

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/26/18
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on June 26, 2018, at 5:22 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
 Heidi Meraz, Community Services Director
 Tom Miller, Electric Utility Director
 Patty Nevins, Community Development Director
 Art Vela, Public Works Director/City Engineer
 Vincent Avila, Lieutenant
 Suzanne Cook, Deputy Finance Director
 Ted Shove, Economic Development Manager
 Sonja De La Fuente, Deputy City Clerk
 Laurie Sampson, Executive Assistant
 Leila Lopez, Office Specialist

Mayor Moyer opened the meeting in remembrance of Steve Armitage, 14-year employee of the City of Banning.

The Invocation was given by Police Chaplain Merle Malland. Mayor Moyer led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

The City Attorney indicated four items were discussed in Closed Session. 1) PUBLIC EMPLOYEE APPOINTMENT: City Manager – Pursuant to Government Code Section 54957. Direction was given and future meetings scheduled. 2) PUBLIC EMPLOYEE APPOINTMENT: Police Chief – Pursuant to Government Code Section 54957. Direction was given and the item was continued to a future meeting. 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 given with no final or reportable action. 4) 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. An update regarding the case was provided and direction was given to legal counsel. 5) CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8: Property description: APN: 537-100-030 & 031, located in the general vicinity of Ramsey Street and Highland Home Road. City Negotiator: Rochelle Clayton, Interim City Manager and Ted Shove, Economic Development Manager- Negotiating Parties: Jim Stuart [Group One Realty]; Under Negotiation: Price and Terms. Direction was given to the City's negotiators regarding acquisition. 6) CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8: Property description: APN 541-181-032, 541-181-033, 541-181-034, and 541-181-035, located in the general vicinity of Ramsey Street between San Gorgonio Avenue and Martin Street. City Negotiators: Rochelle Clayton, Interim City Manager and Ted Shove, Economic Development Manager – Two Negotiating Parties: Mark Sandoval [Mark Development] and Chris Leggio [Mark Christopher Properties]; Under Negotiation: Price and Terms. Direction was given to the City's negotiators regarding the potential sale of the property. Mayor Pro Tem Peterson abstained from this item. 7) CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8: Property description: APN: 419-120-021, 023, 024, & 025, located in the general vicinity of the northeast corner of Highland Springs Avenue and Joshua Palmer Way. City Negotiator: Rochelle Clayton, Interim City Manager and Ted Shove, Economic Development Manager – Negotiating Parties: Corners, Inc., Carlos Trejo, and BMW Management; Under Negotiation: Price and Terms. Direction was given to the City's negotiators.

PUBLIC COMMENTS / CORRESPONDENCE / PRESENTATIONS / APPOINTMENTS

PUBLIC COMMENTS

Inge Schuler referenced the Supreme decision last week regarding the rights of individuals who speak at public meetings. She expressed her hope that the City of Banning will prevent what has happened in other communities from happening here. She would also like information regarding the status of the City's agreement with Mr. Miliband and if it is up for renewal and would like to see the results of his efforts. She shared her concern with Mayor Moyer and Council Member Franklin speaking with each other off the record (i.e. during a presentation). Finally, she pointed out the City has had three Grand Jury reports and discussed the City's responses.

Ellen Carr with Tender Loving Critters announced that Animal Action League had technical difficulties and were unable to be here on Friday, June 22nd, but were here on Saturday, June 23rd to provide low cost spay/neuter surgeries and shot clinic. She announced that they would be here again on July 9th, 10th and 11th. The shot clinic is from 10:00 a.m. until 2:00 p.m. (760) 336-1100 to make an appointment for spay/neuter. Finally, she requested the City inform the public regarding the fact that Animal Control Services will now be provided by Riverside County Department of Animal Services and how they can contact them.

John Hagen expressed concerns regarding Cannabis ordinances.

Bill Hobbs was at the Farm's House restaurant on Saturday night and they were surrounded by police. Although he felt safe with the presence of law enforcement, he is concerned about the cannabis shop by Guy's restaurant.

Richard Rutherford explained he used to lease the land on Highland Springs for cattle grazing and expressed concern that the people who completed the EIR were not concerned with finding certain animals that could be impacted by their development.

Seeing no further comments, the Mayor closed Public Comment.

CORRESPONDENCE

The Deputy City Clerk read correspondence from Barbara DelGatto-Jesus (see Exhibit "A").

PRESENTATIONS

Mayor Moyer presented Council Member Andrade with a Certificate of Congratulations for attaining her Bachelor's Degree in Psychology from California State University San Bernardino.

APPOINTMENTS

1. Planning Commissioner Appointment

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

Motion Peterson/Welch to appoint Henry Aldredge to the Planning Commission until February 2019. Motion carried 5-0.

CONSENT ITEMS

Council Member Peterson pulled Consent Item 13 for discussion.

1. Minutes – Special Meeting – 6/12/2018 (Workshop)

Recommendation: Approve the Minutes from June 12, 2018 Special Meeting of the Banning City Council (Workshop).

2. Minutes – Special Meeting – 6/12/2018 (Closed Session)

Recommendation: Approve the Minutes from the June 12, 2018 Special Meeting of the Banning City Council (Closed Session).

3. Minutes – Regular Meeting – 6/12/2018

Recommendation: Approve the Minutes from the June 12, 2018 Regular Meeting of the Banning City Council.

4. Accounts Payable and Payroll Warrants Issued in the Month of May 2018

Recommendation: Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of May 2018.

5. Capital Improvement Project Update

Recommendation: Receive and file Update on Capital Improvement Projects.

6. Information Regarding AB 341 (Mandatory Commercial Recycling) and AB 1826 (Mandatory Commercial Organics Recycling)

Recommendation: Receive and file information regarding AB 341 and AB 1826.

7. Resolution 2018-77, Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2018 for the Election of Members of the City Council Districts 4 and 5

Recommendation: Adopt Resolution 2018-77.

8. Resolution 2018-78, Adopting Regulations for Candidates for Elective Office, Pertaining to the Electorate and the Costs Thereof for the General Municipal Election to be Held in the City on Tuesday, November 6, 2018

Recommendation: Adopt Resolution 2018-78.

9. Resolution 2018-68, Approving the 2018/2019 Short Range Transit Plan (SRTP) and Authorizing the Submittal of the Fiscal Year 2018/2019

Recommendation: Adopt Resolution 2018-68.

10. Resolution 2018-62, Approving the Renewal of the Landscape Maintenance Contract for City Parks with Z&T Ventures, Inc., DBA Service Scape for Fiscal Year 2018/2019 in the Amount of \$80,248

Recommendation: Adopt Resolution 2018-62.

11. Transparent California and the Local Government Compensation Report.

Recommendation: Receive and File information.

12. Resolution 2018-83, Approving a One Year Extension to the Existing Professional Services Agreement for Environmental Peer Review Services with Aspen Environmental Group

Recommendation: Adopt Resolution 2018-83.

14. Update Regarding the Armory Lease Documents Between the City of Banning and the California National Guard

Recommendation: Receive and File information.

15. Resolution 2018-79, Approving Payment in the Amount of \$31,068 to the Riverside County Sheriff's Department for Fiscal Year 2018/2019 Member Agency Assessment

Recommendation: Adopt Resolution 2018-79.

16. Resolution 2018-93, Authorizing a Letter Opposing AB 1912

Recommendation: Adopt Resolution 2018-93.

The Mayor opened Consent Items 1 through 12 and 14 through 16 for public comment. Seeing none, closed public comment.

Motion Franklin/Peterson to approve Consent Items 1 through 12 and 14 through 16. Motion carried, 5-0.

13. Resolution 2018-89, Approving a One Year Extension to the Existing Professional Services Agreement for Real Estate Appraisal Services with Capital Realty Analysts, Inc.

Recommendation: Adopt Resolution 2018-89.

Economic Development Manager Ted Shove presented the Staff Report as contained in the Agenda packet.

Council Member Peterson asked various questions related to the appraisals and the number of appraisals that have been completed and how many were outstanding. Manager Shove clarified which appraisals were completed and which appraisals still needed to be completed. He explained that no additional money was being requested, only an extension of time, as the existing contract term ends June 30th and in order to complete the outstanding appraisals an extension would be needed. Council Member Peterson expressed concern with how long the appraisals are taking.

Council Member Peterson requested Manager Shove forward the MAI certification of the appraiser to him. Manager Shove confirmed he would forward the information.

Council Member Franklin suggested providing a progress report on the appraisals every 30 days.

Council Member Peterson recommended the appraiser complete the work that has been requested, but that no new appraisals are assigned.

Motion Peterson/Andrade to approve Consent Item 13. Motion carried, 5-0.

PUBLIC HEARINGS

1. Resolution 2018-82, Placing Two Cannabis Tax Measures on the Ballot of the November 6, 2018 Municipal Election. One Related to Cannabis Cultivation/Manufacturing/Testing and One Related to Retail Cannabis, Ordinance 1523, Adopting Zoning Code Amendments to Allow, Regulate and Zone for Certain Commercial Cultivation, Manufacturing Level 1, and Testing Laboratories, Contingent Upon the Adoption of a Tax Measure on Such Uses, and Ordinance 1524, Municipal Code Amendments to Establish Procedures for the Issuance of Cannabis Regulatory Permits for Commercial Cannabis Uses

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet along with a PowerPoint Presentation (see Exhibit "B").

Mayor Moyer opened the Public Hearing.

David Ellis explained that if the voters don't endorse this it will die and the time spent will have been for nothing.

Don Smith reminded the Council that the State of California voted to legalize cannabis, but the City of Banning did not.

John Hagen questioned if the figures presented were correct in regard to the income to the City and whether the venture is worth it.

Mark Quental, the developer of the Banning Work Lofts, would like the Airport Industrial (AI) zone included. He provided a letter with signatures from property owners (see Exhibit "C"). Council Member Franklin asked if the property owners live in the area. Mr. Quental indicated he will provide that information.

Inge Schuler questioned whether the distance requirements from residents would apply to work lofts if they were included. Director Nevins clarified that the 600-foot distance requirement is from a residential zone.

Seeing no further comments, the Mayor closed the Public Hearing for this item.

Motion Peterson/Welch to adopt Resolution 2018-82, placing cannabis cultivation, manufacturing, and testing tax measure and the retail cannabis tax measure on the ballot. Motion carried 5-0.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1523.

The Deputy City Clerk read the title of Ordinance 1523: "Ordinance 1523, an Ordinance of the City of Banning, California, Approving a Categorical Exemption and Approving Zoning Ordinance Amendment 18-97501 Amending Title 17 "Zoning" of the Banning Municipal Code to Add Chapter 17.53, "Cannabis Cultivation, Manufacturing Level 1, and Testing Laboratory Facilities in Certain Industrial Zones with Approval of a Cannabis Conditional Use Permit and Making Other Amendments Related to Cannabis Businesses, and Making the Allowance for, and Regulation of, these Businesses Contingent Upon the Voter's Approval of a Tax Measure on the November 6, 2018, General Municipal Election Ballot."

Motion Peterson/Welch to waive further reading of Ordinance 1523. Motion carried 5-0.

Motion Peterson/Franklin that Ordinance 1523 pass its first reading. Motion carried 5-0.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1524.

The Deputy City Clerk read the title of Ordinance 1524: "Ordinance 1524, an Ordinance of the City of Banning, California, Adding Chapter 5.35 to Title 5 (Business Licenses and Regulations) of the Banning Municipal Code to Establish Procedures for the Issuance of Cannabis Regulatory Permits, Making Required Findings Under CEQA, and Making the Allowance for, and Regulation of, these Businesses Contingent Upon the Voter's Approval of a Tax Measure on the November 6, 2018, General Municipal Election Ballot."

Motion Peterson/Andrade to waive further reading of Ordinance 1524. Motion carried 5-0.

Motion Peterson/Andrade that Ordinance 1524 pass its first reading. Motion carried 5-0.

2. Resolution 2018-80, Approving General Plan Amendment 17-2503; Design Review 17-7004; and Initial Study/Mitigate Negative Declaration and Mitigated Monitoring and Reporting Program (Environmental Assessment 17-1504) for the Proposed Development of a 36,171 Square Foot Medical Support Office Building Within the Congregate Care District of the Sun Lakes Village North Specific Plan on Sun Lakes Boulevard and Ordinance 1526 amending the Zoning Map of Title 17 of the Banning Municipal Code from Residential High Density/Affordable

Housing Opportunity to Professional Office for an Approximately 3.31 Acre Lot on Sun Lakes Boulevard.

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet along with a PowerPoint Presentation (see Exhibit "D").

Council Member Franklin inquired about a pedestrian crossing from the south side of Sun Lakes Boulevard. Public Works Director Art Vela explained there is a crosswalk at Country Club Drive, however an uncontrolled crosswalk is not recommended for this area.

There was discussion among the Council and staff regarding the traffic in the area of the project and how/where it would flow in and out of the project.

Mayor Moyer opened the Public Hearing.

Millie Hunter explained that the project backs up to her property and expressed many concerns with traffic and the fact that an EIR had not been done. She doesn't feel the project should proceed until the concerns are addressed.

Bill Hawes does not feel the traffic on Sun Lakes Boulevard is a concern and supports a care facility at this location.

Gary Miller, the architect for the project, advised he is available to answer any questions and shared a visual presentation of how the project is planned to look.

Council Member Franklin asked what the hours of operation would be. Mr. Miller confirmed regular business hours. She asked about light spilling outside of the property. Mr. Miller confirmed there would be no light spill beyond the property line.

Steve Rutledge from the Four Seasons expressed his support of the project.

Dr. Khalil, Internist with Beaver Medical Group and Chief of Staff at San Gorgonio Memorial Hospital, shared his support for this project and explained some history of Beaver Medical Group and explained that he is pursuing opportunities for future needs in this area with this project.

Peter Bonilla, Executive Director of the Lakes assisted living facility expressed his strong support for this project.

Peg Monahan expressed her support for the project.

Seeing no further comments, the Mayor closed the Public Hearing for this item.

Community Development Director Nevins explained that an EIR would have been required if there were significant impacts from the project, but there were none.

Motion Peterson/Welch to adopt Resolution 2018-80, approving General Plan Amendment 17-2503, Design Review 17-7004; and an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (Environmental Assessment 17-1504) for an approximately 36,171 square foot medical office building. Motion carried 5-0.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1526.

The Deputy City Clerk read the title of Ordinance 1526: "Ordinance 1526, an Ordinance of the City of Banning, California, approving Zone Change No. 17-3503 to Amend the Zoning Map from High Density Residential-20/Affordable Housing Opportunity to Professional Office (PO) in Conformance with General Plan Amendment 17-2503, for Property Located South of Interstate 10, East of Highland Springs Avenue, North of Sun Lakes Boulevard between Sun Lakes Village Drive and Silver Springs Avenue; APN 419-140-059."

Motion Franklin/Welch to waive further reading of Ordinance 1526. Motion carried 5-0.

Motion Franklin/Welch that Ordinance 1526 pass its first reading. Motion carried 5-0.

3. Resolution 2018-70, Amending the Net Metering Surplus Production Rate Schedule to Set the Net Metering Surplus Electrical Rate to be Equal to the Price of the Lowest-Cost WREGIS-Certified Renewable Energy Resource that is Produced or Procured by the Electric Utility

Electric Utility Director Tom Miller presented the Staff Report as contained in the Agenda packet along with a PowerPoint Presentation (see Exhibit "E").

Amending the Net Metering Surplus Production Rate Schedule to Set the Net Metering Surplus Electrical Rate to be Equal to the Price of the Lowest-Cost WREGIS-Certified Renewable Energy Resource that is Produced or Procured by the Electric Utility

Mayor Moyer opened the Public Hearing.

John Hagen requested clarification in regard to the solar credit amount. Director Miller provided clarification and explained.

Seeing no further comments, the Mayor closed the Public Hearing for this item.

Motion Andrade/Peterson to adopt Resolution 2018-70: 1) approving the updating of the Net Metering Surplus Production Rate Schedule to set the Net Metering Surplus Electrical Rate to be equal to the price of the lowest-cost WREGIS-certified renewable energy resource that is produced or procured by the City of Banning Electric Utility and 2) authorizing the Electric Utility Director or their designee to

implement said updated Net Metering Surplus Production Rate Schedule effective immediately. Motion carried 5-0.

4. Resolution 2018-69, Approving the Closure of the Net Energy Metering Program to New Applicants Due to the Program Being Fully Subscribed, Approving the "Distributed Energy Resources" Subsequent to the Net Energy Metering Program Being Closed, and Grandfathering Current Net Energy Metering Customers for 20 Years from the Date of Interconnection of their Renewable Systems or Until the Closing of their Account, Whichever Occurs First

Electric Utility Director Tom Miller presented the Staff Report as contained in the Agenda packet along with a PowerPoint Presentation (see Exhibit "E").

Mayor Moyer opened the Public Hearing. Seeing no comments, closed the Public Hearing for this item.

Motion Andrade/Franklin to adopt Resolution 2018-69: 1) approving the closure of the Net Energy Metering (NEM) program to new applicants because the program is fully subscribed, 2) approving the Distributed Self-Generation Schedule for customers installing distributed energy resources subsequent to the NEM program being closed, 3) grandfathering current NEM customers for 20 years from the date of interconnection of their renewable systems or until the closing of their account, whichever occurs first, and 4) authorizing the Electric Utility Director or his designee to administer the provisions approved in this resolution. Motion carried 5-0.

5. Resolution 2018-81, Confirming the Levy and Collection of Assessments Within the City of Banning's Landscape Maintenance District (LMD) No. 1 for Fiscal Year 2018/2019

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

Mayor Moyer opened the Public Hearing. Seeing no comments, closed the Public Hearing for this item.

Motion Andrade/Franklin to adopt Resolution 2018-81; confirming the Levy and Collection of Assessments within the City of Banning's LMD No. 1 for Fiscal Year 2018/2019 pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code and authorizing the City Clerk to file the diagram and assessment with the Riverside Assessor-County Clerk-Recorder's Office. Motion carried 5-0.

6. Proposal by Mayor Pro Tem Peterson to Censure City Council Member Welch

Mayor Pro Tem Peterson shared his recommendation to censure Council Membership (see Exhibit "F") and presented his evidence.

Council Member Welch shared his response (see Exhibit "G").

Mayor Moyer opened the Public Hearing.

Bob Knight with Diamond Hills advised that he did not attempt to get anything done outside of what was the proper practice. He informed the Council that he nor anyone from the dealership was interviewed by the Grand Jury.

David Ellis expressed his disappointment in Mayor Moyer, Council Member Franklin, and Council Member Welch.

Linda Pippenger advised the Council to abide by the direction of the Grand Jury.

Don Smith explained what the Grand Jury does and that it is up to the Council to decide whether or not they agree with the recommendations.

Seeing no further comments, the Mayor closed the Public Hearing for this item.

Council Member Andrade expressed concern with the fact that not all parties involved in the situation were interviewed.

Motion Peterson to censure Council Member Welch. Motion died for a lack of a second.

ANNOUNCEMENTS & REPORTS

CITY COUNCIL COMMITTEE REPORTS

Council Member Andrade attended the Roosevelt Williams Park rededication on Saturday, June 23rd with her entire family. She commended the Public Works and Community Services departments on their work.

Council Member Franklin reported on the following:

- The rededication of Roosevelt Williams Park re-opened on Saturday, June 23rd. She commended the Public Works and Community Services Departments.
- The Downtown Ad Hoc Committee has received 130+ surveys and they will be reviewed and a report brought forward to Council.
- The 2x2 with the School District met. The School District will be doing their own CNG station.

Council Member Peterson had nothing to report

Council Member Welch had nothing to report.

Mayor Moyer reported on the following:

- Pass Area Clean Up at Bogart Park on Saturday, June 30th (see Exhibit "H")

The Mayor recessed the regular meeting at 8:16 p.m. and reconvened at 8:28 p.m.

REPORT BY CITY ATTORNEY

City Attorney Ennis did not have anything to report.

REPORT BY CITY MANAGER

Interim City Manager Clayton thanked the members of the Oversight Board of the Successor Agency and presented certificates of appreciation.

REPORTS OF OFFICERS

1. Resolution 2018-71, Pre-Approving a Vendor List for the Purchase of Information Technology Supplies and Commodities for the City

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

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

Motion Peterson/Andrade to adopt Resolution 2018-71, establishing a pre-approved vendor list for citywide usage and authorizing the purchase of Information Technology supplies and commodities from competitively bid cooperative organizations and/or GSA Schedule 70 (GSA Advantage) or as a Sole Source for the Fiscal Year 2018-2019 and 2019-2020 concurrent approved budgets. Motion carried 5-0.

2. Resolution 2018-72, Approving the Rate Adjustment for the Collection, Transportation, and Disposal of Solid Waste Services and to Proceed with the Proposition 218 (Prop 218) Notifications, Setting a Prop 218 Public Hearing, and Directing Staff to Prepare the Fifth Amendment to the Franchise Agreement with Waste Management

Public Works Director Art Vela presented the Staff Report as contained in the Agenda packet. He advised that Lily Figueroa and Clara Vera with Waste Management are available to answer any questions.

Mayor Moyer asked for clarification in regard to the five years maximum.

Council Member Peterson asked if there would be a CPI increase every year. Director Vela confirmed there would.

Council Member Franklin asked what the CPI increase meant to the residents. Director Vela explained this year it is 3.43%, which means the monthly rate would increase from \$20.99 per month to \$21.75 per month. She asked if the recycling that is taken from residents factored into the increase. Director Vela indicated it did not.

There was some discussion held about the new contamination fee.

Clara Vera with Waste Management recommended residents limit their trash bin exposure by bringing their bins out right before the hauler picks up and putting them away as soon as possible following pick up. She indicated they would be reaching out to educate the community as much as possible.

Mayor Moyer opened the item for public comment.

Ellen Carr expressed her exacerbation and frustration with another rate increase.

Don Smith reminded everyone that people do go through trash.

David Ellis advised it was on NextDoor about people going through trash cans. He believes education is important, especially with the new contamination charge.

Seeing no further comments, the Mayor closed public comment.

Clara Vera recommended citizens contact Waste Management at 1-800-423-9986 with any questions or to schedule a bulky item pick-up. Residents are entitled to three per year. She also advised they have a Spring and Fall clean-up event and the Fall clean-up event will be in October.

Motion Franklin/Andrade to adopt Resolution 2018-72: 1) approving a Prop 218 notice for annual CPI adjustment for five consecutive years beginning in 2018 and ending in 2022 and approving a method for establishing the annual CPI adjustment to the service rates for the collection, transportation and disposal of solid waste, 2) approving the Prop 218 Notice and authorizing staff to mail the notice to customers and property owners in compliance with all requirements of Prop 218, 3) scheduling a Public Hearing for August 28, 2018 at 5 p.m. to consider all public protests related to the proposed rate adjustment, and 4) authorizing the City Manager or her designee to make necessary budget adjustments, appropriations and transfers related to the Prop 218 notification and public hearing process.
Motion carried 5-0.

3. Resolution 2018-91, Approving an Updated Method for Calculating the Annual Consumer Price Index (CPI) Adjustment to the Banning Municipal Airport Hangar Rates and Access Fees

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

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

Motion Welch/Franklin to adopt Resolution 2018-91, approving an updated method for calculating the annual CPI adjustment to the Banning Municipal Airport hangar rental rates and access fees for 2018 and 2019. Motion carried 5-0.

DISCUSSION ITEMS

1. Potential Ballot Measure to be Placed on the November 2018 Ballot by the City Council for a Proposed Ordinance Authorizing a Transfer from the City's Electric Fund to the General Fund in an Amount Not to Exceed 7.5% of Gross Revenues for Three Years and 5.5% of Gross Revenues Thereafter, and Establish an Electric Utility Rate Freeze for a Period of Three Years

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

Council Member Franklin clarified this would not be asking the rate payer for money, rather redirecting the money the City already has.

Mayor Moyer opened the item for public comment.

Ellen Carr shared her concern with the City robbing Peter to pay Paul.

Don Smith explained that Prop 13 is forcing the people to vote to do what has been done since 1976 or 1977. This would fund Police, Fire, and Parks with a guarantee that rates stay the same.

David Ellis reminded the Council the City is fighting to bring business into town, but the electric rates are high. He recommended cutting employees, salaries and benefits and raising the mining tax or figuring out a different way to generate revenue.

Seeing no further comments, the Mayor closed public comment.

There was discussion among the Council regarding whether there should be a rate freeze or a rebate, as one option may be easier to explain to the citizens than the other.

There was a consensus of the Council that Staff bring back wording for both options.

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

CONSENT ITEMS

Council Member Peterson pulled Consent Item 1 for discussion.

2. Resolution 2018-66 and Resolution 2018-02 HA, Participation in Riverside County Mortgage Credit Certificate Program

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

Motion Peterson/Andrade to approve Consent Item 2. Motion carried, 5-0.

1. 2nd Reading of Ordinance 1525, Amending Chapter 13.08 of the Banning Municipal Code Approving the Water and Wastewater Rate Schedule

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

Motion Welch/Franklin to approve Consent Item 1. Motion carried, 4-1, with Council Member Peterson voting against.

REPORTS

REPORTS OF OFFICERS

1. Resolutions Approving the Two-Year Budget for Fiscal Years 2018-2019 and 2019-2020 for the City of Banning, Banning Utility Authority, and Successor Agency; the Five-Year Capital Improvement Program for Fiscal Years 2018-2019 through 2022-2023; the Gann Limit (Appropriation Limit); and Amending the Classification and Compensation Plan

Deputy Finance Director Suzanne Cook presented the Staff Report as contained in the Agenda packet.

Mayor Moyer asked if public safety is getting everything they had. Deputy Director Cook confirmed.

Council Member Franklin asked if the Reserve account is in good condition. Interim City Manager Clayton confirmed it is well above where it needs to be.

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

The Mayor commended staff for a really good job and thanked all for their work.

Motion Franklin/Peterson to 1) adopt Resolution 2018-85 approving the Two-Year Budget for Fiscal Years 2018-2019 and 2019-2020 for the City of Banning, 2) adopt Resolution 2018-09 UA approving the Two-Year Budget for Fiscal Years 2018-2019 and 2019-2020 for the Banning Utility Authority, 3) adopt Resolution 2018-03 SA approving the Two-Year Budget for Fiscal Years 2018-2019 and 2019-2020 for the Successor Agency, 4) adopt Resolution 2018-86 approving the Gann Limit for Fiscal Year 2018-2019, and 5) adopt Resolution 2018-92 amending the Classification and Compensation Plan. Motion carried, 5-0.

ITEMS FOR FUTURE AGENDAS

Council Member Franklin suggested the City consider naming streets after local property owners, such as Lloyd Fields.

Council Member Franklin would like Planning Commissioners appointed by Council Districts.

Council Member Franklin would like the City to consider an ordinance declaring stealing trash trespassing.

ADJOURNMENT

By common consent the meeting was adjourned at 9:37 P.M.

Minutes Prepared by:

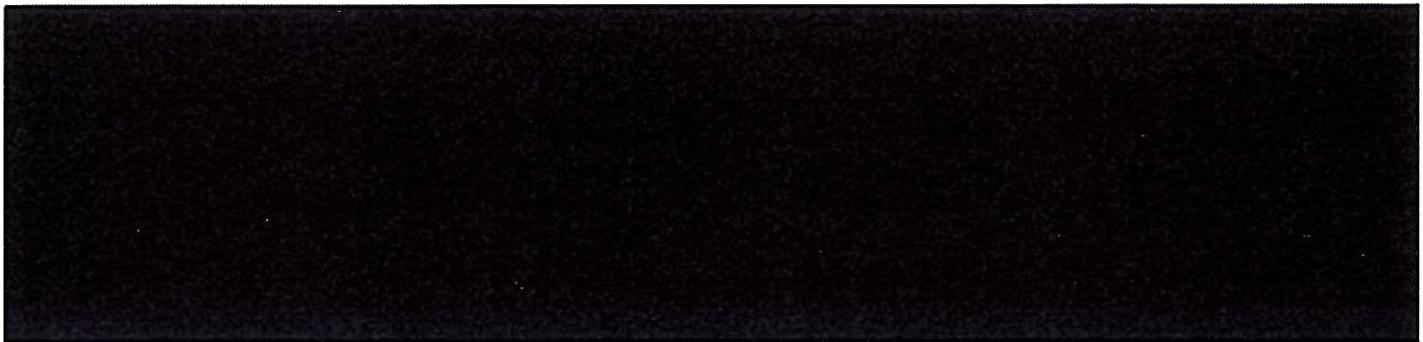


Sonja De La Fuente, Deputy City Clerk

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=VQtIde2ZcbXh> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

Exhibit “A”

to the June 26, 2018, Regular Meeting Minutes



From: Barbara Jesus <reech.us@hotmail.com>
Sent: Tuesday, June 19, 2018 11:21 AM
To: Art Welch; George Moyer; debbie Franklin; Don Peterson
Subject: Highland Springs and Albertson's Center

We are hearing that Beaumont plans to keep the Albertson's entrance closed. We personally think the change has created even more hazards by the line up of cars, drivers trying to make the one entrance light into Banning enter, and illegal u turns. Here we go again with a few accidents over years of traffic and someone thinking a major change is needed. (Sun Lakes, as some of you know, has a similar over reaction going on to traffic.) **We do not agree that this change should take place.**

The merchants in Banning's center are trying to fight the closure, especially Mobile who is suffering, Hobby Lobby etc. I hope they are able to find a legal angle to keep it open. Can you imagine the traffic for the holidays? This change has not made one bit of difference in the traffic flow northbound to Ramsey either. Beaumont gets their way while interfering with Banning. **I certainly hope Banning City Council is NOT supporting this change. This move is only good for Beaumont, who wants to drive business to their area, and it only hurts Banning sales. We are disgusted with the situation.**

As our city council, we sincerely hope you are supporting the merchants in OUR CENTER and not letting Beaumont push us around as to this matter.

Please provide to the new council woman, and city clerk. I would like this read at the next meeting.

Thank you.
Barbara DelGatto-Jesus
909-915-4320

Exhibit “B”

to the June 26, 2018, Regular Meeting Minutes

Commercial Cannabis Ordinances and Proposed Ballot Measures

City Council Public Hearing and Meeting

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

June 26, 2018
5:00 P.M.



New Ordinances & Tax Measure

Municipal Code Amendments:

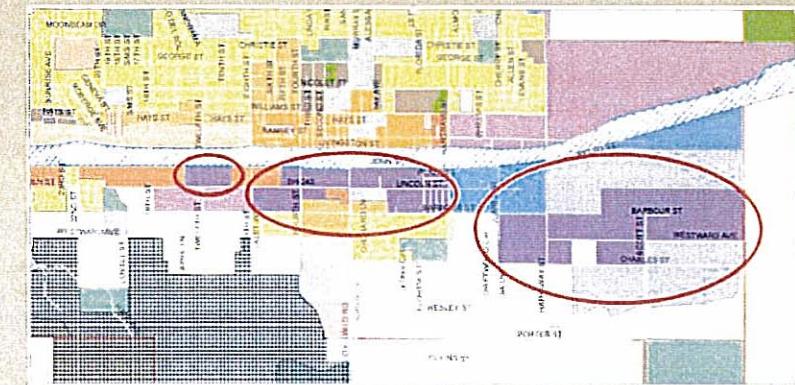
- **Draft Cannabis Regulatory Permit Requirement – Add Chapter 5.35 to Business Licenses and Regulations**
- **Draft Cannabis Conditional Use Permit Requirement – Add Chapter 17.53 to Zoning**

Draft Tax Measures (Ordinances will be dependent upon voter approval of tax measures.)

Uses Conditionally Permitted via Cannabis Conditional Use Permit and Regulatory Permit

- Cultivation
- Manufacturing Level 1
- Testing

Industrial Zones Map



Resolution No. 2018-82

- Calls for the placement of two separate tax measures on the November 6, 2018 ballot
 - Tax on commercial cannabis cultivation, manufacturing, and testing laboratories
 - Tax on cannabis retailers
- Both measures impose a general tax so they must be approved by a majority of the Banning voters
- Resolution must be adopted by 4/5th vote of the City Council

Cannabis Retailers

- City Council provided staff direction to draft a tax measure taxing cannabis retailers.
- If the City Council moves forward with a cannabis tax measure on the ballot, staff will facilitate a public meeting to review the proposed征税, possible land use, and regulation considerations for these uses.

First Tax Measure

- Cannabis cultivation tax - \$15 per square foot of canopy space (with ability to increase to \$25 per square feet of canopy space)
- Manufacturing and testing laboratory facilities tax – 10% of gross receipts
- Anticipated to generate approximately between \$644,800 to \$1,289,600 annually in taxes

Second Tax Measure

- Retailer cannabis tax – 10% of gross receipts (with ability to increase to 15% of gross receipts)
- Anticipated to generate approximately between \$1,168,800 and \$1,356,400 annually in taxes

Direction Requested

- **Include both tax measures in Resolution No. 2018-32?**
- **If adopting Resolution No. 2018-32, the City Council may want to consider designating two City Councilmembers to draft an argument in favor of the tax measure(s) for consideration by the City Council at its July 10, 2018 meeting**

Exhibit “C”

to the June 26, 2018, Regular Meeting Minutes

Watermark Development Inc.

1838 North Valencia Avenue, Placentia, CA 92870. Telephone 714-879-3569 Email: watermarkinc@earthlink.net
CA State License # 741507

June 25, 2018
City of Banning City Council
99 E Ramsey Street
Banning, CA 92220



Banning Work Lofts Project -

Project Address : 1450 E. Lincoln Street - Banning, CA 92220
Subject : Including the Airport Industrial Zone Into the Indoor Cultivation Zone Text
Amendment along with the Industrial Zone in the City of Banning, CA

Honorable City Council Members and City staff

We are attaching a letter we addressed to the 46 property owners in the Airport Industrial (AI) Zoning.

We prepared and distributed this letter in an effort to gain the support of other fellow owner neighbors' with respect to including the AI zoning along with the Industrial zoning for the indoor cannabis cultivation ordinance.

Contained and attached below are :

A copy of the circulated support request letter to the AI neighbors
A label list of the 46 owners' in the AI zone that we contacted. Mailings sent out on June 15th 2018.
Copies of the 8 signed support letters (signature page) we have received so far.

We have received no negative (against the inclusion in the cultivation zone) responses, emails or phone calls to our inquiries.

Please contact us if you have any questions or would like any additional information.
Thank you for the opportunity to present this request to your honorable panel for your continued support of our project.

Respectfully Submitted
Ed Quental (310) 261-1242 cell
Mark Quental (310) 261-1243 cell

Watermark Development Inc.

1838 North Valencia Avenue, Placentia, CA 92870. Email: watermarkinc@earthlink.net
CA State License # 741507

June 14, 2018

Dear fellow landowners of the Airport Industrial Zone.

There are many lots which comprise the Airport Industrial (AI) Zone. The lots within the AI zone are all contained by and within the following streets : Hargrave to the West, the 10 Freeway to the North, Hathaway to the East and Barbour to the South.

My wife Lisa, my brother Ed and I, Mark Quental own (purchased in 2003) the 3.62 acre lot located at 1450 E. Lincoln Street. Our Banning Work Lofts project for this parcel has been approved and permitted and we are shovel ready. However, low land values in this area have prompted the banks to charge high interest rates on the construction loan making it too risky for us to get started. Increased land value will solve this problem for all of us and will allow more favorable development opportunities into the future.

We are contacting you to help us get support by including your signature on this form to present it to the Banning City Council at the upcoming meeting on June 26, 2018.

We are requesting your signature to gain all the AI Zone landowners' support to request to the City Council to include the AI Zone in the proposed Indoor Cannabis Cultivation Zone in their upcoming vote. As of right now the map approved by the Planning Commission does not include the AI Zone. See the attached Map 2 showing the proposed new Indoor Cultivation Zone all around (but not including) our AI Zone. See the Map below.

We feel this would be a major detriment to us, and hurt our land values as owners in the AI Zone. The lots surrounding us, that are in the cultivation zone will appreciate in value. While our lots in the same area will not get the land appreciation factor.

For example, in other cities such as Desert Hot Springs, Coachella, Palm Springs lots within the Indoor Cultivation Zones have doubled and tripled in value.

We feel it would be very beneficial for all of us fellow landowners, in the AI Zone, to come together and benefit from this opportunity that will affect all of our parcels for many years to come. This will be voted on by the residents of Banning in November. It may not pass. But, if it does, we need to be included

Increased land value of this ordinance will help all of us in the AI Zone. Please sign and return to us as soon as possible.

Our email address and mailing address are above

If you would like to call us here are our cell numbers :

Mark Quental 310-261-1243

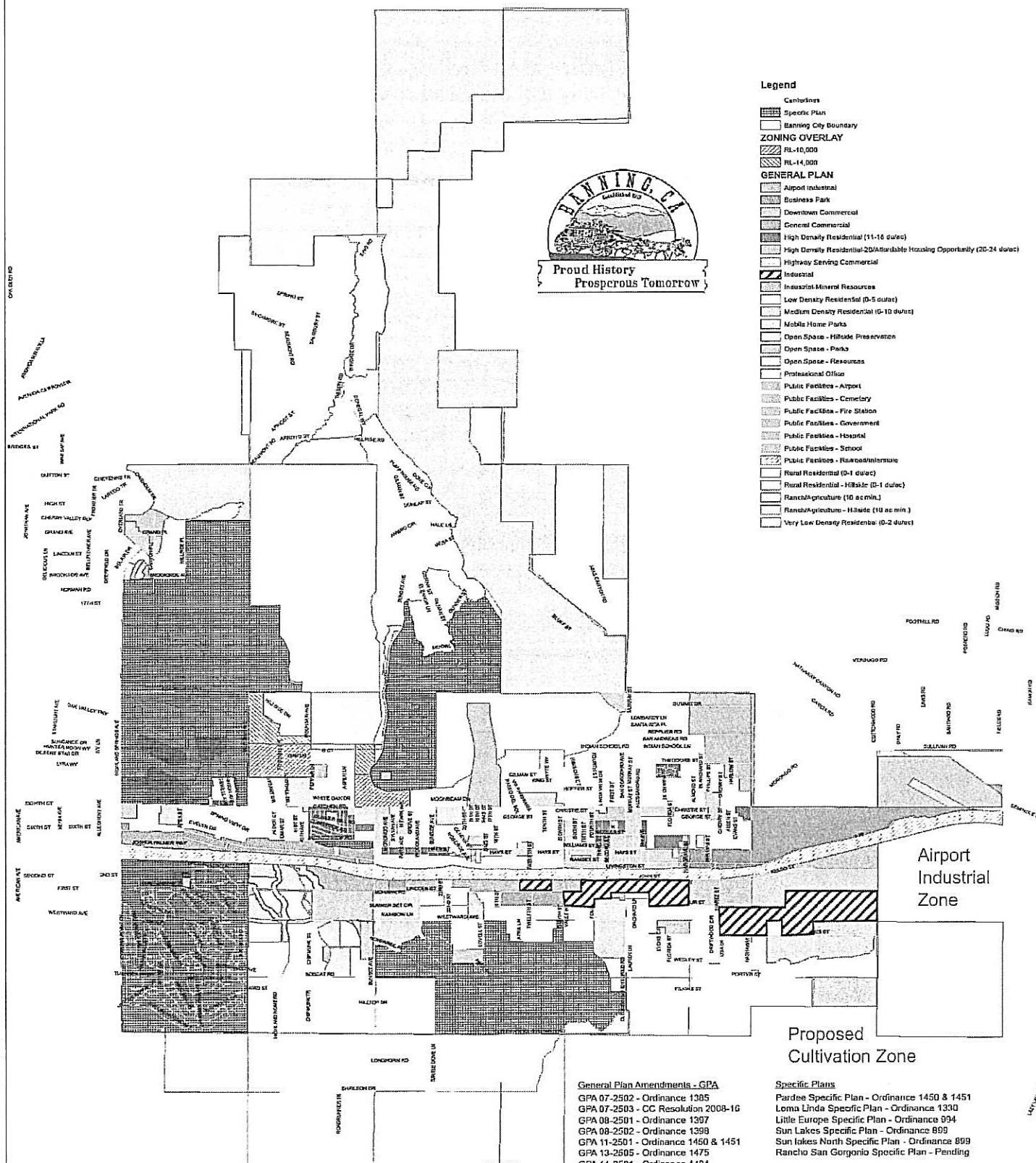
Ed Quental 310-261-1242

By my signature as a landowner within the Airport Industrial Zone I am requesting the Banning City Council include the Airport Industrial Zone into and be part of the proposed Indoor Cannabis Cultivation Zone

Name _____ Date _____

Address or Parcel Number

CITY OF BANNING
GENERAL PLAN WITH ZONING OVERLAY



Keith Turner
2247 El Capitan Dr
Riverside, CA 92506-4615

John C & Carol L Tamulonis
461 S Hathaway St
Banning, CA 92220

John C & Carol L Tamulonis
461 S Hathaway St
Banning, CA 92220-5914

Weeks Inv Group
700 S Hathaway St
Banning, CA 92220-5904

Keith W Volk
175 W Hermosa Pl
Palm Springs, CA 92262-4350

Leonard Harold & Alyce Frances Peterson
Po Box 1040
Lockeford, CA 95237-1040

Belete & Amsale Berhanu Demissie
467 N San Gorgonio Ave
Banning, CA 92220-5523

Spssm Inv Viii
4900 Santa Anita Ave 2C
El Monte, CA 91731-1490

Edward & Mark Quental
1838 Valencia Ave
Placentia, CA 92870-2732

Paul J Heilig
32017 Via Ararat Dr
Bonsall, CA 92003-4343

John J & Martha Rocha
1047 E Barbour St
Banning, CA 92220

Joseph E Olvera
1073 E Barbour St
Banning, CA 92220

Jamie Medvedeff
1103 E Barbour St
Banning, CA 92220

Mario F Ceja Mendoza & Elizabeth Manzo
Suarez
837 E Barbour St
Beaumont, CA 92223

Terry & Patricia Owsley
933 E Barbour St
Banning, CA 92220

Dennis C Pierce
48 N Doc Holiday Ln
Central, UT 84722-3016

Richard A & Alissa L Haderer
3449 Enterprise Ave
Hayward, CA 94545-3220

Gerardo & Almerida Rodriguez
520 S Hargrave St
Banning, CA 92220

Ramiro G Alvarez & Guadalupe N
Gonzalez
540 S Hargrave St
Banning, CA 92220

Tony H & Mary L Ortega
562 S Hargrave St
Banning, CA 92220

Angela Flores & Albert Alan Hughes
545 S Juarez St
Banning, CA 92220

Ignacio Alvarez
946 E Lincoln St
Banning, CA 92220

Pro Motor Collision Repair Inc
946 E Lincoln St
Banning, CA 92220-6245

Arthur D Medore
26100 Marlo Ct
Hemet, CA 92544-6701

Jim B & Carole J Macias
1984 E Park Dr
Palm Springs, CA 92262-6540

Amparo Elizondo & Flavia Bock
Po Box 106
Banning, CA 92220-0014

Edwin E & Janice Lee Manske
Po Box 1209
Wildomar, CA 92595-1209

Edwin E & Janice Lee Manske
Po Box 1209
Wildomar, CA 92595-1209

Jeffrey A & Nancy L Fisher
Po Box 141
Banning, CA 92220-0014

Wausau Tile Co
Po Box 1520
Wausau, WI 54402-1520

Robert A & Doreen J Reynolds
Po Box 326
Banning, CA 92220-0003

Pacific Latin Am Dist Council Assem Of
God
Po Box 566
Banning, CA 92220-0017

Andrew A Gillispie
10503 San Vincente Ave
South Gate, CA 90280-6653

Spssm Investments Vi
4900 Santa Anita Ave 2C
El Monte, CA 91731-1490

Pippenger Holdings Inc
2553 W Westward Ave
Banning, CA 92220-3761

Pippenger Holdings Inc
2553 W Westward Ave
Banning, CA 92220-3761

Todd Hilde
2530 Xenium Ln N
Minneapolis, MN 55441-3627

Thomas & Maria Belen Arreola
322 S Hargrave St
Banning, CA 92220

Jose A Silva Diaz
825 E Lincoln St
Banning, CA 92220

Enrique Parra Rodriguez
1068 Nighthawk Pl
Beaumont, CA 92223-2062

Enrique Parra Rodriguez
1068 Nighthawk Pl
Beaumont, CA 92223-2062

Enrique Parra Rodriguez
1068 Nighthawk Pl
Beaumont, CA 92223-2062

Strech Partners
22500 San Joaquin Dr W
Canyon Lake, CA 92587-7851

Strech Partners
22500 San Joaquin Dr W
Canyon Lake, CA 92587-7851

We feel it would be very beneficial for all of us fellow landowners, in the AI Zone, to come together and benefit from this opportunity that will affect all of our parcels for many years to come. This will be voted on by the residents of Banning in November. It may not pass. But, if it does, we need to be included

Increased land value of this ordinance will help all of us in the AI Zone. Please sign and return to us as soon as possible.

Our email address and mailing address are above

If you would like to call us here are our cell numbers :

Mark Quental 310-261-1243

Ed Quental 310-261-1242

By my signature as a landowner within the Airport Industrial Zone I am requesting the Banning City Council include the Airport Industrial Zone into and be part of the proposed Indoor Cannabis Cultivation Zone



Date: 6/15/18

Name/Property Owner: Alyce Peterson, trustee, Peterson Family Trust

481 S. Hathaway St, Banning, CA 92220

Address or Parcel Number

We feel it would be very beneficial for all of us fellow landowners, in the AI Zone, to come together and benefit from this opportunity that will affect all of our parcels for many years to come. This will be voted on by the residents of Banning in November. It may not pass. But, if it does, we need to be included

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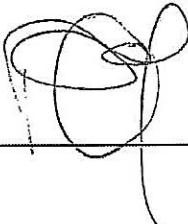
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Name

6-18-18

Date

32017 110 BRADLEY DR. BANSAU, CA 92220

Address or Parcel Number

1521 E. Barbour street, units 1-4
Banning, CA 92220

We feel it would be very beneficial for all of us fellow landowners, in the AI Zone, to come together and benefit from this opportunity that will affect all of our parcels for many years to come. This will be voted on by the residents of Banning in November. It may not pass. But, if it does, we need to be included

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DELETE DEMOSSIE 6-14-18

Name

Date

1522 and 1554 Lincoln St

Address or Parcel Number

Banning, CA 92220

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Ed Quental 310-261-1242

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John Tamaloris - 6-18-18
Name Date
461 / 425 S. HATHAWAY ST.
Address or Parcel Number

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Ed Quental 310-261-1242

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Keith Turner 6/20/18
Name Date

54129 0019-9
Address or Parcel Number

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Ed Quental 310-261-1242

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Ed Q

Name

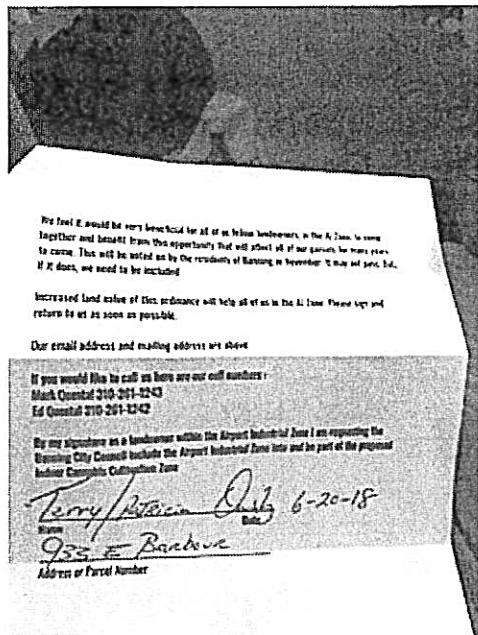
6/25/18

Date

541-290-009

Address or Parcel Number

From: Edward Quental watermarkinc1@icloud.com 
Subject:
Date: June 25, 2018 at 3:41 PM
To:



He held a meeting with the Mayor and the City Manager to discuss the proposed changes to the City Charter. The Mayor and the City Manager were in agreement with the proposed changes.

He held a meeting with the Mayor and the City Manager to discuss the proposed changes to the City Charter.

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He held a meeting with the Mayor and the City Manager to discuss the proposed changes to the City Charter.
City Council 2018-185
11 P.M. 2018-187

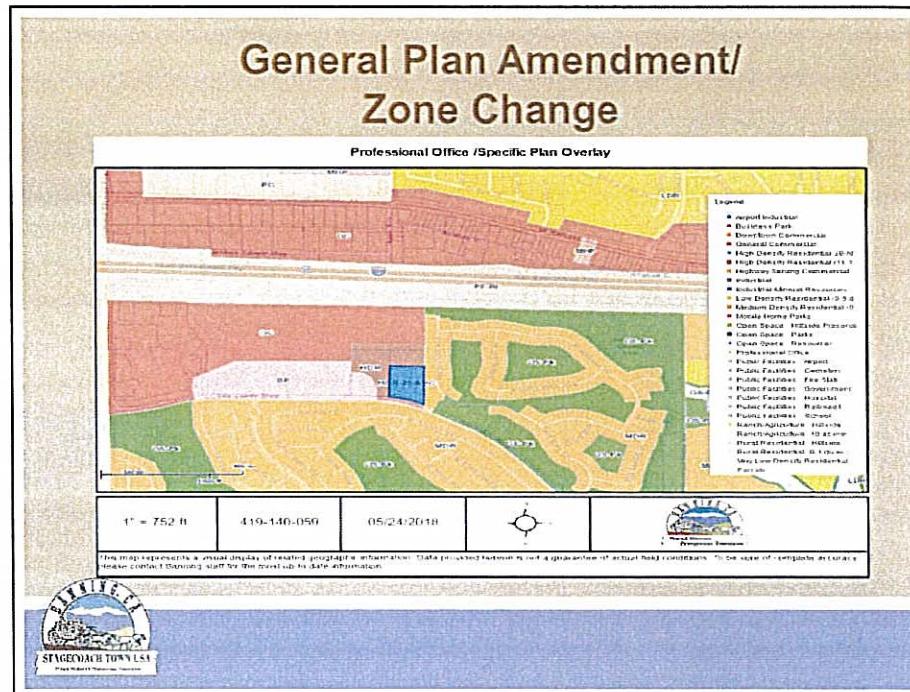
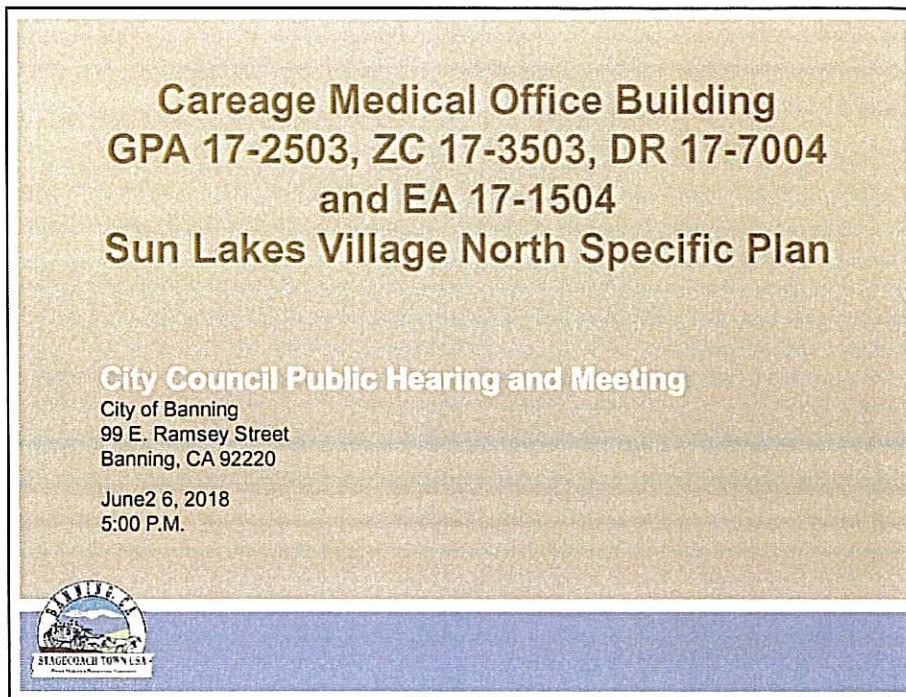
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City Council 2018-185
11 P.M. 2018-187

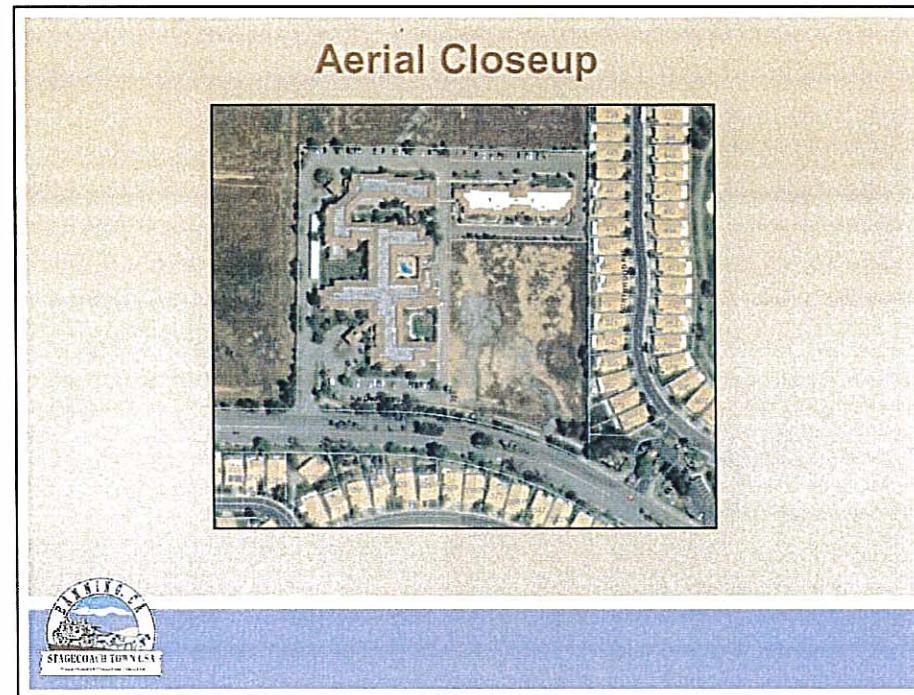
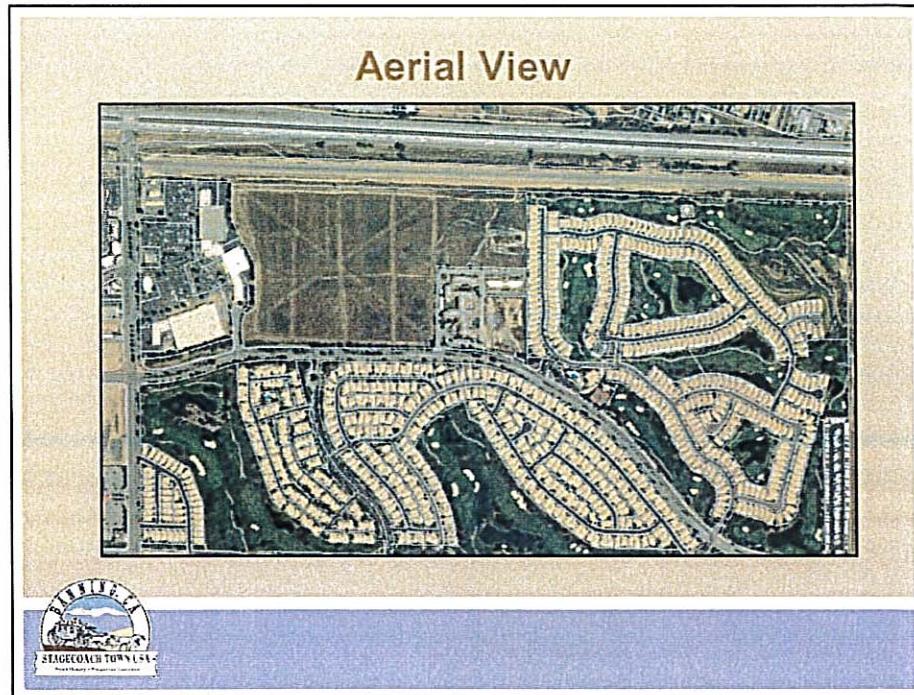
He held a meeting with the Mayor and the City Manager to discuss the proposed changes to the City Charter.

ABSENCE OF Panel Member

Exhibit “D”

to the June 26, 2018, Regular Meeting Minutes





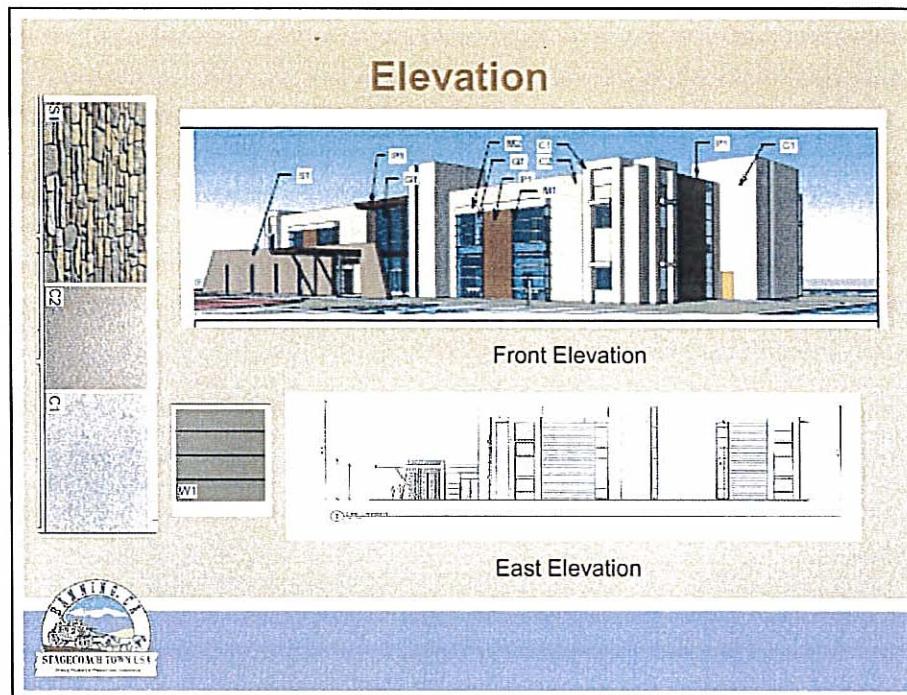
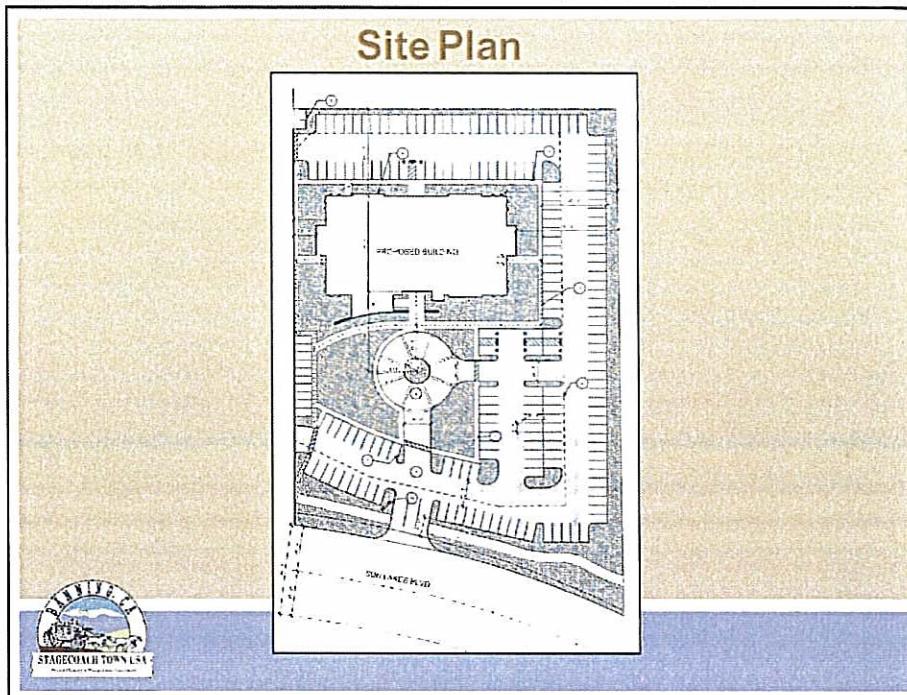


Exhibit “E”

to the June 26, 2018, Regular Meeting Minutes

BANNING ELECTRIC UTILITY

- ONE PUBLIC HEARING TO DISCUSS TWO TOPICS
 - EXISTING NET METERING PROGRAM
 - IMPLEMENTING A SUCCESSOR PROGRAM KNOWN AS DISTRIBUTED ENERGY RESOURCES PROGRAM
 - DISTRIBUTED ENERGY SELF-GENERATION SCHEDULE
- TWO ACTION ITEMS FOR CONSIDERATION
 - RESOLUTION 2018-69 – (TRANSITION FROM NET METERING TO DISTRIBUTED ENERGY RESOURCES PROGRAM)
 - RESOLUTION 2018-70 - (SCHEDULE NMS – NET METERING SURPLUS PRODUCTION)

BANNING ELECTRIC UTILITY

- PROPRIETARY ENTERPRISE OF THE CITY OF BANNING
- PUBLICLY-OWNED UTILITY (POU)
- NOT-FOR-PROFIT (PRODUCE REVENUES IN EXCESS OF EXPENSES IN ORDER TO SERVICE DEBT AND MAINTAIN A REASONABLE RESERVE)
- TWO PRIMARY FUNCTIONS:
 - PROCURE AND DELIVER ELECTRICAL ENERGY TO THE "CITY GATE" (CURRENTLY AT SOUTHERN CALIFORNIA EDISON'S BANNING SUBSTATION)
 - TO PRODUCE AND SAFELY DISTRIBUTE RETAIL ELECTRICAL ENERGY TO CITIZEN PATRONS FOR END-USE CONSUMPTION

NET METERING PROGRAM

CITY OF BANNING DBA BANNING ELECTRIC UTILITY

WHAT IS NET METERING?

- NET METERING IS A MANDATED INITIATIVE IN SUPPORT OF RENEWABLE ENERGY PRODUCTION; IT'S A BUILT-IN CROSS SUBSIDY BETWEEN SOLAR AND NON-SOLAR CUSTOMERS (AB920)
- NET METERING IS AN INCENTIVE PROGRAM DESIGNED TO PROMOTE DISTRIBUTED ENERGY RESOURCES
- INCENTIVE TO PROMOTE THE INSTALLATION OF 1 MILLION ROOF TOP SOLAR ARRAYS ACROSS CALIFORNIA
- PRACTICALLY SPEAKING, THE UTILITY METER RECORDS ENERGY SUPPLIED BY THE UTILITY AND ENERGY PRODUCED BY THE SOLAR ARRAY AND THE "NET" DIFFERENCE IS THE MONTHLY BILLING DETERMINATE
- THE SOLAR PRODUCTION IS VALUED AT FULL RETAIL EMBEDDED COSTS; CURRENTLY \$0.1688, \$0.2190 OR \$0.2880
- AT THE END OF A 12-MONTH PERIOD, IF THE ANNUAL NET BILLING DETERMINATE IS IN FAVOR OF SOLAR PRODUCTION, THE CUSTOMER CAN BANK THE NET OR RECEIVE ADDITIONAL COMPENSATION CURRENTLY \$0.0883.

WHAT IS THE CURRENT SCOPE OF THE NET METERING PROGRAM?

- 371 CUSTOMERS IN THE NET METERING PROGRAM (ALL SOLAR)
- 53 APPLICATIONS PENDING
- TOTAL INSTALLED CAPACITY OF 2.6 MW (7 KW/CUSTOMER AVG)
- APPROXIMATELY 11,700,000 KWH GENERATED SINCE 2008 (31,537/SOLAR CUSTOMER AVG)
- APPROXIMATELY \$1.97 MILLION IN NET METERING RATE INCENTIVES (\$5,310/SOLAR CUSTOMER AVG)
- 108 CUSTOMERS RECEIVED \$2,414,074 IN SOLAR REBATES (\$22,353/CUSTOMER AVG)

CONSIDERATIONS FOR NET METERING PROGRAM

- INACTIVATING THE CURRENT NET METERING PROGRAM AND CLOSE THE PROGRAM TO NEW APPLICANTS EFFECTIVE JULY 1, 2018 (RESOLUTION 2018-69)
- FOR EXISTING NET METERING CUSTOMERS (371), REDUCE THE NET METERING SURPLUS COMPENSATION (PRODUCTION) SCHEDULE TO \$0.063 EQUAL TO BANNING ELECTRIC'S LEAST COST RENEWABLE RESOURCE (ASTORIA 2) SOLAR CONTRACT (RESOLUTION 2018-70)
- FOR EXISTING NET METERING CUSTOMERS, SUNSET THE PROGRAM AT 20 YEARS FROM THE DATE OF INTERCONNECTION OF THE CUSTOMER-OWNED RENEWABLE GENERATION OR CHANGE IN PREMISE RESPONSIBILITY, WHICH EVER COMES FIRST (RESOLUTION 2018-69)

DISTRIBUTED ENERGY RESOURCES PROGRAM

**TRANSITIONING FROM SOLAR TO ALL FORMS OF CUSTOMER-OWNED
PRODUCTION**

CONSIDERATIONS FOR DISTRIBUTED ENERGY RESOURCES PROGRAM

- SUCCESSOR PROGRAM TO BE KNOWN AS DISTRIBUTED ENERGY RESOURCE PROGRAM (RESOLUTION 2010-69)
- PROMOTES CUSTOMER-OWNED DISTRIBUTED RENEWABLE ENERGY PRODUCTION (SOLAR, WIND, BATTERY STORAGE, FUEL CELL, OR COMBINATION) CO-METERING (1 METER RECORDING UTILITY SUPPLY AND 1 METER RECORDING RENEWABLE PRODUCTION)
- NET BILLING: BILL FOR UTILITY SUPPLY AND CREDIT FOR RENEWABLE PRODUCTION RESULTING IN A "NET" MONTHLY BILL (MONTHLY TRUE-UP)
- CREDIT FOR RENEWABLE PRODUCTION: SCHEDULE SET AT LOWEST COST WREGIS-CERTIFIED RENEWABLE ENERGY RESOURCE THAT IS PRODUCED OR PROCURED BY THE BANNING ELECTRIC UTILITY WHICH IS CURRENTLY \$0.063 (ASTORIA 2)

ALTERNATIVES

- KEEP THE EXISTING NET METERING PROGRAM AS IS
- TERMINATE THE NET METERING PROGRAM ON A DATE CERTAIN
- IMPLEMENT THE STAFF RECOMMENDED DISTRIBUTED ENERGY RESOURCE PROGRAM
- IMPLEMENT THE STAFF RECOMMENDED DISTRIBUTED ENERGY RESOURCE PROGRAM WITH MODIFICATIONS
- OTHER

RECOMMENDATION

- APPROVE CITY COUNCIL RESOLUTIONS
 - 2018-69 (DISTRIBUTED ENERGY RESOURCE PROGRAM)
 - 2018-70 (AMENDING NET METERING SURPLUS PRODUCTION RATE)

Exhibit “F”

to the June 26, 2018, Regular Meeting Minutes



TO: Mayor George Moyer, all City Council Members, City Manager, City Attorney

FROM: Council Member Art Welch

RE: Rebuttal to charges of ethics violations

Date: June 14 2018

Count 1: Violation of Ethics Deceptive Letter to Grand Jury

There is no deceptive letter to my knowledge:

In response to this charge:

On July 19 2016 the City Council sent a letter to the Riverside Grand Jury stating "handshake agreements will no longer be honored" The City Council was unanimous in their vote on the issue. As mayor at this time I signed the letter. The mayor is obligated to do so, even if there had been a simple majority vote.

My statement in the May 22 2018 meeting had nothing to do with the signed letter dated July 19 2016. My statement was in the context of stating that the Mayor (who signs all documents for the council) has an obligation to represent the majority vote of the council. The quote in the charge document "does not mean (he) agreed with it" is totally taken out of context involved of the decision of May 22 2018. I fully agree with the contents of the letter dated July 19 2016.

Count 2: Violation of Ethics: Giving Direction to the City Manager Without Knowledge or Consent of the City Council in response to this charge:

I have been accused of verbally directing the city manager to take an action. It's surprising that the findings of the Grand Jury do not name an individual. Relating to the charge that I engaged in a "handshake" agreement with a local business is NOT TRUE! Nor did I direct any staff member, including the City Manager, to do so.

Being approached by a local business asking for help to complete a project. I stated to them I was not familiar with the process to do the project. I stated I would ask the city manager to contact them. I did. All correspondence from this point was between the city manager and/or staff.

In relation to the statement in the Grand Jury report. I stated on May 22 2018 my objection to the term "directed" and hoped that would be noted in our response to the Grand Jury.

As a city council member I am obligated to work at the highest standard in representing the city and also obligated to present the comments, questions and concerns from our residents and business owners. At no time have I compromised the commitment and obligation.

I am saddened by these charges

Exhibit “G”

to the June 26, 2018, Regular Meeting Minutes

Rec'd 6/12/2018 Clenk


STATEMENT OF CHARGES AGAINST COUNCIL MEMBER ART WELCH

COUNT 1: VIOLATION OF ETHICS – DECEPTIVE LETTER TO GRAND JURY

On July 19, 2016 Councilman Welch sent a letter to the Riverside County Grand Jury in response to their 2016 report. The letter was authorized by unanimous direction given by council, without there being any dissent on record by any council member.

In the letter Welch implied that the City of Banning will no longer conduct business via undocumented handshake agreements. However, only 9 months later, Welch engaged in yet another handshake agreement, this time for brush removal to the benefit of a private business, Diamond Hills Chevrolet.

In the council meeting of May 22, 2018, Welch is on video stating that just because he signed the letter, this "*does not mean (he) agreed with it* ". This means Welch intentionally mislead the Grand Jury into believing that he as Mayor – as well as the City – fully agree with the Grand Jury's recommendation that handshake agreements shall no longer be used in Banning, when in fact he had every intention to continue the practice.

At a very minimum, Welch had an ethical obligation to formally express his dissent with the response, not only to the Grand Jury, but also to the public. Welch failed to do so not only when the response was formulated, but also at the time he signed the letter. This violated the ethical standards set forth in Sec. 9.10 of the "Manual of Procedural Guidelines" of the City of Banning, which reads : "A member of a Legislative Body shall maintain the highest ethical standards and shall adhere to all laws and the ordinances and regulations of the City in carrying out their duties".

COUNT 2: VIOLATION OF ETHICS – GIVING DIRECTION TO CITY MANAGER WITHOUT KNOWLEDGE OR CONSENT OF THE CITY COUNCIL

In their 2018 report, the Grand Jury found that Councilman Welch “directed” the City manager (Michael Rock) to provide brush clearing services for Diamond Hills Chevrolet. This is believed to have occurred in March of 2017. Welch gave the direction as a single councilmember, without knowledge or consent of the rest of the council.

In the council meeting of May 22, 2018 Welch is on video stating that “he never gave direction, but merely made a suggestion”.

However, Welch's denial deserves no consideration as it is irrelevant under the law. The Grand Jury's investigation into the matter lasted for over 9 months, and included the testimony of nine witnesses, including Rock and Welch. With their report, the Grand Jury has acted as a “finder of fact”. The factual finding by the Grand Jury was that Welch indeed gave direction to the City manager.

Pursuant to Sec. 11.9 of the “Manual of Procedural Guidelines”, the Banning City council **must** (not “may” or “should”) consider “legally mandated findings applicable to a matter”. Such findings include those of a Grand Jury. Therefore, this section mandates that the council frame their decision solely based on the factual findings of the Grand Jury. They must not consider their denial by Welch.

It was unethical for Welch to use his position as Mayor and throw his weight around by directing a Staff member, in this case the City manager himself, without first consulting with the rest of the City council.

Welch violated the ethical standards as set forth in Sec. 9.10 of the “Manual of Procedural Guidelines” of the City of Banning. His actions also went against the spirit and intent of City Ordinance 2.08.110, which specifically prohibits council from micromanaging staff.

In a council session of April 11, 2017, Welch is on video admitting wrongdoing when he said: “*Did we go around the idea of bringing it to council, to get a project like that approved? - Probably*”.

Exhibit “H”

to the June 26, 2018, Regular Meeting Minutes

NEIGHBORHOOD *Clean-up*

SAN GORGONIO PASS AREA

Saturday, June 30, 2018
8:00 am to 12:00 pm

Roll off Bin Location will be at Bogart Park in Cherry Valley



ACCEPTABLE ITEMS:

- **Tree Limbs and Branches:** Should not exceed 18 inches in diameter or 3 feet in length. Please make sure tree limbs are bundled and tied together.
- **Bulky Items and Small Furniture:** CR&R offers their residential customers free Bulk item pick-up twice per year, call (951) 943-1991 to schedule.
- **Miscellaneous Rubbish**

UNACCEPTABLE ITEMS:

Tires, E-Waste and Household Hazardous Waste items such as; cleaners, paint, batteries, pesticides, chemicals, anti-freeze or motor oil will not be accepted for disposal.



Page 1 of 2



Limpieza de Comunidad

Área de SAN GORGONIO PASS

Sabádo, Junio 30, 2018
8:00 am a 12:00 pm

**Los contenedores seran ubicados en el
parque Bogart en Cherry Valley**



ARTÍCULOS ACEPTABLES:

- **Ramas de árboles:** no debe exceder 18 pulgadas de diámetro o 3 pies de largo. Por favor, asegúrese de que las ramas de los árboles estén agrupadas y atadas.
- **Artículos grandes y muebles pequeños:** CR & R ofrece a sus residentes colección gratuita de artículos dos veces al año, llame al (951) 943-1991 para programar.
- **Basura diversa**

ARTÍCULOS INACEPTABLES:

Llantas, basura electrónica y artículos domésticos de desecho peligroso como; limpiadores, pintura, baterías, pesticidas, químicos, anticongelante o aceite de motor no serán aceptados para eliminación.



Page 2 of 2

