SERV									
2264		07/15	AJ	01/16/15	PI	EL ISSUES	1,769.11		
011615 - 011615 WORK ORDER: WF0132512 JOB ORDER: 076									
2264		07/15	AJ	01/15/15	PI	EL ISSUES	1,609.85		
011515 - 011515 WORK ORDER: WF0132512 JOB ORDER: 084									
2264		07/15	AJ	01/15/15	PI	EL ISSUES	222.48		
011515 - 011515 WORK ORDER: WF0132512 JOB ORDER: 115									
2264		07/15	AJ	01/14/15	PI	EL ISSUES	222.48		
011415 - 011415 WORK ORDER: WF0132512 JOB ORDER: 116									
2266		07/15	AJ	01/14/15	PI	EL ISSUES	12,332.90		
011415 - 011415 WORK ORDER: WF0096240 JOB ORDER: 056									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 121									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 122									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 123									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 114									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 112									
2264		07/15	AJ	01/13/15	PI	EL ISSUES	222.48		
011315 - 011315 WORK ORDER: WF0132512 JOB ORDER: 085									
2264		07/15	AJ	01/12/15	PI	EL ISSUES	222.48		
011215 - 011215 WORK ORDER: WF0132512 JOB ORDER: 110									

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

-----TRANSACTION-----				DEBITS		CREDITS	
GROUP NBR	PO NBR	ACTG PER.	CD DATE	DESCRIPTION	NUMBER		
FUND 674 07 ELEC REV BOND PROJ FD							
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING							
2264		07/15	AJ 01/12/15	EL ISSUES	011215 - 011215	continued	222.48
				WORK ORDER:			
2264		07/15	AJ 01/12/15	EL ISSUES	011215 - 011215	JOB ORDER:	087
				WORK ORDER:			222.48
2030		07/15	AJ 01/08/15	EL ISSUES	010815 - 010815		111
				WORK ORDER:			374.76
2264		07/15	AJ 01/08/15	EL ISSUES	010815 - 010815		222.48
				WORK ORDER:			
2264		07/15	AJ 01/07/15	EL ISSUES	010715 - 010715	JOB ORDER:	050
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	108
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	104
				WORK ORDER:			228.58
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	103
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	102
				WORK ORDER:			228.58
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	101
				WORK ORDER:			396.36
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	100
				WORK ORDER:			396.36
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615		222.48
				WORK ORDER:			
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	068
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	064
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	080
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	078
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	077
				WORK ORDER:			222.48
1928		07/15	AJ 01/06/15	EL ISSUES	010615 - 010615	JOB ORDER:	081
				WORK ORDER:			

ACCOUNT ACTIVITY LISTING

PREPARED 05/08/2018, 10:11:39

PROGRAM GM360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION----- NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674	07	ELEC REV BOND PROJ FD							
674-7000-473	96-29	SPL UTIL CAP-SPL				PROJECTS / D.T. UG CONV/DEC LIGHTING			
1928		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						continued			
							222.48		
1934		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 079			
							222.48		
1934		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 092			
							222.48		
1934		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 058			
							222.48		
2008		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 075			
							231.72		
2008		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 048			
							222.48		
2008		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 091			
							222.48		
2264		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 090			
							222.48		
2264		07/15 AJ 01/06/15 PI				EL ISSUES			
						010615 - 010615			
						WORK ORDER: WF0132512			
						JOB ORDER: 120			
							222.48		
1963	026634	06/15 AP 12/15/14 0147822				LEIDOS ENGINEERING, LLC			
1690		MISCELLANEOUS SERVICES							
		06/15 AJ 12/11/14 PI				EL ISSUES			
						121114 - 121114			
						WORK ORDER: WF0132512			
						JOB ORDER: 061			
							222.48		
1690		06/15 AJ 12/01/14 PI				EL ISSUES			
						120114 - 120114			
						WORK ORDER: WF0132512			
						JOB ORDER: 065			
							226.68		
1690		06/15 AJ 12/01/14 PI				EL ISSUES			
						120114 - 120114			
						WORK ORDER: WF0132512			
						JOB ORDER: 063			
							898.32		
1495		05/15 AJ 11/20/14 PI				EL ISSUES			
						112014 - 120114			
						WORK ORDER: WF0132512			
						JOB ORDER: 067			
							222.48		
1501		05/15 AJ 11/20/14 PI				EL ISSUES			
						112014 - 112014			
						WORK ORDER: WF0132512			
						JOB ORDER: 053			
							222.48		
1501		05/15 AJ 11/20/14 PI				EL ISSUES			
						112014 - 112014			
						WORK ORDER: WF0132512			
						JOB ORDER: 051			
							222.48		

GROUP PO ACCTG PER. CD DATE NUMBER DESCRIPTION DEBITS CREDITS CURRENT BALANCE															
FUND 674 07 ELEC REV BOND PROJ FD															
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING															
1501		05/15	AJ	11/20/14	PI	EL ISSUES	112014 - 112014	WORK ORDER: WF0132512	continued	JOB ORDER: 052	222.48				
1501		05/15	AJ	11/20/14	PI	EL ISSUES	112014 - 112014	WORK ORDER: WF0132512	JOB ORDER: 056	222.48					
1484		05/15	AJ	11/19/14	PI	EL ISSUES	111914 - 111914	WORK ORDER: WF0132512	JOB ORDER: 047	222.48					
1484		05/15	AJ	11/19/14	PI	EL ISSUES	111914 - 111914	WORK ORDER: WF0132512	JOB ORDER: 042	222.48					
1484		05/15	AJ	11/19/14	PI	EL ISSUES	111914 - 111914	WORK ORDER: WF0132512	JOB ORDER: 033	222.48					
1484		05/15	AJ	11/19/14	PI	EL ISSUES	111914 - 111914	WORK ORDER: WF0132512	JOB ORDER: 049	222.48					
1495		05/15	AJ	11/19/14	PI	EL ISSUES	111914 - 111914	WORK ORDER: WF0132512	JOB ORDER: 045	222.48					
1495		05/15	AJ	11/13/14	PI	EL ISSUES	111314 - 111314	WORK ORDER: WF0132512	JOB ORDER: 055	222.48					
1524	026634	05/15	AP	11/13/14	0147356	LEIDOS ENGINEERING, LLC							JOB ORDER: 041	742.75	
1423		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 031	792.72					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 036	222.48					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 030	222.48					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 039	222.48					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 038	222.48					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 035	222.48					
1495		05/15	AJ	11/10/14	PI	EL ISSUES	111014 - 111014	WORK ORDER: WF0132512	JOB ORDER: 035	667.44					

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
110614 - 110614									
1423	05/15	AJ	11/05/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 026	165.59	
1484	05/15	AJ	11/05/14	PI	EL ISSUES	WORK ORDER: WF0096240	JOB ORDER: 061	792.72	
1484	05/15	AJ	11/05/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 019	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 037	23,643.03	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0096240	JOB ORDER: 053	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 024	618.84	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 027	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 010	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 006	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 005	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 007	222.48	
1176	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 008	222.48	
1182	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0125558	JOB ORDER: 009	222.48	
1182	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 004	222.48	
1182	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 005	396.36	
1182	05/15	AJ	11/04/14	PI	EL ISSUES	WORK ORDER: WF0132512	JOB ORDER: 006	444.96	

GROUP				TRANSACTION		DESCRIPTION		DEBITS		CREDITS		CURRENT BALANCE
NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER							

FUND 674 07 ELEC REV BOND PROJ FD

674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING												
WORK ORDER: WF0132512 JOB ORDER: 003 continued												
1182	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1182	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1182	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1182	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	444.96		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	228.58		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	021		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	028		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	444.96		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	022		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	014		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	012		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	020		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	222.48		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	016		
1188	05/15	AJ	11/04/14	PI	EL ISSUES	110414 - 110414	WORK ORDER:	WF0132512	JOB ORDER:	228.58		
1635	026719	05/15	AP	11/01/14	0147458	SO CAL WEST COAST ELECTRIC, I						
PUBLIC WORKS/RELATED SERV 95,876.50												
1170	026719	04/15	AP	10/24/14	0147033	SO CAL WEST COAST ELECTRIC, I						
445,038.00												

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-----TRANSACTION-----				DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
GROUP NBR	PO NBR	ACCTG PER.	CD DATE				
FUND 674 07 ELEC REV BOND PROJ FD							
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING continued							
800				EL ISSUES 100214 - 100214	106.90		
792				EL ISSUES 100114 - 100114 WORK ORDER: WF0132512	222.48	002 222.48	
792				EL ISSUES 100114 - 100114 WORK ORDER: WF0086513	999 161.44	999	
792				EL ISSUES 100114 - 100114 WORK ORDER: WF0107052	040 402.43	040	
792				EL ISSUES 100114 - 100114 WORK ORDER: WF0132512	444.96 001 34,062.57	001	
793				EL ISSUES 100114 - 100114 WORK ORDER: WF0096240	040 1,075.63	040	
793				EL ISSUES 100114 - 100114 WORK ORDER: WF0096240	040 106.90	040	
793				EL ISSUES 100114 - 100114	9.37		
793				EL ISSUES 100114 - 100114	430.31		
830				EL ISSUES 100114 - 100114	25.14		
663				EL ISSUES 100114 - 100114 WORK ORDER: WF0096240	040 222.48	040	
828	026634	03/15	AP	09/16/14 0146693 MISCELLANEOUS SERVICES	830.50	997	
718	026679	03/15	AP	09/12/14 0146546 SHIPPING & HANDLING	68.68		
605				EL ISSUES 091114 - 091114	1,877.27		
663				EL ISSUES 091114 - 091114 WORK ORDER: WF0086513	222.48	996	
587				EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	222.48	986	
587				EL ISSUES 091014 - 091014	222.48		

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
						WORK ORDER: WF0086513	continued		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	988	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	987	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	983	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	984	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	973	444.96	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	974	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	967	667.44	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	965	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	962	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	959	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	957	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	954	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	972	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	971	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	982	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		
587		03/15	AJ	09/10/14	PI	EL ISSUES 091014 - 091014	981	222.48	
						WORK ORDER: WF0086513	JOB ORDER:		

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
091014 - 091014 continued									
587	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	963 222.48		
587	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	969 222.48		
587	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	970 222.48		
587	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	978 222.48		
587	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	977 222.48		
663	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	976 1,112.40		
663	03/15	AJ		09/10/14	PI	EL ISSUES 091014 - 091014 WORK ORDER: WF0086513	979 444.96		
663	03/15	AJ		09/09/14	PI	EL ISSUES 090914 - 090914 WORK ORDER: WF0086513	995 444.96		
663	03/15	AJ		09/09/14	PI	EL ISSUES 090914 - 090914 WORK ORDER: WF0086513	994 222.48		
675	026634	03/15	AP	09/05/14	0146556	LEIDOS ENGINEERING, LLC	993		
605	03/15	AJ		09/04/14	PI	EL ISSUES 090414 - 090414 WORK ORDER: WF0086513	568.50 667.44		
389	02/15	AP		08/21/14	0146136	ROBINSON, BRANDON A	992		
510	026679	02/15	AP	08/18/14	0146349	FEDEX	50.00		
510	026679	02/15	AP	08/08/14	0146349	FEDEX	197.76		
1508	01/15	BA		07/31/14	A07000	Continuing Appropriations and proj Rev Carryovers	56.45		
87	01/15	AJ		07/16/14	PI	EL ISSUES 071614 - 071614 WORK ORDER: WF0107052	161.39 038		
502	026719	01/15	AP	07/15/14	0146391	SO CAL WEST COAST ELECTRIC, I	221,197.00		
1008	01/15	BA		07/01/14	ENC/BUDADJ				
ACCOUNT TOTAL							1,375,674.67	1,375,674.67	.00

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GROUP		PO	ACCTG	TRANSACTION		DESCRIPTION		DEBITS	CREDITS	CURRENT
NBR	NBR	PER.	CD	DATE	NUMBER					BALANCE
								1,375,674.67	1,375,674.67	.00
FUND TOTAL										
								1,375,674.67	1,375,674.67	.00
GRAND TOTAL										

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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-29 SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING									
5423 13/16 AJ 06/30/16 06501 Close out Capital Expend FY16									
4967		12/16	AJ	06/22/16	PI	EL ISSUES 062216 - 062216 WORK ORDER: WF0003266	1,263.85 JOB ORDER: 429 25,367.00		473,568.84
4908		12/16	AJ	06/20/16	PI	EL ISSUES 062016 - 062016			
4916		12/16	AJ	06/08/16	PI	EL ISSUES 060816 - 060816 WORK ORDER: WF00096240	5,360.16 JOB ORDER: 119 20.23		
4418		11/16	AJ	05/11/16	PI	EL ISSUES 051116 - 051116			
4269		11/16	AJ	05/10/16	PI	EL ISSUES 051016 - 051016	280,657.82		
4228		11/16	AJ	05/06/16	PI	EL ISSUES 050616 - 050616 WORK ORDER: WF00096240	154.14 JOB ORDER: 118 269.92		
4232		11/16	AJ	05/04/16	PI	EL ISSUES 050416 - 050416 WORK ORDER: WF00096240	116 JOB ORDER: 601.20		
3821		10/16	AJ	04/11/16	PI	EL ISSUES 041116 - 041116 WORK ORDER: WF0113629	284 JOB ORDER: 1,534.86		
3713		10/16	AJ	04/05/16	PI	EL ISSUES 040516 - 040516 WORK ORDER: WF0148290	004 JOB ORDER: 306.50		
3610	026634	09/16	AP	03/11/16	0153748	LEIDOS ENGINEERING, LLC			
3099		08/16	AJ	02/24/16	PI	EL ISSUES 022416 - 022416	56.13		
3079		08/16	AJ	02/23/16	PI	EL ISSUES 022316 - 022316	719.94		
2927		08/16	AJ	02/16/16	PI	EL ISSUES 021616 - 021616 WORK ORDER: PRESS-ENTERPRISE, THE	23,944.93 JOB ORDER: 110 331.20		
2801	027302	07/16	AP	01/25/16	0153088	DTUG RFP ADVERT			
2427		07/16	AJ	01/13/16	PI	EL ISSUES 011316 - 011316	9.74		
2109		06/16	AJ	12/21/15	PI	EL ISSUES 122115 - 122115 WORK ORDER: WF00096240	9,679.47 JOB ORDER: 103 76.03		
2257		07/16	AJ	12/21/15	PI	EL ISSUES 122115 - 122115 WORK ORDER: WF00096240	103 JOB ORDER: 103 38.78		
1919		06/16	AJ	12/08/15	PI	EL ISSUES 120815 - 120815	198.18		
1941		06/16	AJ	12/08/15	PI	EL ISSUES 120815 - 120815			

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TRANSACTION				DEBITS		CREDITS		CURRENT BALANCE
GROUP NBR	PO NBR	ACCTG PER.	CD DATE	DESCRIPTION	NUMBER			
FUND 674 07				ELEC REV BOND PROJ FD				
674-7000-473.96-29				SPL UTIL CAP-SPL				
1903				05/16 AJ 12/07/15 PI				
1726				05/16 AJ 11/19/15 PI				
1686				05/16 AJ 11/18/15 PI				
1686				05/16 AJ 11/18/15 PI				
2256				07/16 AJ 11/18/15 PI				
1584				05/16 AJ 11/10/15 PI				
1591				05/16 AJ 11/10/15 PI				
1596				05/16 AJ 11/10/15 PI				
2256				07/16 AJ 11/10/15 PI				
1556				05/16 AJ 11/09/15 PI				
1556				05/16 AJ 11/09/15 PI				
2256				07/16 AJ 11/09/15 PI				
1765				05/16 AJ 11/04/15 PI				
1436				05/16 AJ 11/02/15 PI				
1591				05/16 AJ 11/02/15 PI				
2256				07/16 AJ 11/02/15 PI				
2256				07/16 AJ 11/02/15 PI				
1405				04/16 AJ 10/29/15 PI				
				EL ISSUES				
				120715 - 120715				
				EL ISSUES				
				111915 - 111915				
				EL ISSUES				
				111815 - 111815				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				090				
				1,942.53				
				EL ISSUES				
				111815 - 111815				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				090				
				85.54				
				EL ISSUES				
				111815 - 111815				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				090				
				78.33				
				EL ISSUES				
				111015 - 111015				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				093				
				1,376.41				
				EL ISSUES				
				111015 - 111015				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				092				
				43.75				
				EL ISSUES				
				111015 - 111015				
				EL ISSUES				
				111015 - 111015				
				EL ISSUES				
				111015 - 111015				
				EL ISSUES				
				110915 - 110915				
				WORK ORDER:				
				WF0006687				
				JOB ORDER:				
				086				
				2,511.27				
				EL ISSUES				
				110915 - 110915				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				096				
				47.52				
				EL ISSUES				
				110915 - 110915				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				096				
				17.35				
				EL ISSUES				
				110415 - 110415				
				WORK ORDER:				
				WF0006687				
				JOB ORDER:				
				083				
				2,800.46				
				EL ISSUES				
				110215 - 110215				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				094				
				219.46				
				EL ISSUES				
				110215 - 110215				
				WORK ORDER:				
				WF0135250				
				JOB ORDER:				
				395				
				104.54				
				EL ISSUES				
				110215 - 110215				
				WORK ORDER:				
				WF0096240				
				JOB ORDER:				
				094				
				28.51				
				EL ISSUES				
				110215 - 110215				
				WORK ORDER:				
				WF0135250				
				JOB ORDER:				
				395				
				1,293.81				
				EL ISSUES				

ACCOUNT ACTIVITY LISTING

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PROGRAM GN360L
CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----									
FUND 674	07	ELEC REV BOND PROJ FD							
674-7000	473.96-29	SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING				continued			
		102915 - 102915				WORK ORDER: WF0096240			
		EL ISSUES				JOB ORDER: 095			
1218	04/16	AJ		10/19/15	PI			1,207.13	
		101915 - 101915				WORK ORDER: 108			
1218	04/16	AJ		10/08/15	PI			91.16	
		100815 - 100815				WORK ORDER: 090			
994	04/16	AJ		10/05/15	PI			28.41	
		100515 - 100515				SO CAL WEST COAST ELECTRIC, I		104,000.00	
1562	026719	03/16	AP	09/21/15	0151886				
		CHANGE ORDER						8.40	
899	03/16	AJ		09/16/15	PI			20.90	
		091615 - 091615				EL ISSUES			
710	03/16	AJ		09/02/15	PI			7,926.11	
		090215 - 090215				LEIDOS ENGINEERING, LLC			
566	026634	02/16	AP	08/18/15	0152759				
		SUBSTATION ENG SVCS							
2492	026634	02/16	AP	08/18/15	0152759				
		TO CORRECT PO							
2690	01/16	BA		07/31/15	A07000				
		FY15 Continuing Apprtn RevenueC/over							
138	01/16	AJ		07/22/15	PI			522.34	
		072215 - 072215				WORK ORDER: WF0096240			
130	01/16	AJ		07/13/15	PI			1,418.54	
		071315 - 071315				WORK ORDER: 106			
100	01/16	AJ		07/09/15	PI			2,201.06	
		070915 - 070915				WORK ORDER: 105			
102	01/16	AJ		07/09/15	PI			221.83	
		070915 - 070915				WORK ORDER: 105			
500	01/16	AP		07/08/15	0150790			47.62	
		WIRENUT WIRE				HOME DEPOT #8987			
100	01/16	AJ		07/07/15	PI			891.45	
		070715 - 070715				WORK ORDER: WF0096240			
317	026634	01/16	AP	07/07/15	0150807			437.50	
		DOWNTOWN UNDERGROUND							
102	01/16	AJ		07/06/15	PI			133.05	
		070615 - 070615				EL ISSUES			
102	01/16	AJ		07/06/15	PI			133.05	
		070615 - 070615				EL ISSUES			
1859	01/16	BA		07/01/15	ENC/BUADAJ			88.70	
625	01/16	AJ		06/15/15	PI				
		061515 - 061515							
ACCOUNT TOTAL							481,494.95	481,494.95	.00

GROUP NBR		PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
-----TRANSACTION-----										
FUND 674	07	ELEC REV BOND PROJ FD								
674-7000-473	96-29	SPL UTIL CAP-SPL PROJECTS / D.T. UG CONV/DEC LIGHTING								
4960	13/17	AJ 06/30/17 06300					Close out capital expend for FY 17		149,900.57	
4356	11/17	AJ 05/30/17 05906					Reclass transformer i	60,058.61		
4442	11/17	BA 05/23/17 A05000					issuances charged to 9505			
807	026719	03/17 AP 09/06/16 0156298					Continuing Appropriations from FY16 budgeted amts.	87,310.36		
271	02/17	AJ 08/03/16 PI					SO CAL WEST COAST ELECTRIC, I	2,241.41		
41	01/17	AJ 07/06/16 PI					EL ISSUES	290.19		
							080316 - 080316			
							EL ISSUES			
							070616 - 070616			
							WORK ORDER: WF0012861 JOB ORDER: 014			
1447	01/17	BA 07/01/16 ENC/BUADAJ						149,900.57	149,900.57	.00
ACCOUNT TOTAL										
FUND TOTAL								149,900.57	149,900.57	.00
GRAND TOTAL								149,900.57	149,900.57	.00

ACCOUNT ACTIVITY LISTING

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CITY OF BANNING

GROUP NBR		PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD										
674-7000-473.50-37	5198				12/16	AJ 06/30/16 06903	LABOR ELEC REV BOND 0615 JUNE 2016	15,191.60		
	4829				11/16	AJ 05/31/16 05901	LABOR ELEC REV BOND 0516 MAY 2016	40,317.91		
	4456				10/16	AJ 04/30/16 04901	LABOR ELEC REV BOND 0416 APRIL 2016	4,799.76		
	3797				09/16	AJ 03/31/16 03904	LABOR ELEC REV BOND PROJ MARCH 2016	17,513.23		
	3707				08/16	AJ 02/29/16 02901	LABOR ELEC REV BOND PROJ FEBRUARY 2016	12,283.62		
	3081				07/16	AJ 01/31/16 01902	LABOR ELEC REV BOND PROJ JANUARY 2016	3,500.68		
	3010				06/16	AJ 12/31/15 12903	LABOR ELEC REV BOND PROJ DECEMBER 2015	33,559.62		
	3009				05/16	AJ 11/30/15 11902	LABOR ELEC REV BOND PROJ NOVEMBER 2015	32,199.70		
	2940				04/16	AJ 10/31/15 10904	LABOR ELEC REV BOND PROJ OCTOBER 2015	67,971.38		
	2637				03/16	AJ 09/30/15 09904	LABOR ELEC REV BOND PROJ SEPTEMBER 2015	23,371.14		
	2636				02/16	AJ 08/31/15 08903	LABOR ELEC REV BOND PROJ AUGUST 2015	19,992.53		
	2623				01/16	AJ 07/31/15 07903	LABOR ELEC REV BOND PROJ JULY 2015	26,327.19		
	2690				01/16	BA 07/31/15 A07000	FY15 Continuing Apprtn RevenueC/over			
ACCOUNT TOTAL								297,028.36	.00	297,028.36
FUND TOTAL								297,028.36	.00	297,028.36
GRAND TOTAL								297,028.36	.00	297,028.36

TRANSACTION				ACCOUNT ACTIVITY LISTING		PAGE 1	
GROUP NBR	PO NBR	ACCTG PER.	CD DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS

TRANSACTION				ACCOUNT ACTIVITY LISTING		PAGE 1	
GROUP NBR	PO NBR	ACCTG PER.	CD DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS

FUND 674 07 ELEC REV BOND PROJ FD
674-7000-473.50-37 INTERFUND SERVICE PYMTS / IF SVCS-ELECTRIC SERVICES
LABOR ELEC REV BOND 0617
JUNE 2017

PROJECT#: 4771 M67900 12/17 AJ 06/30/17 06205 LABOR ELEC REV BOND 0617 JUNE 2017 685.98

PROJECT#: 4250 EL0001 11/17 AJ 05/31/17 05204 LABOR ELEC REV BOND 0517 MAY 2017 1,246.85

PROJECT#: 4250 M67900 11/17 AJ 05/31/17 05204 LABOR ELEC REV BOND 0517 MAY 2017 495.45

PROJECT#: 4442 EL0001 11/17 BA 05/23/17 A05000 Continuing Appropriations from FY16 budgeted amts. 354.02

PROJECT#: 4102 10/17 AJ 04/30/17 04902 LABOR ELEC REV BOND 0417 APRIL 2017 920.85

PROJECT#: 4102 M67900 10/17 AJ 04/30/17 04902 LABOR ELEC REV BOND 0417 APRIL 2017 1,487.04

PROJECT#: 3494 EL0001 09/17 AJ 03/31/17 03902 LABOR ELEC REV BOND 0317 MARCH 2017 674.70

PROJECT#: 3494 M67900 09/17 AJ 03/31/17 03902 LABOR ELEC REV BOND 0317 MARCH 2017 141.64

PROJECT#: 3110 EL0001 08/17 AJ 02/28/17 02902 LABOR ELEC REV BOND 0217 FEBRUARY 2017 141.42

PROJECT#: 3108 07/17 AJ 01/31/17 01902 LABOR ELEC REV BOND 0117 JANUARY 2017 493.62

PROJECT#: 2464 06/17 AJ 12/31/16 12901 LABOR ELEC REV BOND 1216 DECEMBER 2016 917.68

PROJECT#: 2042 05/17 AJ 11/30/16 11901 LABOR ELEC REV BOND 1116 NOVEMBER 2016 804.85

PROJECT#: 2002 04/17 AJ 10/31/16 10901 LABOR ELEC REV BOND 1016 OCTOBER 2016 4,629.81

PROJECT#: 1128 03/17 AJ 09/30/16 09901 LABOR ELEC REV BOND 0916 SEPTEMBER 2016 3,225.67

PROJECT#: 1051 02/17 AJ 08/31/16 08901 LABOR ELEC REV BOND 0816 AUGUST 2016 901.64

PROJECT#: 386 01/17 AJ 07/31/16 07901 LABOR ELEC REV BOND 0716 JULY 2016 429.73

ACCOUNT TOTAL

17,550.95 .00 17,550.95

FUND TOTAL

17,550.95 .00 17,550.95

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.50-37 INTERFUND SERVICE PYMTS / IF SVCS-ELECTRIC SERVICES									
LABOR ELEC REV BOND									
2259		06/18	AJ	12/31/17	12205	DECEMBER 2017	196.75		
PROJECT#:		M67900							
2259		06/18	AJ	12/31/17	12205	LABOR ELEC REV BOND DECEMBER 2017	2,493.50		
PROJECT#:		EL0001							
2257		05/18	AJ	11/30/17	11205	LABOR ELEC REV BOND NOVEMBER 2017	507.59		
PROJECT#:		M67900							
2257		05/18	AJ	11/30/17	11205	LABOR ELEC REV BOND NOVEMBER 2017	2,283.68		
PROJECT#:		EL0001							
2256		04/18	AJ	10/31/17	10205	LABOR ELEC REV BOND OCTOBER 2017	335.72		
PROJECT#:		M67900							
2256		04/18	AJ	10/31/17	10205	LABOR ELEC REV BOND OCTOBER 2017	2,175.32		
PROJECT#:		EL0001							
2255		03/18	AJ	09/30/17	09205	LABOR ELEC REV BOND SEPTEMBER 2017	361.64		
PROJECT#:		M67900							
2255		03/18	AJ	09/30/17	09205	LABOR ELEC REV BOND SEPTEMBER 2017	1,915.81		
PROJECT#:		EL0001							
2254		02/18	AJ	08/31/17	08205	LABOR ELEC REV BOND AUGUST 2017	255.77		
PROJECT#:		M67900							
2254		02/18	AJ	08/31/17	08205	LABOR ELEC REV BOND AUGUST 2017	1,407.00		
PROJECT#:		EL0001							
2248		01/18	AJ	07/31/17	07205	LABOR ELEC REV BOND JULY 2017	128.15		
PROJECT#:		M67900							
2248		01/18	AJ	07/31/17	07205	LABOR ELEC REV BOND JULY 2017	576.63		
PROJECT#:		EL0001							
ACCOUNT TOTAL							12,637.56	.00	12,637.56
FUND TOTAL							12,637.56	.00	12,637.56
GRAND TOTAL							12,637.56	.00	12,637.56

ACCOUNT ACTIVITY LISTING

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CITY OF BANNING

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION-- NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.90-11 CAPITAL EXPENDITURES / NEW BUILDING-CITY YARDS									
4960	027204	12/15	AP	07/12/15	0150839	RMA GROUP			
		2014-04E	MTLS	TSTNG					
4730		13/15	AJ	06/30/15	06501	Close out capital expend. FY15	5,255.25		290,732.99
4622	027193	12/15	AP	06/30/15	0150195	BERNARDS BROS, INC	23,895.00		
4651	027235	12/15	AP	06/30/15	0150280	KINSMAN CONSTRUCTION, INC	30,212.44		
4702	027211	12/15	AP	06/30/15	0150361	MOALEJ BUILDERS, INC	96,288.44		
4709	027211	12/15	AP	06/30/15	0150361	MOALEJ BUILDERS, INC	5,067.81		
4657	025838	12/15	AP	06/27/15	0150257	ALBERT A. WEBB ASSOCIATES	2,878.25		
4395		12/15	AP	06/18/15	0149933	STATE WATER RESOURCE CONTROL	559.00		
4967		12/15	AP	06/18/15	0151011	PACIFIC ALARM SERVICE	295.00		
4695	027325	12/15	AP	06/09/15	0150344	AUTO SHOP & ELECT DEPT HIGGINSON CARTOZIAN ARCHITECT	33,222.10		
4351	027204	12/15	AP	06/05/15	0150031	RMA GROUP	1,624.88		
4164	027193	12/15	AP	06/01/15	0149689	BERNARDS BROS, INC	20,120.00		
4423	027209	11/15	AP	05/29/15	0149992	INDOFF, INC	4,673.64		
4423	027209	11/15	AP	05/29/15	0149992	INDOFF, INC	675.00		
4099		11/15	AP	05/20/15	0149659	RIV. CO. CLERK RECORDER	50.00		
3765	027193	11/15	AP	05/04/15	0149327	BERNARDS BROS, INC	21,992.00		
3944		10/15	BA	04/28/15	A04002	Reso 2015-32 Council Actn Corporate Yard Whse			
4424	027181	10/15	AP	04/20/15	0149966	CUBE DEPOT	2,400.00		
4424	027181	10/15	AP	04/20/15	0149966	CUBE DEPOT	2,000.00		
4424	027181	10/15	AP	04/20/15	0149966	CUBE DEPOT	7,560.00		
4424	027181	10/15	AP	04/20/15	0149966	CUBE DEPOT	1,400.00		
3868	026970	10/15	AP	04/15/15	0149466	KINSMAN CONSTRUCTION, INC	6,000.00		
2934	026970	07/15	AP	01/31/15	0148588	KINSMAN CONSTRUCTION, INC	14,000.00		
1963	026700	06/15	AP	12/24/14	0147841	RECORD GAZETTE, THE	126.53		
1963	026696	06/15	AP	12/02/14	0147839	PRESS-ENTERPRISE, THE	282.90		

ACCOUNT ACTIVITY LISTING

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PROGRAM GM360L
CITY OF BANNING

GROUP		PO		ACCTG		TRANSACTION		DESCRIPTION		DEBITS		CREDITS		CURRENT	
NBR	NBR	PER.	CD	DATE	NUMBER									BALANCE	
FUND 674 07 ELEC REV BOND PROJ FD															
674-7000-473.90-11 CAPITAL EXPENDITURES / NEW BUILDING-CITY YARDS															
LEGAL POSTING															
1963	026696	06/15	AP	12/02/14	0147839			PRESS-ENTERPRISE, THE		276.00					
LEGAL POSTING															
1847	026696	05/15	AP	11/24/14	0147724			PRESS-ENTERPRISE, THE		55.20					
BID NOTICE															
1847	026696	05/15	AP	11/24/14	0147724			PRESS-ENTERPRISE, THE		57.60					
BID NOTICE															
1500	025838	04/15	AP	10/25/14	0147305			ALBERT A. WEBB ASSOCIATES		307.44					
CORP YARD SWPPP															
1964	026700	04/15	AP	10/17/14	0147841			RECORD GAZETTE, THE		123.51					
ADVERTISING/PUBLICATION															
1365	025838	03/15	AP	09/27/14	0147163			ALBERT A. WEBB ASSOCIATES		100.02					
PROF SVCS - CORP YARD															
631	025838	02/15	AP	08/23/14	0146412			ALBERT A. WEBB ASSOCIATES		530.06					
PROF SVCS - CORP YARD															
1508		01/15	BA	07/31/14	A07000			Continuing Appropriations and proj Rev Carryovers							
PRECISE GRADING PLAN DESI															
487	025838	01/15	AP	07/26/14	0146235			ALBERT A. WEBB ASSOCIATES		120.75					
BID INVITE - YARD WAREHSE															
174		01/15	AP	07/04/14	0145838			RECORD GAZETTE, THE		105.44					
ENC/BUDADJ															
1008		01/15	BA	07/01/14	ENC/BUDADJ			HIGGINSON CARTOZIAN ARCHITECT		8,478.73					
1212		01/15	AP	06/13/14	0146998										
New Corp Yard Phase 11															
ACCOUNT TOTAL										290,732.99		290,732.99		.00	
FUND TOTAL										290,732.99		290,732.99		.00	
GRAND TOTAL										290,732.99		290,732.99		.00	

ACCOUNT ACTIVITY LISTING

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PROGRAM CM3601
CITY OF BANNING

GROUP PO ACCTG -----TRANSACTION-----						DEBITS	CREDITS	CURRENT
NBR	NBR	PER.	CD	DATE	NUMBER	DESCRIPTION		BALANCE
FUND 674 07 ELEC REV BOND PROJ FD								
674-7000-473.90-11 CAPITAL EXPENDITURES / NEW BUILDING-CITY YARDS								
5263	027341	12/16	AP	07/14/16	1555629	ICS, INC - INTERNATIONAL COMP	228,350.00	
2014-04E PHASE III								
5163	027633	12/16	AP	07/12/16	0155348	HIGGINSON ARCHITECTS, INC	6,949.50	
2014-04 ARCH. SVCS								
5423		13/16	AJ	06/30/16	06501	Close out Capital Expend FY16		2,964,130.62
2014-04 CONSTR MGMT								
5107	027193	12/16	AP	06/30/16	0155198	BERNARDS BROS, INC	21,642.00	
2014-04E PHASE II								
5163	027235	12/16	AP	06/29/16	0155356	KINSMAN CONSTRUCTION, INC	33,057.98	
2014-04E PHASE III								
4694	027193	12/16	AP	06/03/16	0154773	BERNARDS BROS, INC	21,437.00	
2014-04E CONST. MGMT								
4694	027633	12/16	AP	06/01/16	0154797	HIGGINSON ARCHITECTS, INC	3,738.00	
2014-04E ARC. SVCS								
4913	027341	11/16	AP	05/31/16	0155028	ICS, INC - INTERNATIONAL COMP	164,000.00	
2014-04 PHASE III								
4752	027235	11/16	AP	05/10/16	0154900	KINSMAN CONSTRUCTION, INC	84,924.06	
2014-04E PHASE II								
4394	027341	11/16	AP	05/09/16	0154582	ICS, INC - INTERNATIONAL COMP	127,750.00	
2014-04E PHASE III								
4245	027633	11/16	AP	05/06/16	0154407	HIGGINSON ARCHITECTS, INC	3,063.50	
2014-04E MTL TESTING								
4246	027193	10/16	AP	05/05/16	0154382	BERNARDS BROS, INC	20,533.00	
2014-04E CONST. MGMT								
4246	027204	10/16	AP	05/04/16	0154434	RMA GROUP	588.00	
2014-04E MTL TESTING								
4047	027341	10/16	AP	04/25/16	0154184	ICS, INC - INTERNATIONAL COMP	61,600.00	
2014-04E PHASE III								
4031	025838	10/16	AP	04/22/16	0010207	ALBERT A. WEBB ASSOCIATES	4,815.00	
2014-04								
4032	025838	10/16	AP	04/22/16	0154015	ALBERT A. WEBB ASSOCIATES	4,815.00	
2014-04								
4031	025838	10/16	AP	04/22/16	0010207	ALBERT A. WEBB ASSOCIATES	2,190.40	
2014-04								
4032	025838	10/16	AP	04/22/16	0154015	ALBERT A. WEBB ASSOCIATES	2,190.40	
2014-04								
4031	025838	10/16	AP	04/22/16	0010207	ALBERT A. WEBB ASSOCIATES	8,193.75	
2014-04								
4032	025838	10/16	AP	04/22/16	0154015	ALBERT A. WEBB ASSOCIATES	8,193.75	
2014-04								
4031	027235	10/16	AP	04/22/16	0010272	KINSMAN CONSTRUCTION, INC	153,843.40	
2014-04 METAL BUILDING								
4032	027235	10/16	AP	04/22/16	0154080	KINSMAN CONSTRUCTION, INC	1,218.00	
2014-04 METAL BUILDING								
3820	027204	09/16	AP	04/07/16	0153971	RMA GROUP	21,486.00	
2014-04 MATL TESTING								
3774	027193	09/16	AP	03/31/16	0153896	BERNARDS BROS, INC	153,843.40	
2014-04 CONST. MGMT								
3907	027235	09/16	AP	03/31/16	0010272	KINSMAN CONSTRUCTION, INC		

TRANSACTION-----					DEBITS		CREDITS		CURRENT BALANCE
GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	NUMBER	DESCRIPTION			
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.90-11 CAPITAL EXPENDITURES / NEW BUILDING-CITY YARDS									
2014-04 METAL BUILDING									
3326	027633	09/16	AP	03/08/16	0153435	HIGGINSON ARCHITECTS, INC	7,692.50		
2014-04E									
3279	027235	08/16	AP	02/29/16	0153440	KINSMAN CONSTRUCTION, INC	85,856.51		
2014-04E PHASE II									
3343	027193	08/16	AP	02/29/16	0153407	BERNARDS BROS, INC	24,202.00		
2014-04 CONST. MGMT									
3874		08/16	AJ	02/28/16	02907	Reclass SoCal Gas line relocation @ City Yard		16,694.79	
2014-04									
3894	025838	08/16	AP	02/20/16	0010207	ALBERT A. WEBB ASSOCIATES	8,193.75		
2014-04									
4011	027204	08/16	AP	02/08/16	0154211	RMA GROUP	7,482.83		
MAT'L TESTING 2014-04E									
2830	027193	07/16	AP	01/31/16	0153042	BERNARDS BROS, INC	23,272.00		
2014-04E CONST. MGMT SRVC									
2921	027211	07/16	AP	01/31/16	0153158	MOALEJ BUILDERS, INC	219,712.76		
2014-04E PHASE I									
2936	027235	07/16	AP	01/31/16	0153151	KINSMAN CONSTRUCTION, INC	69,007.11		
2014-04E PHASE II									
3304	027302	07/16	AP	01/30/16	0153455	PRESS-ENTERPRISE, THE	108.00		
INVITE TO BID #2016-02EL									
3179		07/16	BA	01/26/16	A01001	Reso 2016-06 -Albert Webb 2nd amendment			
2014-04									
2361	027204	07/16	AP	01/05/16	0152696	RMA GROUP	5,726.70		
2014-04E MATLS TESTING									
2381	027193	06/16	AP	12/31/15	0152641	BERNARDS BROS, INC	25,481.00		
2014-04E CONST. MGMT									
2508	027211	06/16	AP	12/31/15	0152765	MOALEJ BUILDERS, INC	117,500.00		
2014-04E PHASE I, CIVIL									
3895	025838	08/16	AP	12/26/15	0010207	ALBERT A. WEBB ASSOCIATES	2,190.40		
2014-04									
2245	027235	06/16	AP	12/22/15	0152528	KINSMAN CONSTRUCTION, INC	32,522.75		
2014-04 E CORP. YARD									
2252	027633	06/16	AP	12/22/15	0152512	HIGGINSON ARCHITECTS, INC	1,105.30		
2014-04E									
2252	027633	06/16	AP	12/17/15	0152512	HIGGINSON ARCHITECTS, INC	4,125.20		
2014-04E									
2106	027204	06/16	AP	12/08/15	0152415	RMA GROUP	2,853.90		
2014-04E MATL TESTING									
1925	027193	05/16	AP	11/30/15	0152180	BERNARDS BROS, INC	22,175.00		
2014-04E CONST. MGMT									
2126	027211	05/16	AP	11/30/15	0152404	MOALEJ BUILDERS, INC	151,995.69		
2014-04E PHASE I									
1754	027612	05/16	AP	11/05/15	0152065	SOUTHERN CALIFORNIA GAS COMPA	16,694.79		
2014-04E GAS LINE									
1723	027204	05/16	AP	11/03/15	0152057	RMA GROUP	5,377.05		
2014-04E MATL TESTING									
1552	027193	04/16	AP	10/31/15	0151840	BERNARDS BROS, INC	25,013.00		
2014-04E CONST. MGMT									

GROUP NBR	PO NBR	ACCTG PER.	--- TRANSACTION ---			CD	DATE	NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE

FUND 674 07 ELEC REV BOND PROJ FD											
674-7000-473 90-11 CAPITAL EXPENDITURES / NEW BUILDING-CITY YARDS											
1482	027211	04/16	AP	10/30/15	0151795			MOALEJ BUILDERS, INC	continued 70,939.87		
2014-04E PHASE I											
3896	025838	08/16	AP	10/24/15	0010207			ALBERT A. WEBB ASSOCIATES	4,815.00		
2014-04											
1351	027325	04/16	AP	10/21/15	0151682			HIGGINSON CARTOZIAN ARCHITECT	6,094.00		
2014-04E ARCHITECT SVC											
1423	027204	04/16	AP	10/02/15	0151813			RMA GROUP	4,257.76		
2014-04E MTL TESRING											
1065	027211	03/16	AP	09/30/15	0151482			MOALEJ BUILDERS, INC	165,072.01		
2014-04E PHASE I											
1085	027193	03/16	AP	09/30/15	0151440			BERNARDS BROS, INC	23,665.00		
2014-04E CONST. MGMT											
1648	027235	03/16	AP	09/30/15	0151947			KINSMAN CONSTRUCTION, INC	307,032.76		
2014-04E PH 2 MTL BLDG											
1211	025838	03/16	AP	09/26/15	0151543			ALBERT A. WEBB ASSOCIATES	1,424.10		
2014-04E SURVEYOR											
813	027204	03/16	AP	09/04/15	0151232			RMA GROUP	18,490.50		
2014-04E SOILS TESTING											
662	027193	03/16	AP	09/03/15	0151059			BERNARDS BROS, INC	22,050.00		
2014-04E CNST MGMT											
740	027211	02/16	AP	08/31/15	0151108			MOALEJ BUILDERS, INC	80,500.00		
2014-04E CIVIL IMPRMTS											
740	027235	02/16	AP	08/31/15	0151098			KINSMAN CONSTRUCTION, INC	99,121.39		
2014-14E METAL BLDG											
1066	027341	02/16	AP	08/31/15	0151585			ICS, INC - INTERNATIONAL COMP	88,800.00		
2014-04E PHASE III											
740	025838	02/16	AP	08/22/15	0151045			ALBERT A. WEBB ASSOCIATES	5,597.65		
2014-04E SURVEY											
265	027193	02/16	AP	08/05/15	0150757			BERNARDS BROS, INC	26,886.00		
2014-04E CONST. MGMT											
2690		01/16	BA	07/31/15	A07000			FY15 Continuing Apprtn RevenueC/over			
2014-04E PHASE I											
395	027211	01/16	AP	07/30/15	0150817			MOALEJ BUILDERS, INC	234,500.00		
2014-04E STAKES											
339	025838	01/16	AP	07/25/15	0150749			ALBERT A. WEBB ASSOCIATES	3,437.10		
2014-04E SHIPPING & HANDLING											
426	027300	01/16	AP	07/25/15	0150701			ON TRAC	3.59		
2014-04E MTLs TSTNG											
410	027204	01/16	AP	07/12/15	0150839			RMA GROUP	5,670.00		
2014-04E ENC/BUDADJ											
1859		01/16	BA	07/01/15							
ACCOUNT TOTAL										3,149,867.96	.00
FUND TOTAL										3,149,867.96	.00

ACCOUNT ACTIVITY LISTING

PREPARED 05/08/2018, 10:14:03
PROGRAM GM360L
CITY OF BANNING

GROUP		PO	ACCTG	TRANSACTION		DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
NBR	NBR	PER.	CD	DATE	NUMBER				
FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473		90-11				/ NEW BUILDING-CITY YARDS			
4960			13/17	AJ	06/30/17	06300	Close out capital expend for FY 17	660,316.68	
4919			12/17	AP	06/30/17	0160964	CHARLES ABBOTT ASSOCIATES, IN	5,781.36	
			MAR	2017	BUILDING &SAFETY		176 E LINCOLN/ PRJ 15-184		
2419		027235	06/17	AP	12/31/16	0157975	KINSMAN CONSTRUCTION, INC	42,747.94	
			2014-04E	PHASE II					
2168		028197	05/17	AP	11/16/16	0157741	SO CAL WEST COAST ELECTRIC, I	860.00	
			EL INSPECTION						
1809		027341	05/17	AP	11/09/16	0157300	ICS, INC - INTERNATIONAL COMP	25,184.72	
			2014-04	PHASE III					
1327		027633	04/17	AP	10/19/16	0156819	HIGGINSON ARCHITECTS, INC	1,389.50	
			2014-04	ARCH. SERVICES					
1182		027341	04/17	AP	10/07/16	0156725	ICS, INC - INTERNATIONAL COMP	178,500.00	
			2014-04	PHASE III					
834		027341	03/17	AP	09/06/16	0156362	ICS, INC - INTERNATIONAL COMP	152,989.74	
			2014-04E	PHASE III					
697		027633	03/17	AP	09/02/16	0156177	HIGGINSON ARCHITECTS, INC	1,445.00	
			2014-04E	ARCH.SERVICES					
562		027211	02/17	AP	08/24/16	0156019	MOALEJ BUILDERS, INC	59,073.42	
			2014-04E	PHASE I					
507		027341	02/17	AP	08/17/16	0156001	ICS, INC - INTERNATIONAL COMP	176,300.00	
			2014-04E	PHASE III					
300		027341	02/17	AP	08/05/16	1555629	ICS, INC - INTERNATIONAL COMP		228,350.00
			2014-04E	PHASE III					
330		027341	02/17	AP	08/05/16	0155689	ICS, INC - INTERNATIONAL COMP	228,350.00	
			2014-04E	PHASE III					
320		027633	02/17	AP	08/03/16	0155840	HIGGINSON ARCHITECTS, INC	3,735.00	
			2014-04	ARCH.SERVICES					
284		027193	01/17	AP	07/31/16	0155703	BERNARDS BROS, INC	12,310.00	
			2014-04E	CONST MGMT					
1447			01/17	BA	07/01/16	ENC/BUDADJ			
ACCOUNT TOTAL							888,666.68	888,666.68	.00
FUND TOTAL							888,666.68	888,666.68	.00
GRAND TOTAL							888,666.68	888,666.68	.00

PROGRAM GM360L
CITY OF BANNING

ACCOUNTING PERIOD 14/2017

GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
FUND 674	07	ELEC REV BOND PROJ FD							
674-7000-473.33-11		CONTRACT SVC-PROFESSIONAL / PROFESSIONAL SERVICES							
4077	027350	11/17 AP 05/12/17 0159696				LEIDOS ENGINEERING, LLC	2,656.76		
		ENG SERVICES							
3540	027350	10/17 AP 04/03/17 0159041				LEIDOS ENGINEERING, LLC	829.94		
		ENG SERVICE							
3253	027350	09/17 AP 03/13/17 0158836				LEIDOS ENGINEERING, LLC	1,004.05		
		ENG SERVICE							
3254	027350	08/17 AP 02/13/17 0158836				LEIDOS ENGINEERING, LLC	3,156.86		
		ENG SERVICE							
2672	027350	07/17 AP 01/06/17 0158330				LEIDOS ENGINEERING, LLC	203.61		
		ENG SERVICES							
2490	027350	06/17 AP 12/12/16 0157978				LEIDOS ENGINEERING, LLC	524.45		
		ENG SERVICES							
2472	027350	05/17 AP 11/10/16 0157978				LEIDOS ENGINEERING, LLC	7,508.38		
		ENG SERVICES							
1581		02/17 BA 08/30/16 B08000				Cover cost of feasibility study			
ACCOUNT TOTAL							15,884.05	.00	15,884.05
FUND TOTAL							15,884.05	.00	15,884.05
GRAND TOTAL							15,884.05	.00	15,884.05

-----TRANSACTION-----				-----		
GROUP	PO	ACCTG	CD	DATE	NUMBER	DESCRIPTION
NBR	NBR	PER.				

FUND 674 07 ELEC REV BOND PROJ FD						
674-7000-473.33-11 CONTRACT SVC-PROFESSIONAL / PROFESSIONAL SERVICES						
911 027350 01/18 AP 07/12/17 0161506 LEIDOS ENGINEERING, LLC						
ENGINEERING SVCS						
01/18 BA 07/01/17 ENC/BUDADJ						
1325						
					1,526.40	
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GROUP NBR	PO NBR	ACCTG PER.	CD	DATE	TRANSACTION NUMBER	DESCRIPTION	DEBITS	CREDITS	CURRENT BALANCE
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FUND 674 07 ELEC REV BOND PROJ FD									
674-7000-473.96-18 SPL UTIL CAP-SPL PROJECTS / SUNSET SUBSTATION									
5423				13/16	AJ	06/30/16 06501		187,471.68	

1560	027580	05/16	AP	11/09/15	0151898	VERIZON CALIFORNIA, INC	187,471.68		
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2690				01/16	BA	07/31/15 A07000			
9WCZ05688P0A3SEZ									
FY15 Continuing Apprtn									
RevenueC/over									

ACCOUNT TOTAL							187,471.68		.00
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FUND TOTAL							187,471.68		.00
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GRAND TOTAL							187,471.68		.00
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ATTACHMENT 4

US Bank Statement- April 30, 2018 for Electric System Project Acquisition and Construction Fund



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ACCOUNT NUMBER: 28800003
CITY OF BANNING FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(ELECTRIC SYSTEM PROJECT),
SERIES 2015
ACQUISITION & CONSTRUCTION FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

MARKET VALUE SUMMARY

	Current Period 04/01/18 to 04/30/18
Beginning Market Value	\$11,209,692.27
Investment Results	
Interest, Dividends and Other Income	9,307.36
Total Investment Results	\$9,307.36
Ending Market Value	\$11,218,999.63





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ACCOUNT NUMBER: 262835008
CITY OF BANNING FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(ELECTRIC SYSTEM PROJECT),
SERIES 2015
ACQUISITION & CONSTRUCTION FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

ASSET DETAIL AS OF 04/30/18

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equivalents					
11,218,999.630	First American Treasury Oblig Fd Cl D #3800 31848V302	11,218,999.63 1.0000	11,218,999.63 1.00	100.0 1.12	125,272.25
Total Cash Equivalents		\$11,218,999.63	\$11,218,999.63	100.0	\$125,272.25
Total Assets		\$11,218,999.63	\$11,218,999.63	100.0	\$125,272.25

ASSET DETAIL MESSAGES

Time of trade execution and trading party (If not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period (or most recent daily rate available) and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.



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ACCOUNT NUMBER: 20180003
CITY OF BANNING FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(ELECTRIC SYSTEM PROJECT),
SERIES 2015
ACQUISITION & CONSTRUCTION FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Cash Balance as of 04/01/2018	\$0.00	\$0.00	\$0.00
Taxable Interest	9,307.36		9,307.36
Transfers	- 9,307.36	9,307.36	
Net Money Market Activity		- 9,307.36	- 9,307.36
Ending Cash Balance as of 04/30/2018	\$0.00	\$0.00	\$0.00





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0228410-00-01445-01 Page 5 of 5

ACCOUNT NUMBER: ~~201503003~~
CITY OF BANNING FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(ELECTRIC SYSTEM PROJECT),
SERIES 2015
ACQUISITION & CONSTRUCTION FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

TRANSACTION DETAIL

Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 04/01/2018	\$0.00	\$0.00	\$11,209,692.27
04/02/18	Interest Earned On First Am Treas Ob Fd Cl D Interest From 3/1/18 To 3/31/18 31846V302	9,307.36		
04/03/18	Cash Disbursement Transfer To Principal Income Earnings	- 9,307.36		
04/03/18	Cash Receipt Transfer From Income Income Earnings		9,307.36	
04/03/18	Purchased 9,307.36 Units Of First Am Treas Ob Fd Cl D Trade Date 4/3/18 31846V302		- 9,307.36	9,307.36
	Ending Balance 04/30/2018	\$0.00	\$0.00	\$11,218,999.63



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0228410-00-01445-01 Page 2 of 5

ACCOUNT NUMBER: 25255003
CITY OF BANNING FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(ELECTRIC SYSTEM PROJECT),
SERIES 2015
ACQUISITION & CONSTRUCTION FUND

This statement is for the period from
April 1, 2018 to April 30, 2018

MARKET VALUE SUMMARY

	Current Period 04/01/18 to 04/30/18
Beginning Market Value	\$11,209,692.27
Investment Results	
Interest, Dividends and Other Income	9,307.36
Total Investment Results	\$9,307.36
Ending Market Value	\$11,218,999.63

