

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/23/18
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on October 23, 2018, at 5:00 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Council Member Andrade (arrived at 5:50 P.M.)
 Council Member Franklin
 Council Member Peterson
 Council Member Welch
 Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Doug Schulze, City Manager
 Kevin Ennis, City Attorney
 Rochelle Clayton, Deputy City Manager
 Tim Chavez, Fire Battalion Chief
 Robert Fisher, Interim Police Chief
 Heidi Meraz, Community Services Director
 Tom Miller, Electric Utility Director
 Maryann Marks, Interim Community Development Director
 Art Vela, Public Works Director/City Engineer
 Mike Bennett, Police Sergeant
 Suzanne Cook, Deputy Finance Director
 Robert Meteau, Deputy Human Resources Director
 Ted Shove, Economic Development Manager
 Sonja De La Fuente, Deputy City Clerk
 Laurie Sampson, Executive Assistant
 Leila Lopez, Office Specialist

The Invocation was given by Reverend Bill Dunn with St. Stephen's Episcopal Church and Council Member Franklin led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

The City Attorney indicated three items were discussed in Closed Session. 1) 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 Negotiators: Doug Schulze, 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. 2) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph (1) of subdivision (d) of Section

54956.9. Name of case: City of Banning and People of the State of California v. Supreme Cannabis Club, Tony Macias, and Maria Dolores Macias. An update was provided regarding this case with no reportable action. 3) 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 was provided regarding this case with no reportable action.

PUBLIC COMMENTS / CORRESPONDENCE / PRESENTATIONS / APPOINTMENTS

PUBLIC COMMENTS

The Mayor opened Public Comment for items not on the Agenda.

Richard Rutherford expressed his concern about a claim or statement going unaddressed by council. He claims that a falsified environmental impact report was done on a property he once leased. The property is located on the northeast corner of Wilson Street and Highland Springs Road. The report reflects that there is no existence of horn toad lizards and burrowing owls. Mr. Rutherford states he knows this to be false. Mr. Rutherford asks that if there are no longer creatures there then to prove it but if creatures do exist then to modify the environmental impact report.

Ellen Carr with Tender Loving Critters (TLC) advised the Animal Action League (AAL) spayed and neutered approximately 62 cats or dogs last week. AAL will be in Banning on 11/13 and 11/14 to continue spay and neutering. Citizens may call AAL at 760-366-1100 to be put on a list for spay and neuter. Additionally, TLC received a donation from Sun Lakes Charitable Trust and has given a portion of that money to AAL to start a microchip initiative. Community member pays \$8 of the \$15 it costs to microchip their animal and TLC through AAL will pay the remainder \$7. Estimates this will allow for 285 cats or dogs to be microchipped. States it is important to microchip the animals as it allows the lost animal to find a way home. Now that the City is under the County for animal control, microchipping is mandatory for dogs.

Paul Perkins states several months ago there was a blockade put up on Highland Springs Road leading into the Albertson's grocery store parking lot. The blockade was put up by The City of Beaumont and is still there. Mr. Perkins states that it causes a big traffic jam and jeopardizes safety. He would like a status as to when it will be removed. He also requests, for that area, that striping be done on the Banning side of Highland Springs Road to ensure safety. Lastly, Mr. Perkins adds there was a complaint from the local gas station there that they are losing revenue due to the blockade.

Mayor Moyer responds with confirmation that City of Beaumont did put up the blockade. The City of Beaumont told The City of Banning and the public that they were going to conduct a traffic study and design a fix. Within the last 6 weeks an email was received from The City of Beaumont stating that they now decline to fix it and have put the responsibility on The City of Banning. The City of Banning has declined due to it being a street and traffic in the jurisdiction of Beaumont. A resolution is still being sought.

Seeing no further comments, the Mayor closed Public Comment.

CORRESPONDENCE

There was no correspondence.

PRESENTATIONS

None.

APPOINTMENTS

1. Planning Commissioner Appointment

Motion Franklin/Welch to approve the appointment of Scott Brosious to fill the vacated position on the Planning Commission until February 2019. Motion carried, 4-0, with Council Member Andrade absent.

CONSENT ITEMS

Item No. 8, Notice of Completion for Project No. 2016-04, Roosevelt Williams Park Improvements was pulled and continued to the next regular City Council meeting.

1. Minutes – Special Meeting – 10/9/18 (Closed Session)

Recommendation: Approve the Minutes from October 9, 2018, Special Meeting of the Banning City Council.

2. Minutes – Special Meeting – 10/9/18 (Regular Meeting)

Recommendation: Approve the Minutes from the October 9, 2018, Regular Meeting of the Banning City Council.

3. Accounts Payable and Payroll Warrants Issued in the Month of August 2018

Recommendation: Approval and Ratification

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

Recommendation: Approval and Ratification

5. Investments and Reserve Report for the Month of August 2018

Recommendation: Receive and file.

6. Investments and Reserve Report for the Month of September 2018

Recommendation: Receive and File.

7. Public Works Capital Improvement Projects Update

Recommendation: Receive and File.

9. Notice of Completion for Emergency Mold Remediation at the Banning Police Station

Recommendation: Accept Emergency Mold Remediation at the Banning Police Station as Complete and Direct City Clerk to File for Recordation.

10. Ordinance 1534, an Ordinance of the City of Banning Regarding the Operation, Maintenance and Rate Setting Standards of the Banning Electric Utility, Amending the Banning Municipal Code, and Making a Finding of Exemption Under the California Environmental Quality Act

Recommendation: Ordinance 1534 Pass its 2nd Reading

The Mayor opened Consent Items 1, through 7, and 9 through 10 for public comment. Seeing none, closed public comment.

Motion Peterson/Welch to approve Consent Items 1, through 7, and 9 through 10. Motion carried, 4-0, with Council Member Andrade Absent.

PUBLIC HEARINGS

1. Ordinance 1535, Zoning Text Amendment 18-97504 Amending Sections of the Zoning Ordinance (Title 17 of the Banning Municipal Code) Related to Tattoo and Body Piercing Establishments EXHIBIT "A".

Interim Community Development Director, Maryann Marks presented the staff report as contained in the Agenda packet in the form of a PowerPoint presentation. She reports staff confirmed Planning Commission's approval with no changes to the ordinance as it was written. Current code prohibits uses by residential uses and specific identified sensitive uses. Prohibits uses along most of Ramsey Street, the main commercial corridor. Proposed changes allow uses in most commercial zoned areas and the downtown commercial zoning district. It was determined by staff that a Conditional Use Permit would allow Planning Commission to look at each application individually. The Ordinance allows Planning Commission to consider each proposed use individually through the Conditional Use Permit process. Planning Commission is allowed to make a discretionary approval based on a specific location and its appropriateness. (Map displayed)

The Mayor opened the Public Hearing to comments from the public.

Don Smith supports this amendment. Feels this is a professional business of artists and is a step in the right direction. Suggests that at some point in time a set of rules be established that require them to have health permits and meet particular requirements.

Ellen Carr supports this amendment. This is a business to give a chance to.

Sarah Castellanos, confirms that the County of Riverside does regulate tattoo businesses and is followed by The Department of Health. Mrs. Castellanos states that their business will have about \$5,000 of fees after paying for a Conditional Use Permit. She thanked the council for their consideration.

Council Member Peterson inquired about the cost of a Conditional Use Permit. Rochelle Clayton states that there is a suspension of the permit fees at this time.

Seeing no further public comments, the Mayor closed the Public Hearing.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1535.

The Deputy City Clerk read the title of Ordinance 1535.

Motion Franklin/Peterson to waive further reading of Ordinance 1535. Motion carried, 4-0.

Motion Franklin/Welch Ordinance 1535 pass its first reading. Motion carried, 4-0.

2. Adoption of Zoning Code Amendments to Allow, Regulate and Zone to Allow Retail Cannabis Uses in the Highway Serving Commercial Zone, and Municipal Code Amendments to Establish Procedures for the Issuance of Cannabis Retailer Regulatory Permits, Both Amendments Contingent Upon the Adoption of a Tax Measure on Such Uses

City Attorney, Kevin G. Ennis presented the staff report as contained in the Agenda packet in PowerPoint format. EXHIBIT "B".

Attorney Ennis explained:

- Relationship to Ballot Measure "O"
- Ordinance 1527 – Regulatory ordinance
- Ordinance 1531 – Zoning ordinance
- Planning Commission recommendation
- Public Hearing, CEQA determination and Introduction of Ordinances
- Retailer Licenses
- Regulatory Permit
- Application Requirements

- Permit Denial
- Cannabis Retailer Conditional Use Permit
- Highway Serving Commercial Zone
- Limits of Locations of Cannabis Retailers
- Limit Number of Cannabis Retailers
- Regulations
- Planning Commission Recommendation

Mayor Moyer inquired as to why the minimum 800 square feet of retail space.

Council Member Peterson responded with it was a recommendation from Commissioner Krick.

Council Member Peterson expressed concern with the deletion of the required 600 feet between stores. The advantage of requiring 600 feet between stores is it limits the amount of cannabis businesses allowed in the city.

Council Member Welch concurred with Council Member Peterson's concern about the deletion of the required 600 feet between stores and inquires if it can remain in place with the rule of population (one business per 10,000 population).

City Attorney Kevin Ennis responds yes both standards can be in place.

Council Member Franklin asks if keeping the two standards would cause problems in the future.

City Attorney Kevin Ennis states that it would not.

The Mayor opened up for Public Comment.

David Ellis asks for explanation of chapter 1320 wastewater.

Art Vela explains to him that his question is regarding cultivation not retail.

Don Smith states he believes that there is no concern of running out of retail space. States he does not know what the benefit of 600 feet between retailers. Does not see a downside to the separation rule.

Paul Perkins watched the Planning Commission video and agrees with the 1 per 10,000 and the separation of retailers.

Seeing no further public comments, the Mayor closed the public comments.

Council Member Peterson made comment to the fact that he is not in support of cannabis retail but understands not everyone shares the same opinion therefore council is doing the best they can to accommodate the people with the Ordinances going into place.

Council Member Welch confirmed that cannabis retail is not something council wanted in the City of Banning but the public did, so the Ad Hoc committee has worked hard to put together Ordinances to allow retail cannabis and the upside to these is it will be controlled and a benefit to public safety.

The Mayor reconfirmed that the council was forced to address this due to a lawsuit and would have preferred to not allow retail cannabis but Ordinances are being put in place to accommodate those who prefer cannabis businesses.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1531.

The Deputy City Clerk read the title of Ordinance 1531.

Motion Peterson/Welch to waive further reading of Ordinance 1531. Motion carried, 5-0.

Motion Peterson/Welch Ordinance 1531 pass its first reading. Motion carried, 5-0.

The Mayor asked the Deputy City Clerk to read the title of Ordinance 1527.

The Deputy City Clerk read the title of Ordinance 1527.

Motion Peterson/Welch to waive further reading of Ordinance 1527. Motion carried, 5-0.

Motion Peterson/Welch Ordinance 1527 pass its first reading. Motion carried, 5-0.

3. Resolution 2018-137, Approving a Twelve (12) Month Extension of Time for Tentative Tract Map No. 30906 for Property Generally Located West of Mountain Avenue, East of Highland Home Road, and North of Gilman Street (APNs: 535-020-004, 535-020-026, 535-020-029 and 535-030-050

Interim Community Development Director, Maryann Marks presented the staff report as contained in the Agenda packet in the form of a PowerPoint. EXHIBIT "C".

Maryann Marks explains about Time Extension TPM 30906:

- Project Applicant: Bilberry Banning, LLC
- Project Location: West of Mountain Avenue, East of Highland Home Rd., North of Gilman Street
- Project Area: 158.5 acres
- 56 Finished SF lots and 215 underdeveloped SF lots
- Additional Conditions of Approval added due to length of extensions
- History of Project

Council Member Peterson inquired if applicant agrees to the Conditions of Approval.

Maryann Marks responded that the applicant did agree to the Condition of Approval by email but there is not a signed document. She invited the developer to speak for himself.

A Representative for the applicant confirmed he can give an oral agreement to the Condition. He was unable to get a signature from the owner in such a short time.

Council Member Franklin asked the representative if his intention is to start construction within 12 months.

The representative stated the owner wants to comply with the city but has to look at his financial situation and see how much he can accomplish.

Mayor Moyer stated the problem is this was originally approved 14 years ago. He asks if they plan on building.

The representative explained that in 2012 the current owner purchased from the previous owner who went bankrupt. At that time the new owner did some improvements.

Mayor Moyer inquired when the improvements were made, why didn't the applicant move forward with building.

The representative stated financial reasons prevented building at that time.

Councilmember Peterson inquired if this is foreign ownership.

The representative answered yes.

Councilmember Peterson inquired how often owner comes to town.

The representative stated he does not know.

Councilmember Peterson inquired if the representative has ever met the owner.

The representative stated he has and communicates regularly with the owner.

Councilmember Peterson asked for confirmation as to whether the owner has the money to complete the project.

The representative stated that is probably true.

Councilmember Welch, directed to Attorney, inquiry if this is the last acceptable extension to August 2019.

City Attorney Kevin Ennis states it is, unless California legislature enacts a Bill to grant automatic extension for maps that are still in effect before that date. He continues to say that legislature has done that multiple times in the past ten years. If they do that the applicant can get the benefit of that legislature extension. If they don't then the director is indicating this will be the last 12 months.

Mayor Moyer inquires if owner is entitled to three automatic extensions.

Attorney Kevin Ellis responds, can apply but is discretionary.

Council Member Andrade inquires why applicant waited so long to file for an extension.

The representative stated that he had buyers looking at the property so he was working with them.

The Representative stated the owner is interested in developing the property and then sell to a builder. Owner has done some improvements to a certain degree.

Council Member Franklin, asked if the owner has experience in developing property.

The representative stated yes, but it is just part of what they do.

Councilmember Welch, inquired if can we take a temp action tonight based upon a tentative approval.

Attorney Kevin Ellis responds, if council is inclined to grant an approval to add a section three to the resolution that would read, "the time extension granted in section two of this resolution shall not take effect until the property owner provides written signed consent to the Conditions of Approval attached to Exhibit A." So if you approve that then you will have taken the action tonight but their approval doesn't take effect until that signed extension is admitted. Which would need to be done within five working days. Otherwise you can direct staff to deny the extension and then bring back a resolution confirming that denial at your next meeting.

The Mayor opens up for Public Comment.

Paul Perkins suggested if you do extend it that you have a timeline that shows when they start.

John Hagen feels like owner is hanging onto property looking for it to grow in value and then will sell it.

Don Smith thinks a three-week extension could be granted and then denied at that time if necessary.

Seeing no further public comments, the Mayor closed the Public Hearing.

Council Member Franklin wanted to make a motion to allow a three-week extension.

Attorney Kevin Ellis requested a consult with staff.

6:27pm Recess called

6:37pm Order

Upon return, Attorney Kevin Ellis stated, legally you can grant a three-week extension but staff suggests to add section three and give ten calendar days to get a signed agreement.

Council Member Peterson offered a substitution motion to disapprove the extension to Tentative Parcel Map 30906.

Substitute Motion to disapprove the tract map. Peterson/Andrade. Motion carried 4-1, with Council Member Franklin voting against.

4. Resolution 2018-130, Amending the Residential Rate Structure

Electric Utility Director, Tom Miller presented the staff report as contained in the Agenda packet with a Power Point presentation. EXHIBIT "D".

Council Member Peterson commended the usage rate change.

Mayor Moyer provided some clarification of the usage rate change.

Council Member Welch inquired if this this is the same as the level-pay-plan.

Tom Miller stated it is not.

The Mayor opens up for Public Comment.

Ellen Carr pleased the new rate plan.

Don Smith pleased with the new rate plan. Important to note that it will be the low usage users that will see the rate increase. The other customers will see a more level due bill. States it is important to notify the low income users that there is an available program to them for discount.

Councilmember Peterson shared the different discount levels: Low Income gets a discount of \$30 per month, medical qualified gets \$25 discount per month and low income with medical combined gets a \$50 discount per month. He shared that if customers go to the utilities counter they can inquire about discount.

Seeing no further public comments, the Mayor closed the Public Hearing.

Motion Peterson/Franklin to approve Resolution 2018-130. Motion carried, 5-0.

ANNOUNCEMENTS & REPORTS

CITY COUNCIL COMMITTEE REPORTS

Council Member Welch announced RTA had their Bus Rodeo. The professional driver that won the rodeo will be going to Ft. Worth for international competition. Council Member Welch participated.

Council Member Andrade wished Sonja De La Fuente a good farewell.

Council Member Franklin first, thanked the Mayor for a successful State of the City address. Attendees gave a lot of compliments. Second, shared a thank you to Veronica Craighead, an employee in the Electric Department. A customer said she gave excellent customer service. Third, last Saturday, the Fire Department, The American Red Cross and local residents participated in "Sound the Alarm" an installation of smoke detectors program. Two hundred and seven smoke detectors were installed. Fourth, we had two residents last month that received the county award of Champions of Justice from the Fair Housing Council, Robert and Jackie Atwood. Fifth, RCTC is looking forward to the work starting on the truck climbing lanes through the Badlands. Construction is expected to start in 2019. Lastly, the Water Alliance is having their last meeting for the year tomorrow at 5pm at City Hall.

The Mayor thanked Sonja, Laurie, Rochelle, Leila, Stacy and Chamber for helping put the State of the City address.

REPORT BY CITY ATTORNEY

City Attorney had nothing to report.

REPORT BY CITY MANAGER

City Manager Doug Schulze reported the position for Police Chief has 3 final candidates. Interviews are scheduled for mid-November. Interviews will be comprised of a three panel interview, city tour and a community meet and greet.

There are seven vacant officer positions. Five candidates have been tested and are in the background process.

Saturday evening there was a residential structure fire in the Sun Lakes development. There were no injuries.

Another vacancy is the Community Development Director position. It has been posted and expect to hold interviews in December.

The City Manager Report and City Manager Facebook page is a tool to share information with the public.

At the last City Council meeting there was a public comment related to truck route signage and load limits. Art Vela and staff did review the truck routes and the signage that is in place it was found that the truck route signs are installed along the approved route.

There is a free Community Clean Up event on 10/27/2018 from 8:00am – 1:00pm.

REPORTS OF OFFICERS

1. Resolution 2018-128, Approving Fiscal Year (FY) 2019-2020 Community Development Block Grant (CDBG) Program Project

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

Mayor Moyer commented that the city is in dire need of money to fix the parks and do things for the kids in our community. The council decided the money had to stay within the city. This is the reason council decided to do the Dysart Park project rather than share the money with the non-profit. Non-profit has many sources of revenue and is doing very well.

Council Member Franklin agrees with the choice of Dysart Park. It is in need of restrooms during Stagecoach Days.

City Councilmember Welch concurs. Also informs that RTA will be giving a bus to Boys & Girls Club.

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

Motion Welch/Andrade to adopt Resolution 2018-128, Approving Fiscal Year (FY) 2019-2020 Community Development Block Grant (CDBG) Program Project to invest in improvements to Dysart Park. Motion carried, 5-0.

2. Resolution 2018-134, Approving Community Development Block Grant (CDBG) 2019-2024 Consolidated Plan Needs Assessment

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

The Mayor opened the item for public comment.

Paul Perkins expresses he feels there are too many questions on the survey.

Seeing no further comments, the Mayor closed public comment.

Motion Peterson/Franklin to adopt Resolution 2018-123, approving Community Development Block Grant (CBGD) 2019-2024 Consolidated Plan Needs Assessment. Motion carried, 5-0.

3. Consider Setting a Public Hearing to Address a Request for Waiver of Fees in Accordance with Section 15.72.050 of the Banning Municipal Code, submitted by Ronnell Gallon and John Weeks, for Properties Identified as Assessor's Parcel Numbers 532-160-007, 532-160-008, and 532-160-009

Economic Development Manager, Ted Shove presented the Staff Report as contained in the Agenda packet along with a Power Point presentation. EXHIBIT "E".

Council Member Peterson stated this is a reasonable request due to a hole in the zoning area (see map in PowerPoint).

Councilmember Welch concurred.

Councilmember Andrade disagreed due to the financial burden being put on the taxpayers. It is an estimated total of \$17,840. Refer to PowerPoint slide titled Fee Waiver Components.

Mayor Moyer asked City Manager Doug Schulze if there would be a massive general plan amendment or a specific plan amendment.

City Manager Doug Schulze stated the intent is to do a fairly extensive update of the general plan. Typically to do that it could take 18-24 months.

Mayor Moyer inquired if it cost \$6000 to make this one amendment while taking the 18-24 months to update the general plan.

Economic Development Manager, Ted Shove, answers, it is to his understanding that the next general plan amendment is not fully funded so it might be another 2 years before it goes out to RFP for that. Gives explanation to PowerPoint slide Required Findings – 15.72.050(B).

Council Member Franklin comments that there are economic benefits from expanding businesses.

Council Member Andrade commented businesses already receive a suspension of regular permit fees such as signage, this would be an addition to that. Inquired if all businesses would be receiving fee waivers.

Council Member Peterson commented this will be fixed during general plan amendment.

The Mayor opened the item for public comment.

Don Smith inquired if you want staff to spend time to prepare paperwork, is this the best use of general fund money? It is in the best interest of City Of Banning to have prosperous businesses to create wealth in the city.

Laura Leindecker, representing John Weeks, owner of Pinball Museum, and is wanting to expand along with Zenner.

Ronald Gallon stated Zenner has been in town since 2012, 80% of employees are from City of Banning and pays above minimum wage. It would be beneficial to allow them to expand by waiving fees.

Paul Perkins asks for reports to include the sales tax that we are receiving from the businesses and amount of employees.

Seeing no further comments, the Mayor closed public comment.

Motion Franklin/Peterson to move forward with a Public Hearing to Address a Request for Waiver of Fees in Accordance with Section 15.72.050 of the Banning Municipal Code, submitted by Ronnell Gallon and John Weeks, for Properties Identified as Assessor's Parcel Numbers 532-160-007, 532-160-008, and 532-160-009. Motion carried, 4-1, with Council Member Andrade voting against.

4. Resolution 2018-126, Approving a Professional Services Agreement Between the City of Banning and Innovative Federal Strategies, LLC for Federal Advocacy and Governmental Affairs Services

Deputy City Manager Rochelle Clayton 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 2018-126. Motion carried, 5-0.

5. Resolution 2018-135, Approving the Third Amendment to the Professional Services Agreement with HR Green Pacific, Inc. Of Orange, California, Increasing the Fiscal Year 2018-2019 Agreement Budget Amount to \$75,000

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

Councilmember Peterson inquired about reason for name change.

Art Vela does not know.

The Mayor opened the item for public comment. Seeing none, closed public comment
Motion Peterson/Welch to adopt Resolution 2018-135. Motion carried, 5-0.

6. Resolution 2018-136, Approving the Sixth Amendment to the Professional Services Agreement with Charles Abbott Associates, Inc. to Increase the Compensation for the Public Works Department Scope of Services in the Amount of \$75,000

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

The Mayor opened the item for public comment.

Paul Perkins inquires if the 90% increase in fees was with Abbott and do they get that.

Art Vela confirms it is the same company but the increase was for Building and Safety services, and this amendment is specifically for public works, plan checks.

Motion Welch/Franklin to adopt Resolution 2018-136. Motion carried, 5-0.

DISCUSSION ITEMS

None

ITEMS FOR FUTURE AGENDAS

1. Mills Act Update
2. Fee Suspension Update
3. Website Redesign
4. Street Naming Policy to Honor Land Owners
5. Contingency Plan for Residents During Emergencies
6. Appraisals Update
7. Senior at Banning High School was recently selected to be an Intern for Congressman; Aliyah Amis.

ADJOURNMENT

By common consent the meeting was adjourned at 7:43 P.M.

Minutes Prepared by:

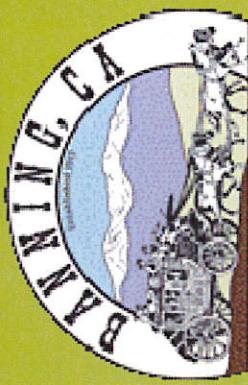


Chandra Steiner, Executive Assistant

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=Pn1cHqyaZU9N> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

Exhibit “A”

to the October 23, 2018, Regular Meeting Minutes



STAGECOACH TOWN USA
Proud History • Prosperous Tomorrow

COMMUNITY DEVELOPMENT PLANNING DIVISION





ORDINANCE 1535 - ZONE TEXT AMENDMENT NO. 18-97504:
Amending Standards and Guidelines for Tattoo & body Piercing
Establishments

- August 1, 2018 Planning Commission Recommended Approval
- September 10, 2018 City Council considered ZTA 18-97502
- Questions arose on Planning Commission's recommendation
 - Item pulled for review
- Staff confirmed Planning Commission recommendation of approval with no changes



ORDINANCE 1535 - ZONE TEXT AMENDMENT NO. 18-97504:
Amending Standards and Guidelines for Tattoo & body Piercing
Establishments

- Current code prohibits uses by residential uses and identified sensitive uses.
- Prohibits uses along most of Ramsey Street - the main commercial corridor.
- Proposed changes allow uses in:
 - Most commercially zoned areas
 - The Downtown Commercial zoning district
- Subject to a Conditional Use Permit.



ORDINANCE 1535 - ZONE TEXT AMENDMENT NO. 18-97504:
Amending Standards and Guidelines for Tattoo & body Piercing
Establishments

- Ordinance allows:

- Planning Commission to consider each proposed use individually through the Conditional Use Permit process.
- Planning Commission to make a discretionary approval based on a specific location and its appropriateness to the character of the area.

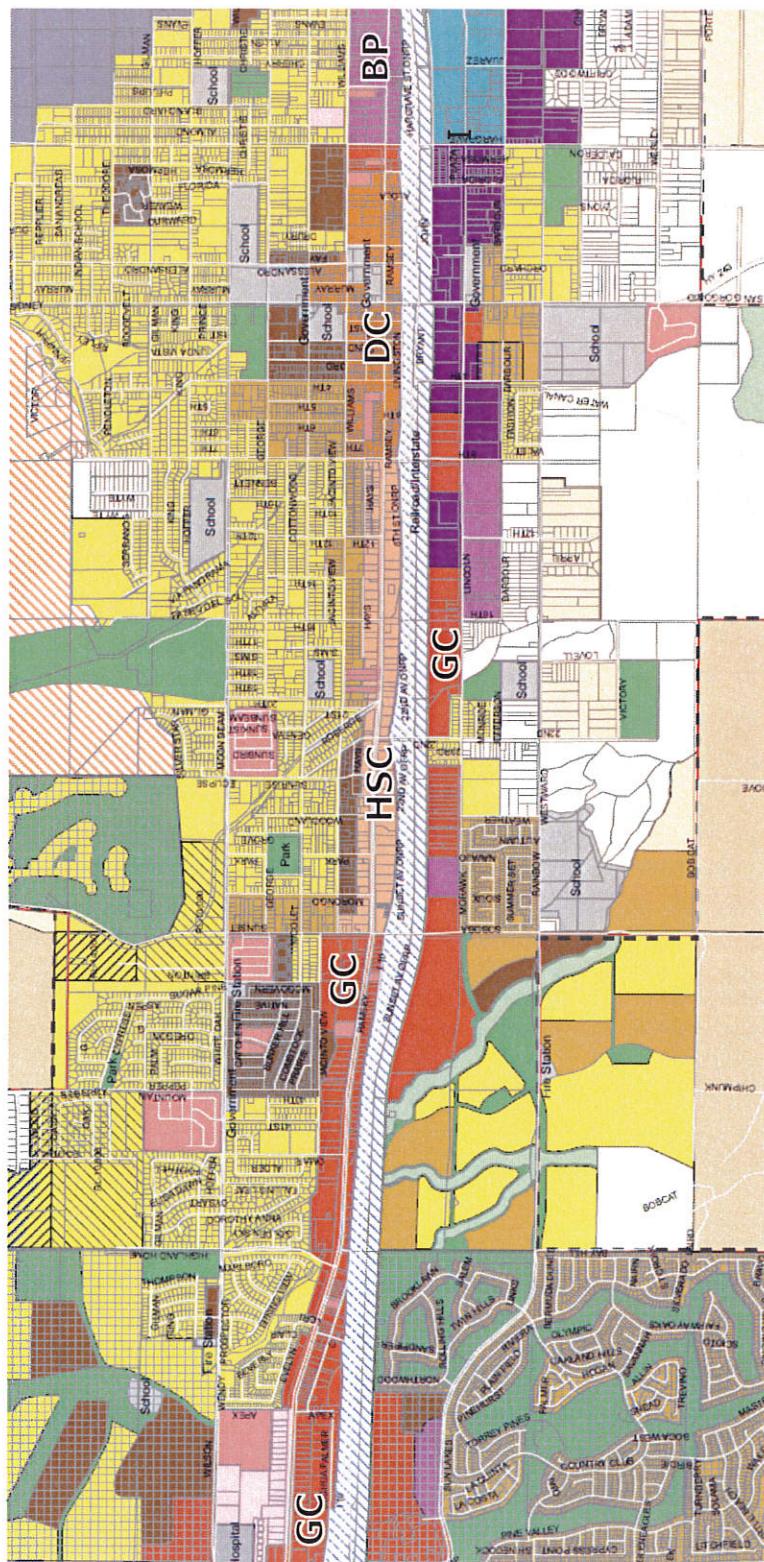


Zoning Map

Scale = 1:22,883

0 0.25 0.5 Miles

STAGECOACH TOWN USA



GENERAL COMMERCIAL (GC)
HIGHWAY SERVING COMMERCIAL (HSC)
DOWNTOWN COMMERCIAL (DC)
BUSINESS PARK (BP)



Community Development Planning Division

City of Banning – Planning Division
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3125

Exhibit “B”

to the October 23, 2018, Regular Meeting Minutes

Cannabis Retailer Ordinances

City Council Meeting

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

October 23, 2018
5:00 P.M.



Overview

- Relationship to Ballot Measure "O"
- State licensing definition - Retailer
- Ordinance 1527 - Regulatory ordinance
- Ordinance 1531 - Zoning ordinance
- Planning Commission recommendation
- Public Hearing, CEQA determination and Introduction of
Ordinances

Relationship to Measure O

- Measure O appears on the November 6th Ballot.
- Measure O would impose a 10% gross receipts tax on retail cannabis operations in the City.
- If Measure O is approved by the voters, then the City could allow a limited number of regulated retail cannabis stores in the City starting in January 2019.
- Ordinance 1527 (Regulatory Permit Ordinance) and Ordinance 1531 (Zoning and CUP Ordinance) are designed to have City standards in place if Measure O is approved by the voters.
- If Measure O is not approved, these implementing ordinances would not go into effect.

Relationship to Measure O

- Ordinance 1527 is before you today and would require cannabis retailers to obtain a cannabis regulatory permit from the City to operate in the City.
- Ordinance 1531 is also before you today and would specify that cannabis retailers could only be located in the Highway Serving Commercial Zone, subject to separation standards between these retailers and certain other uses, and provide standards for issuing Conditional Use Permits for these retailers.

Retailer

State has two license categories for cannabis retailers:

- Retailer (storefront): Sells cannabis goods to customers at its premises or by delivery. A retailer must have a licensed physical premises where commercial cannabis activities are conducted.
- Retailer (nonstorefront): Sells and delivers cannabis goods to customers. A retailer must have a licensed premises, but it is not open to the public.

Draft Ordinance 1527

Regulatory Permit Ordinance

- Adds Chapter 5.33 to Title 5 (Business Licenses and Regulations) of the Municipal Code to allow the issuance of a regulatory permit to cannabis retailers.
- City Manager in consultation with the Police Chief will determine whether to issue the permit.

Application Requirements

- Payment of non-refundable fee
- Owners of businesses are subject to fingerprinting and background check
- Must show proof of the legal structure of the business
- Must provide information regarding the type of business that will be operated and products that will be sold
- Must either own the property in fee, or provide a notarized statement that property owner consents to use of property for a cannabis retail business
- Applicant must release and indemnify the City from all liability associated with the City approving the permit

Permit Denial

City Manager must deny the permit if the applicant, owner, or any person with a financial interest in the cannabis business has:

- Unpaid or overdue administrative penalties or civil judgment owed to the City;
- Within the last five years been issued an uncontested administrative citation for engaging in unlawful commercial cannabis activity, or been the subject of a lawsuit for engaging in unlawful commercial cannabis activity where the applicant was not the prevailing party;
- Been convicted of certain specified crimes.

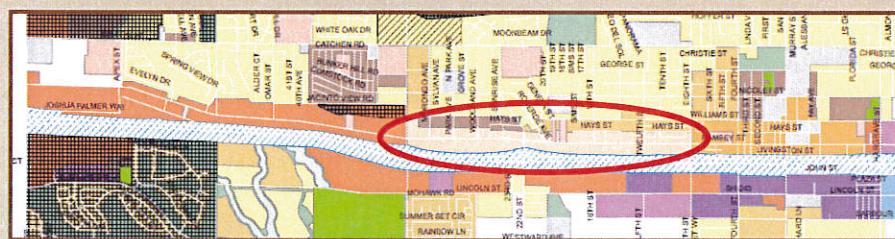
Draft Ordinance 1531

Cannabis Retailer Conditional Use Permit

- Adds Chapter 17.54 to Title 17 of the Municipal Code to allow the issuance of a Cannabis Retailer Conditional Use Permit to cannabis retailers.
- Cannabis Retailer Conditional Use Permits would be reviewed by Planning Commission for recommendation and final approval by the City Council.

Highway Serving Commercial Zoning

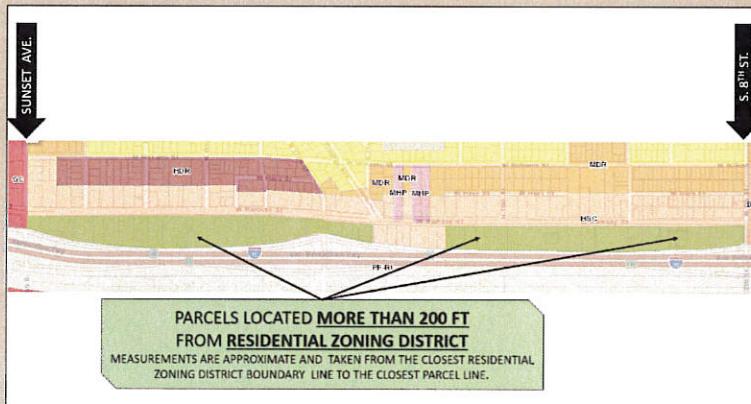
- The City Council provided direction that cannabis retailer uses be limited to the Highway Serving Commercial zoning district.
- Generally bounded by the I-10 Freeway on the south, Hays Street on the north, Sunset Avenue on the west and 8th Street on the east.



Limits on Locations of Cannabis Retailers

- State requires that cannabis business be located at least 600 feet from a day care center, youth center or school providing instruction in kindergarten, or grades 1-12.
- Ordinance includes a 600-foot separation from parks as well.
- Also, a 200-foot separation from residentially zoned property.

Separation from Residential Zoning 200' results in approximately 58 eligible parcels



Limits on Number of Cannabis Retailers

- Cannabis Ad Hoc Committee, police and staff expressed concerns about proliferation of cannabis retailers given that it is a relatively new industry and the limited public safety resources.
- Considered imposing separation requirements between cannabis retailers but ultimately rejected this approach.
- CUP ordinance provides that only 1 cannabis retailer is allowed for every 10,000 residents which results in 3 cannabis retailers being allowed to operate in the City.

Regulations

- 24 hour security guard, video surveillance, and alarm system
- Cannabis cannot be visible from outside the building
- Installation of ventilation and filtration systems to prevent odors from escaping the buildings and being detected outside of the building
- Restriction on use of graphics, and illumination in signage
- Must comply with Track and Trace Program
- Personnel must be 21 years of age or older

Additional Regulations

- Cannabis waste must be made unusable and unrecognizable by mixing it with non-cannabis waste
- Hours of operation limited to between 8:00 a.m. and 10:00 p.m.
- Prohibition on on-site consumption
- Staff added an additional regulation that cannabis business must comply with commercial recycling laws and regulations

Planning Commission Recommendation

- Unanimously recommended that the City Council adopt the conditional use permit ordinance with the following modifications:
 - 800 square foot minimum size requirement for building
 - Deletion of 600 foot separation requirement between cannabis retailers
 - Retailers must comply with Chapter 13.20, Industrial Wastewater Collection and Treatment
- Ordinance was revised to incorporate these revisions

Recommendation

- Open the public hearing, take testimony, close the public hearing.
- Concur with staff that the adoption of these ordinances is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060 (c)(3).
- Waive full reading and introduce Ordinances 1531 and 1537 as read by title and set both ordinances for second reading and adoption at the November 13, 2018 City Council Meeting.

Questions?

Exhibit “C”

to the October 23, 2018, Regular Meeting Minutes

City of Banning

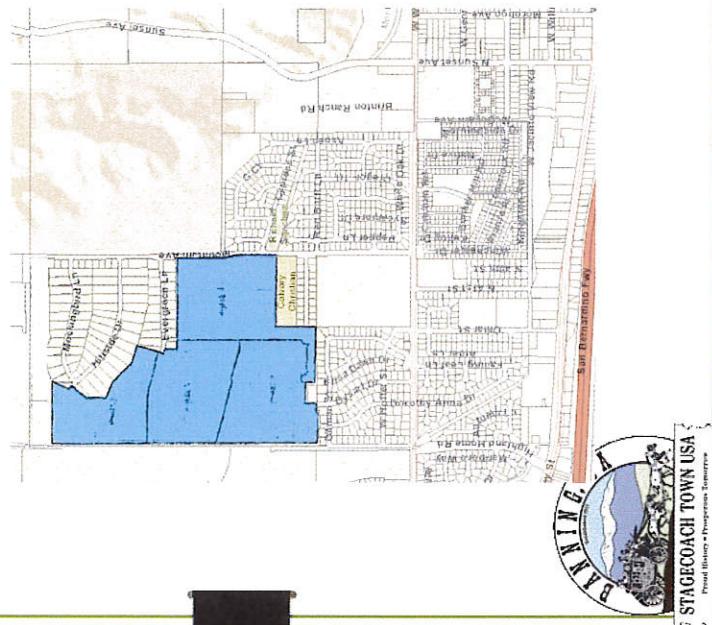
City Council Meeting

October 23, 2018



TIME EXTENSION
TPM 30906

- Project Applicant: Bilberry Banning, LLC
- Project Location: West of Mountain Avenue, East of Highland Home Rd, North of Gilman St.
- Project Area: 158.5 acres
- 56 finished SF lots and 215 undeveloped SF lots
- Additional Conditions of Approval added due to length of extensions



TPM 30906

History Overview

TPM APPROVAL HISTORY	APPROVAL DATE	EXPIRATION
ORIGINAL APPROVAL CGC: Section 66452.6 of the Subdivision Map Act (SMA) Recordation of Final map – Automatic Extension of 3 years	8/24/2004 3 YR FROM 2006	8/24/2006
STATUTE: SB 1185 (12 MONTHS 7.15.08<1.1.2011)	7/15/2008	8/24/2010
STATUTE: AB 333 (24 MONTHS 7.15.09<1.1.2012)	7/15/2009	8/24/2012
STATUTE: AB 208 (24 MONTHS 7.13.11<1.1.2014)	7/13/2011	8/24/2014
STATUTE: AB 116 (24 MONTHS <1.1.2000)	7/11/2013	8/24/2016
DISCRETIONARY: CITY COUNCIL EXTENSION #3 (RESO 2016-85)	9/27/2016	8/24/2017
DISCRETIONARY: CITY COUNCIL EXTENSION #4 (RESO 2017-81)	8/22/17	8/24/2018
DISCRETIONARY: CITY COUNCIL EXTENSION #5 (RESO 2018-137) (GCS 66463 5(C))	8/23/2018 (tent)	8/24/2019



TPM 30906

Revision

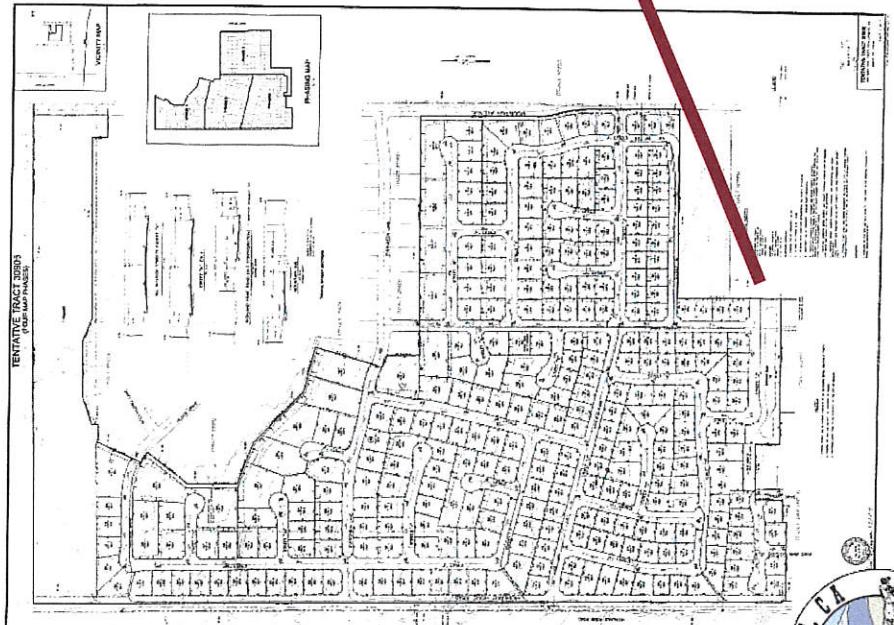
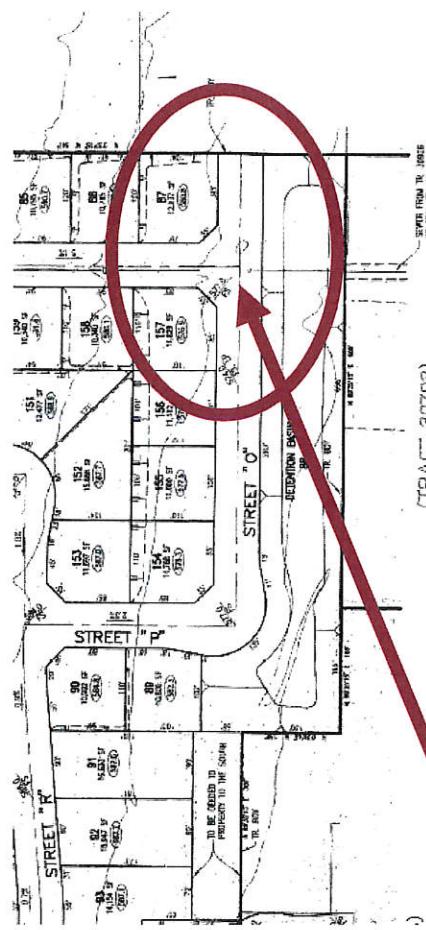


Exhibit “D”

to the October 23, 2018, Regular Meeting Minutes



City Council Workshop

September 25, 2018

Residential Rate Redesign Discussion

Why are we here?

- Redesigning the Residential Rate Structure
- Review the “Boutique” Subsidies
 - Low-income
 - Medical
 - Senior
- Discuss
 - Rates v. Discounts
- Review \$2/customer/month Street Lighting utility charge
- Develop a “game plan”
 - No action to be taken today but to give direction



Residential Rate Redesign

- Proposition 26
 - Electric “Utility Charges”
 - Proportionality (business piece)
 - Cost of Service
 - Financial goals
 - Revenue Requirements
 - Cash basis
 - Functionalizing costs
 - Allocating costs
 - Utility basis
 - Rate of return on rate base
 - Rate Design (art piece)
 - Rates
 - Tariffs



Residential Rate Redesign

- “REVENUE NEUTRAL”
 - We are not impacting:
 - Proportionality
 - Cost of Service
 - Financial goals
 - Revenue Requirements
 - Cash basis
 - Functionalizing costs
 - Allocating costs
 - Utility basis
 - Rate of return on rate base
 - We are NOT raising or lowering the revenue requirements
 - Aka NOT raising or lower rates



Bonbright's Principles (Bonbright, 1961)

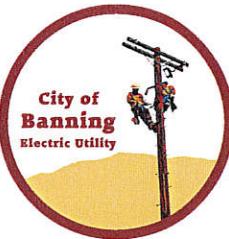
Fundamental Rate Making Principles

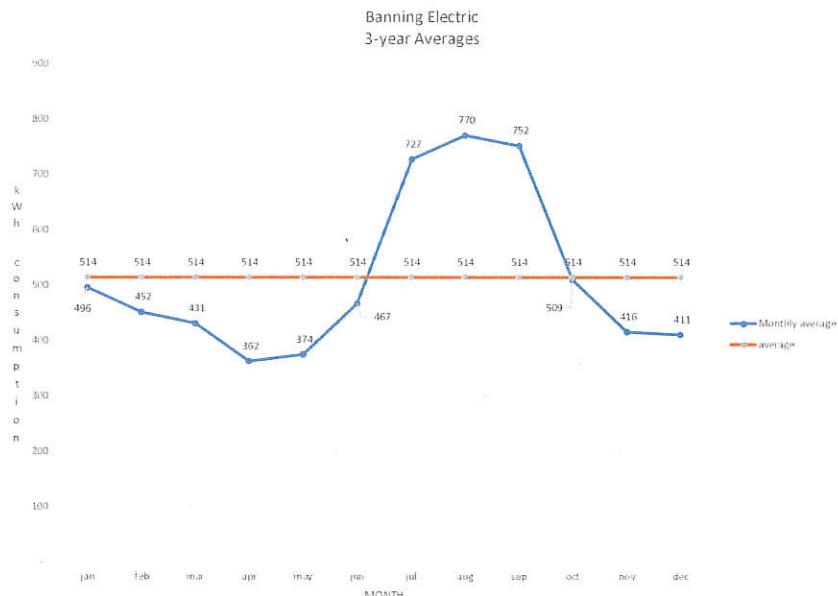
- Paraphrased
 - Practical: simple, understandable, acceptable
 - Uncontroversial as to interpretation
 - Should meet revenue requirements
 - Should provide stable rates
 - Fairness among rate classes
 - Avoidance of undue discrimination
 - Should be economically efficient
 - Discourage wasteful usage



Previous rate design average
was 500 kWh/month

Spread	AVG	2015	2016	2017	YEAR
8.05%	496	493	494	502	jan
7.33%	452	422	431	503	feb
6.99%	431	386	355	552	mar
5.88%	362	372	352	363	apr
6.07%	374	375	358	390	may
7.58%	467	475	417	510	jun
11.78%	727	704	648	828	jul
12.49%	770	675	829	807	aug
12.19%	752	700	755	801	sep
8.25%	509	562	515	449	oct
6.74%	416	400	421	426	nov
6.66%	411	422	418	392	dec
100.00%	6,167	5,986	5,993	6,523	Total
	514	499	499	544	Average





Banning Electric Residential Customer's *average* usage is 514 kWh/month

Winter (431 kWh) ~\$0.19

- Customer Charge \$ 3.00
- Baseline 308 kWh
@\$0.1688 \$ 51.99
- From 309-1,000 kWh's
@\$0.2190 (123 kWh) \$ 26.94
- Total \$ 81.93
- >1,000 kWh @\$0.2880
- 8 months (jan, feb, mar, apr, may, oct, nov, dec)

Summer (679 kWh) ~\$0.182

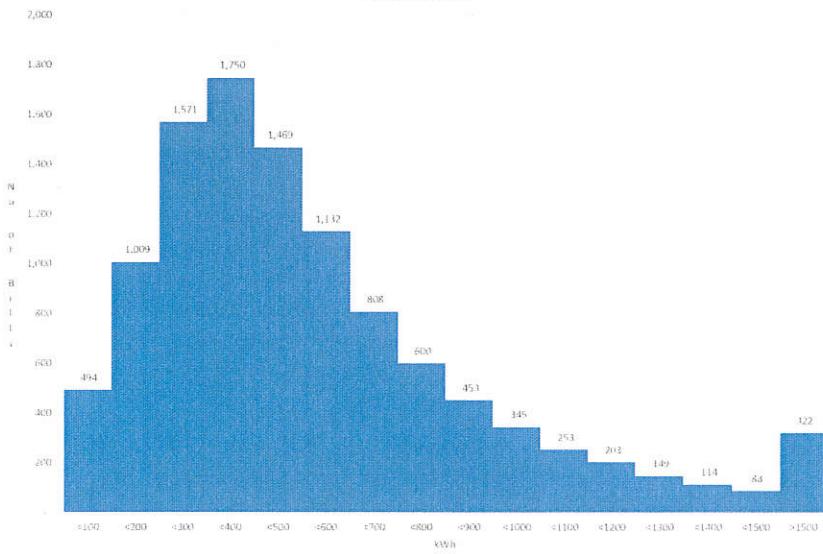
- Customer Charge \$ 3.00
- Baseline 558 kWh
@\$0.1688 \$ 94.19
- From 309-1,500 kWh's
@\$0.2190 (121 kWh) \$ 26.50
- Total \$ 123.69
- >1,500 kWh @\$0.2880
- 4 months (jun, jul, aug, sep)

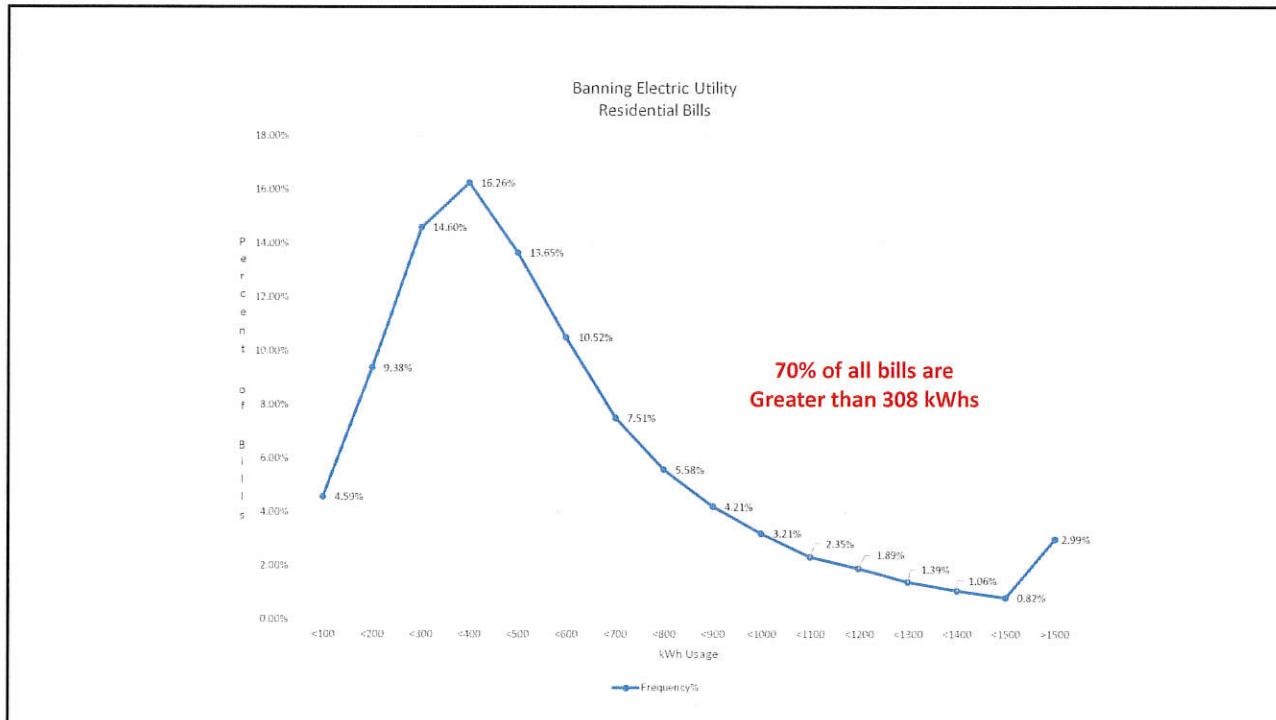
In 2017, Utility Billing issued 129,136 *residential* bills or 10,761 monthly bills (on avg)

<100	494	4.59%
<200	1,009	9.38%
<300	1,571	14.60%
<400	1,750	16.26%
<500	1,469	13.65%
<600	1,132	10.52%
<700	808	7.51%
<800	600	5.58%
<900	453	4.21%
<1000	345	3.21%
<1100	253	2.35%
<1200	203	1.89%
<1300	149	1.39%
<1400	114	1.06%
<1500	88	0.82%
>1500	322	2.99%
	10,761	100.00%



Banning Electric Utility
Residential Bills





LEIDOS, June 2016

Time-of-Use Pricing for All Residential and Commercial Customers

Although some utilities have made time-of-use rates available for several classes of customers, they are generally for larger customers and not universally applied. The time-of-use rates are usually optional, but in some cases mandatory. Most of the California utilities on Table A-1 have time-of-use rates for various customer classes. COB has a time-of-use rate for the large general and industrial customer only. COB's purchased power costs do not vary significantly by the time of day and the residential customer base consists largely of retirees which would not be conducive to time-of-use rates. It should be noted that the IOU's and SMUD are moving toward collapsing tiers and transitioning to time-of-use rates. For IOU's the time-of-use rate is the default rate for commercial customers, and for SCE it is mandatory for commercial customers. These utilities have implemented advanced metering, which would be required for COB to have time-of-use rates.

LEIDOS, June 2016

Tiered Rates

Tiered rates are rates that consist of charges based on usage levels or blocks, and can either be declining or inclining block rates. With declining block rates, increased customer usage is charged a lower rate per unit than lower monthly usages. Inclining block rates charge a higher rate per unit for increased customer usage. In the past, in order to promote electricity usage, many utilities provided declining block pricing incentives that rewarded higher usage customers with lower prices. However, in today's business environment, many utilities across the country are trying to curb load growth and demand as a means to reduce their exposure to market risks, overall costs and environmental impacts of power production. Utilities now offer rates, including inclining block rates, that encourage a higher load factor, conservation and energy efficiency. As shown on Table A-1, the selected California utilities currently have tiered rates, including COB. It should be noted that the California Investor Owned Utilities (IOU's) and the Sacramento Municipal Utility District (SMUD) are moving toward collapsing the tiered rates and moving more toward time-of-use rates.

LEIDOS, June 2016

Table A-2

City of Banning
Rate Trends Study
Advantages and Disadvantages of Rate Structures

	Advantages	Disadvantages
1. Power Cost Adjustment	Recovers utility costs	Customer acceptance may be poor; adds complexity to bills
2. Regulatory Adjustment	Recovers utility costs	Adds complexity to bills
3. Increased Fixed Charge	Recovers utility fixed costs; justified based on cost of service	Customer acceptance may be difficult; impacts small users
4. Residential Demand Charge	Recovers utility fixed costs; justified based on cost of service	Requires advanced metering; customer acceptance may be difficult
5. Small Commercial Demand Charge	Recovers utility fixed costs; justified based on cost of service	Requires advanced metering; customer acceptance may be difficult
6. Economic Development Rate	May increase high load factor customers, may lower average costs	Existing customers may not accept; not based on cost of service (if cost of service if fixed distribution costs are not allocated in initial years)
7. Electric Vehicle TOU Rate- Residential	Provides incentive for charging off-peak, may improve system and circuit load factor and lower average costs	Requires separate metering and special billing
8. Electric Vehicle Public Charging Stations	Provides utility owned EV public charging stations; justified based on cost of service	Administrative burden
9. Standby Charge	Recovery fixed distribution costs	Adds complexity to bills; may discourage distributed generation; does not apply to NEM
10. Net Metering Rate	Promotes distributed generation; helps meet California mandates	May not recover fixed distribution costs
11. TOU for Residential	Sends price signals to change customer behavior; may improve system load factor and lower average costs	Requires advanced metering and may not be understood by customers
12. TOU for Small & Medium Commercial	Sends price signals to change customer behavior; may improve system load factor and lower average costs	Requires advanced metering and may not be understood by customers
13. Unbundled Rates	Tracks revenues by generation, transmission and distribution	Adds complexity to bills; customer acceptance may be difficult
14. Real-Time Pricing	Pure cost based rate; may be advantageous for industrial customers	Requires advanced metering, communications and billing systems
15. Street Lighting LED Rates	Recovery cost by LED fixture type if energy is unmeasured	Administrative burden
16. Seasonal Rates	Tracks costs by season	Adds complexity to bills
17. Tiered Rates	Promotes conservation; recovers utility costs	Impacts large users; may produce revenue volatility

LEIDOS, June 2016

Table A-3

City of Banning Rate Trends Study Rate Structure Rankings								
	Customer Acceptance	Causes Customer to Change Usage Behavior	Ability to Implement from a Technological Perspective	Social, Legal and Regulatory Barriers Affecting Implementation	Financial Risks Related to Implementation	Costs Related to Implementation	Potential Benefits to Utility's Financial Stability	
1 Power Cost Adjustment	Moderate	Moderate	Easy	Moderate	Low	Low	High	
2 Regulatory Adjustment	Moderate	Moderate	Easy	Moderate	Low	Low	High	
3 Increased Fixed Charge	Difficult	Moderate	Easy	Moderate	Low	Low	High	
4 Residential Demand Charge	Difficult	High	Moderate	Moderate	High	Moderate	High	
5 Small Commercial Demand Charge	Difficult	High	Moderate	Moderate	Moderate	Moderate	High	
6 Economic Development Rate	Moderate	High	Easy	Moderate	Moderate	Low	High	
7 Electric Vehicle TOU Rate	Easy	High	Moderate	Moderate	Moderate	Moderate	High	
8 Electric Vehicle Public Charging Stations	Moderate	High	Easy	Moderate	Low	Moderate	High	
9 Standby Charge	Moderate	High	Low	Low	Low	Low	High	
10 Net Metering Rate	Easy	High	Moderate	Low	High	Moderate	Low	
11 TOU for Residential	Difficult	High	Moderate	Difficult	High	Moderate	High	
12 TOU for Small & Medium Commercial	Moderate	High	Moderate	Moderate	Moderate	Moderate	High	
13 Unbundled Rates	Moderate	Moderate	Easy	Moderate	Low	Low	High	
14 Real-Time Pricing	Difficult	High	Difficult	Moderate	Moderate	Moderate	High	
15 Street Lighting LED Rates	Easy	Moderate	Easy	Low	Low	Low	High	
16 Seasonal Rates	Easy	Moderate	Easy	Low	Low	Low	High	
17 Tiered Rates	Moderate	High	Easy	Moderate	Moderate	Low	Moderate	

Functional cost per kWh.....

- Generation \$0.0884
- Transmission \$0.0305
- Distribution \$0.0596
- Customer Billing \$0.0152
- ***Total*** **\$0.1937**

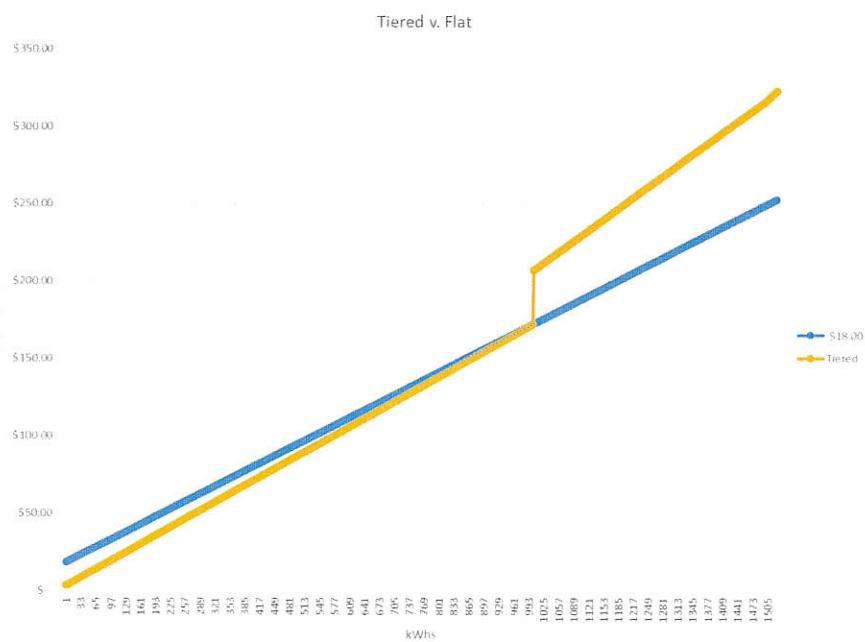
G&T
\$0.1189



LEIDOS – June 2017

Proposed Rate Design

- Distribution Network Charge \$18.00/billing cycle
- Energy Charge per kWh \$ 0.15232/all energy



Tiered Rate v. Flat Rate

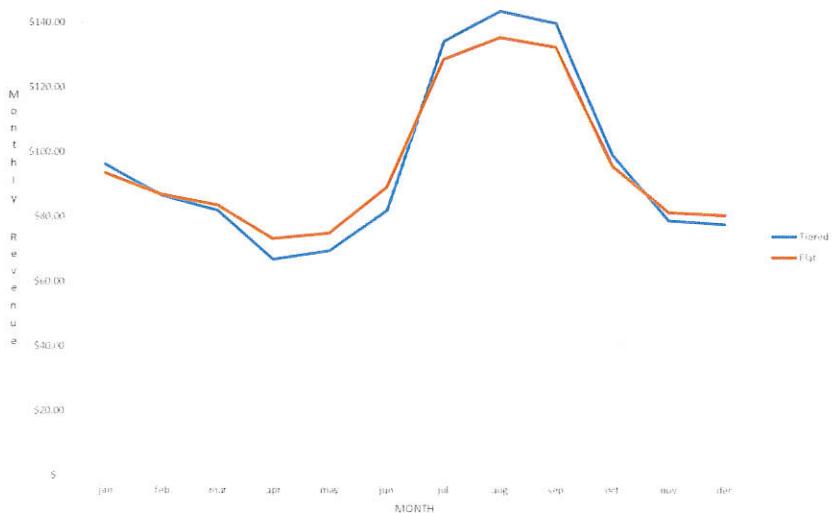
AVERAGE CUSTOMER

Month	Avg	30B	55B	\$ 0.2190	\$ 0.1688	\$/C	Total
jan	496	188		\$ 41.17	\$ 51.99	\$ 3.00	\$ 96.16
feb	452	144		\$ 31.54	\$ 51.99	\$ 3.00	\$ 86.53
mar	431	123		\$ 26.94	\$ 51.99	\$ 3.00	\$ 81.93
apr	362	54		\$ 11.83	\$ 51.99	\$ 3.00	\$ 66.82
may	374	66		\$ 14.45	\$ 51.99	\$ 3.00	\$ 69.44
jun	467		(91)		\$ 78.83	\$ 3.00	\$ 81.83
Jul	727		169	\$ 37.01	\$ 94.19	\$ 3.00	\$ 134.20
aug	770		212	\$ 46.43	\$ 94.19	\$ 3.00	\$ 143.62
sep	752		194	\$ 42.49	\$ 94.19	\$ 3.00	\$ 139.68
oct	509	201		\$ 44.02	\$ 51.99	\$ 3.00	\$ 99.01
nov	416	108		\$ 23.65	\$ 51.99	\$ 3.00	\$ 78.64
dec	411	103		\$ 22.56	\$ 51.99	\$ 3.00	\$ 77.55
Total	6,167	987	484	\$ 342.08	\$ 777.32	\$ 36.00	\$ 1,155.40
Average	514			29.61%	67.28%	3.12%	\$ 0.18734

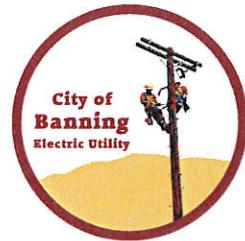
New S/C	\$ 0.15232	Total
\$ 18.00	\$ 75.60	\$ 93.60
\$ 18.00	\$ 68.85	\$ 86.85
\$ 18.00	\$ 65.65	\$ 83.65
\$ 18.00	\$ 55.19	\$ 73.19
\$ 18.00	\$ 57.02	\$ 75.02
\$ 18.00	\$ 71.18	\$ 89.18
\$ 18.00	\$ 110.69	\$ 128.69
\$ 18.00	\$ 117.34	\$ 135.34
\$ 18.00	\$ 114.54	\$ 132.54
\$ 18.00	\$ 77.48	\$ 95.48
\$ 18.00	\$ 63.31	\$ 81.31
\$ 18.00	\$ 62.55	\$ 80.55
\$ 216.00	\$ 939.41	\$ 1,155.41
		\$ (0.01)

\$0.03503 \$ 0.15233 \$ 0.18735

Tiered v. Flat
\$18.00/\$0.15232



Revenue Neutral – 2017 Summary


Current:

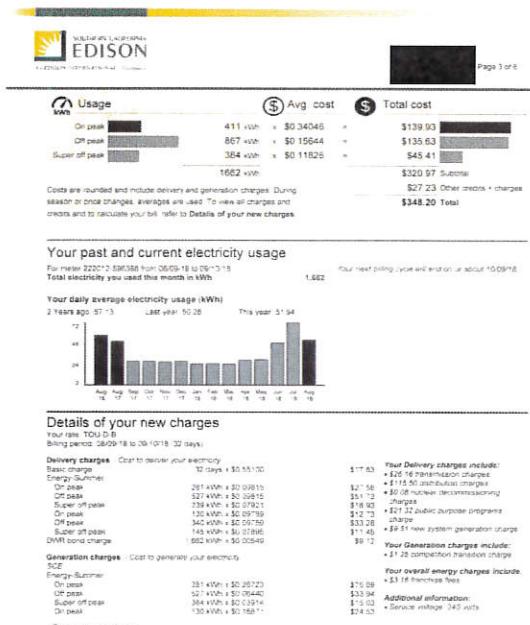
	kWh	Rate	Revenue	Rate	Revenue	
BAS1	39,236,249	\$ 0.1688	\$ 6,623,078.82	Energy Charge	\$ 0.15232	\$ 9,092,585.96
BAS2	18,869,435	\$ 0.2190	\$ 4,132,406.28			
BAS3	1,588,289	\$ 0.2880	\$ 457,427.23			
Customers	9,309	\$ 3.00	\$ 335,139.00	Customer Charge	\$ 18.00	\$ 2,010,834.00

Monthly Average:	534.35			
Total Annual Charges:		\$ 11,548,051.32		\$ 11,103,419.96
			Delta	444,631
			\$ 346,298	
			\$ 98,333	

Doable
645,569 kWh

Bottom Line:

\$0.20951



Questions or discussion on the proposal?

- Tiered Rates
 - Produce revenue volatility
 - Hard on large users
 - Complicated
 - Used to change lifestyles
 - Controversial
 - Cost of Service - moderate
- Flat Rate
 - Revenue stability
 - Hard on small users
 - Easy
 - Promotes a good standard of living
 - Non-controversial
 - Cost of Service - easy



“Boutique” Rates

- Boutique means small and exclusive
- Examples at Banning Electric:
 - Low-income rate (Baseline rate from \$0.1688 to \$0.0972 on 308/558 kWh) ~\$336 annually
 - BEAR
 - Master Meter Customers
 - Senior Discount (Service Charge from \$3.00 to \$1.00) ~\$24 annually
 - Medline (Baseline addition from 308/558 kWh to 808/1058 kWh) ~\$301 annually
- Each program can be added to the other
- Tri-Fecta of \$661 annually 52% annual discount



Public Benefit Program = ~\$750,000
 Non-by passable charge of 2.85% of electric bill revenue

- Promote Energy Efficiency
 - Appliance rebates
 - Weatherization rebates
- Research and Development
 - New technologies
- Renewable Energy
 - Solar rooftops
 - Distributed Energy Resources
- Education and Information
 - Promotion of Public Benefit Programs
- Low-Income Subsidies

Value of the Boutique Subsidies

2017-2018

- BEAR \$ 290,553
- Master Meter \$ 31,747
- Senior Discount \$ 13,213
- Medline \$ 560,723
- Total \$ 896,236
- Average Monthly Cust. 1,448
- Average Monthly subsidy \$52

2016-2017

- BEAR \$ 283,771
- Master Meter \$ 27,358
- Senior Discount \$ 13,100
- Medline \$ 581,802
- Total \$ 906,031
- Average Monthly Cust. 1,406
- Average Monthly subsidy \$54

Service Characteristics

- Residential
 - Single phase service at 7200 Volts
 - Transformer 15 kVA
 - 120/240 Voltage
 - Service Panel at 125 amps (generally speaking)
 - Meter and meter socket
- How does the service characteristics change?
 - Low-income?
 - Medline?
 - Senior Citizen?
- Bonbright's principle
 - Avoidance of undue discrimination in rate relationships

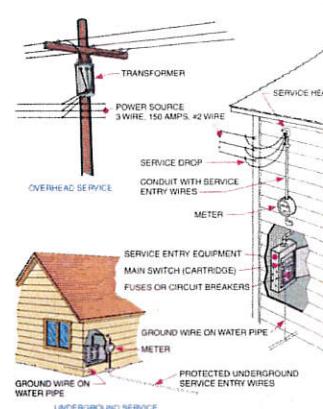


Fig. 31-1 ■ Electrical distribution to buildings.

Rate v. Discount

- Recommendation is not to do Boutique rates
- Recommendation is to do discounts
 - Medline \$25/month
 - Low-income \$30/month
 - Maximum subsidy of \$50/month
- Recommendation is to fund discounts:
 - Medline as a cost of goods discount per accounting treatment
 - Low-income as a public benefits discount per code



Any questions on Boutique Discounts?

- Increase low-income from \$25 to \$30/customer/month
- Maintain Medline discount at \$25
- Suspend senior discount
- Maximum discount \$50/customer/month



Street Light Charge

- Banning Electric Utility owns a street lighting and related secondary power distribution system
- Generally speaking, the City's Public Works department directs the location and installation of street lights
- In many instances a developer installs the street lights in a new development and dedicates the street lighting to Banning Electric
- Maintenance of street lighting system is a budgeted expense
- New LED light fixtures have proven to be low replacement
- Who is the appropriate benefactor of the street lighting system?
- Currently charge all customers \$2/month ~\$313,829 in 2017

Street Light Charges – Need more homework

- \$2/customer/month?
- Total amount of capital invested in LED lighting
- Rate of return on investment
- Annual cost of maintenance
- Estimate kWh consumption (energy and demand)
- Cost of service approximately \$179,219 direct assignment to street lighting (LEIDOS, June 2017)

Street Lighting

- Recommend suspending the \$2 charge/customer/month?
- Recommend building into Flat Rate structure?
- Council wishes?



Banning Electric

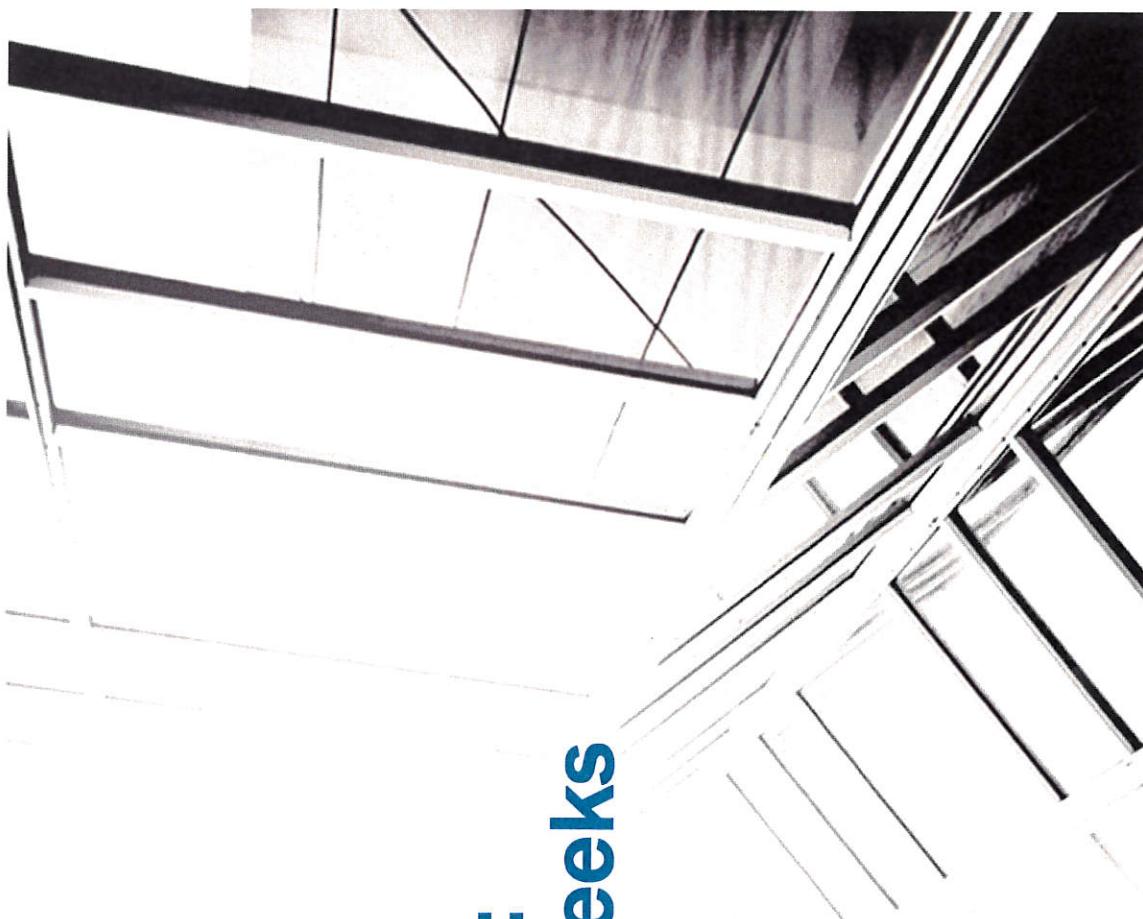


Recap of discussion

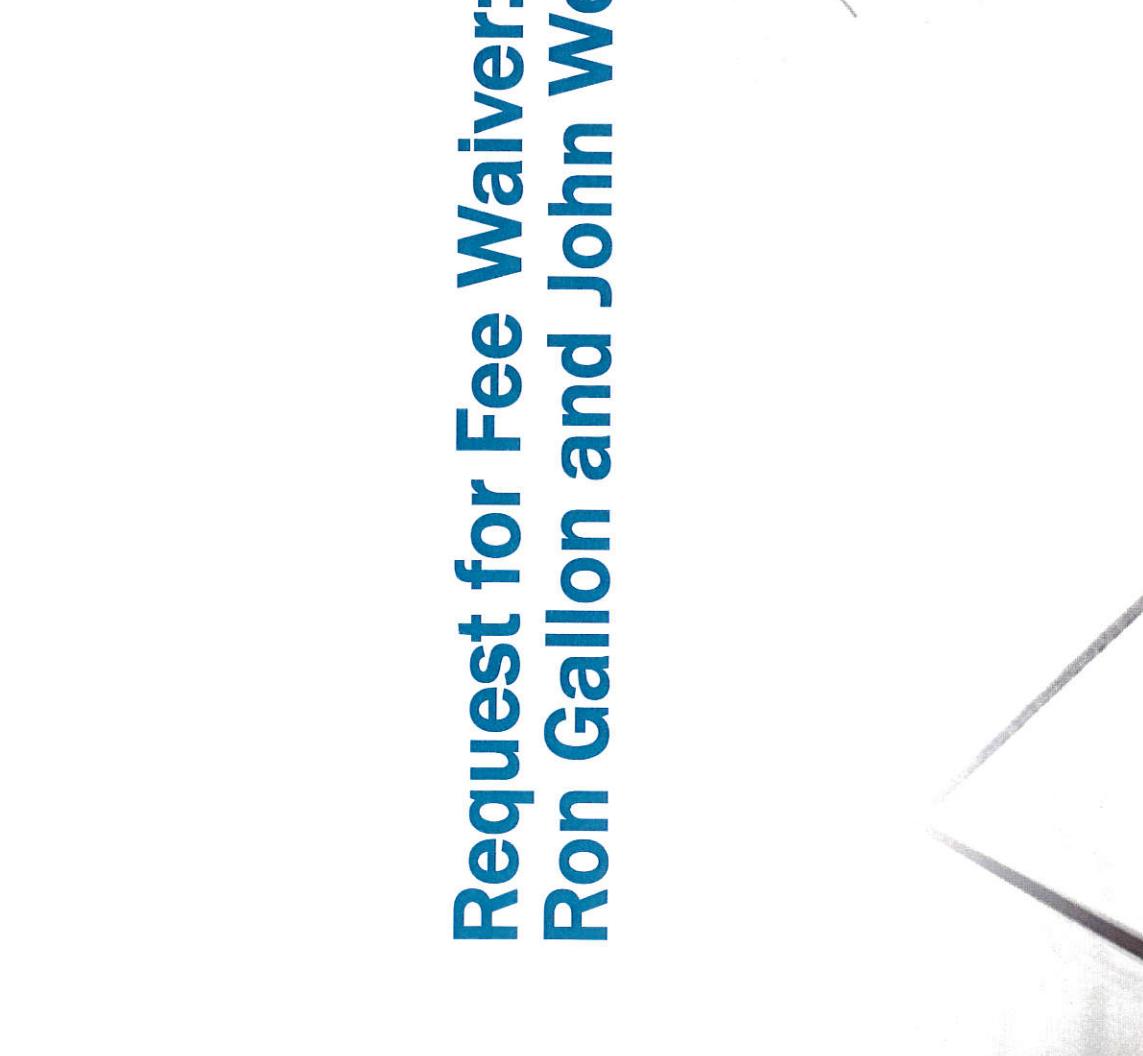
- Flat Rate
- Discounts
- Street Lights
- Next steps?
 - Notice of Public Hearing
 - Resolution to append rates
 - Council action
 - 30 day implementation
- Rate Freeze

Exhibit “E”

to the October 23, 2018, Regular Meeting Minutes

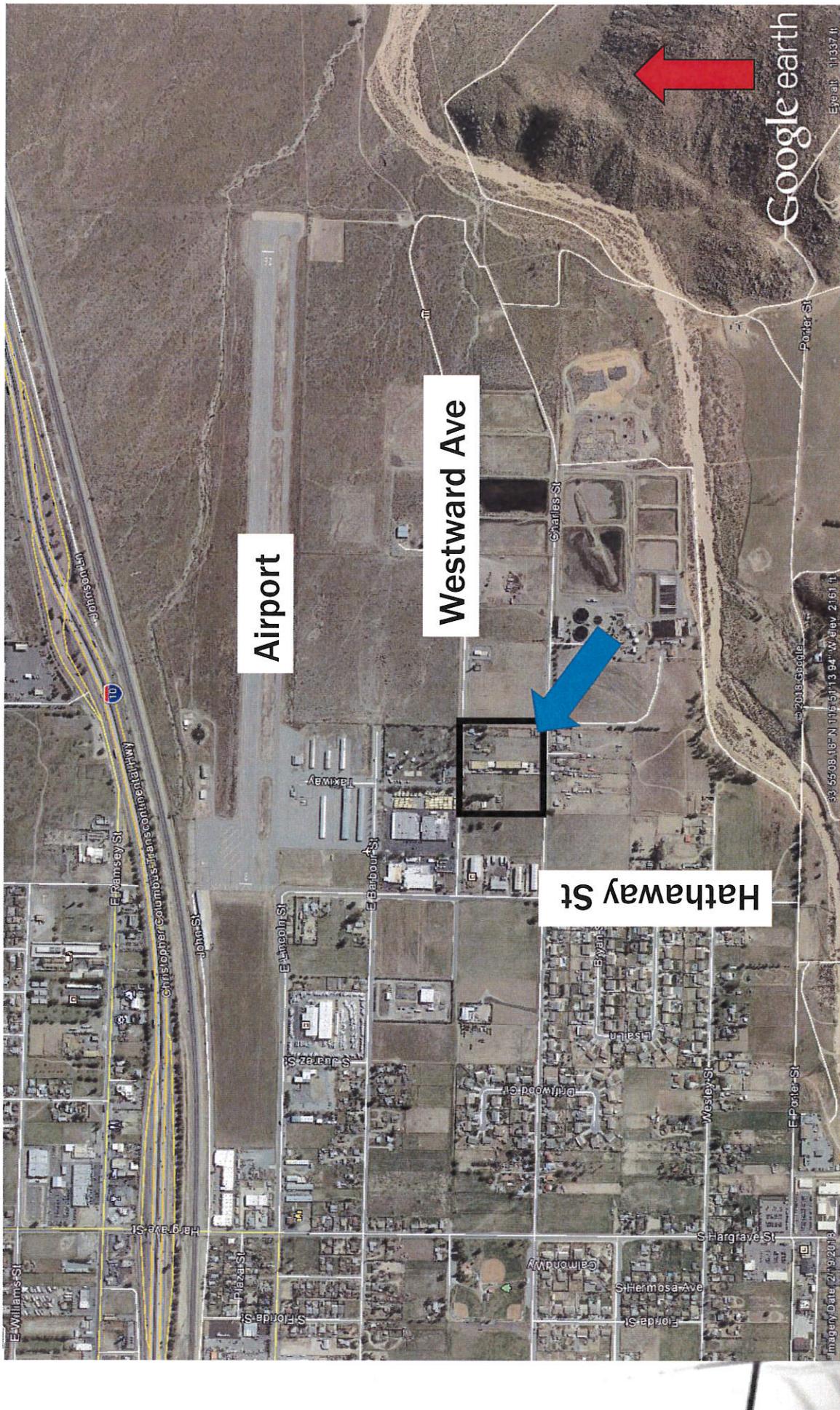


**Request for Fee Waiver:
Ron Gallon and John Weeks**

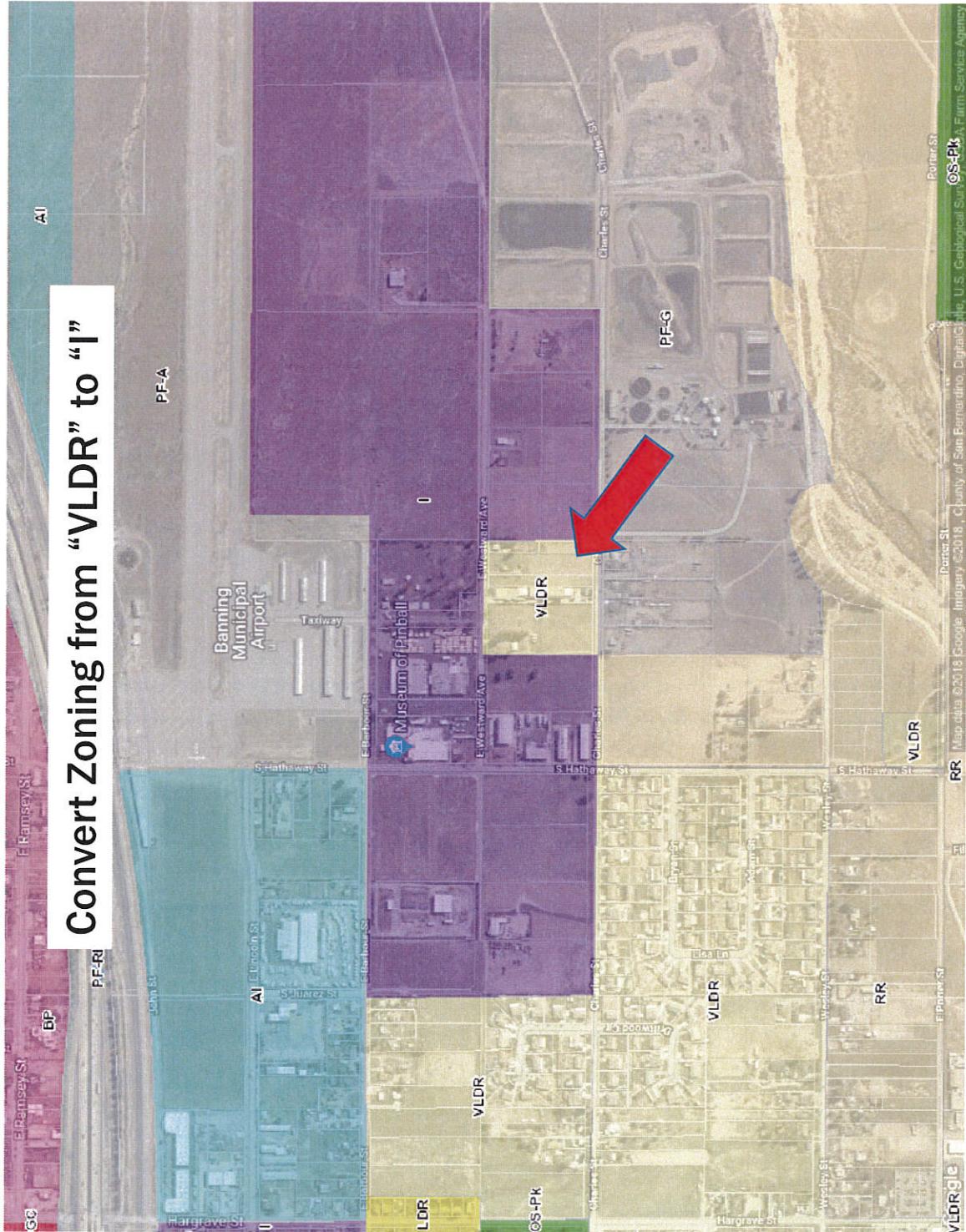


Background

- Request originated from two businesses (Attachment 1)
 - Weeks Group Investment
 - Zenner Performance Meters
- Current zoning restricts expansion of industrial uses in residential zones
- Remedy: General Plan Amendment & Zone Change



Convert Zoning from “VLDR” to “I”



Fee Waiver Components

- Request to waive City Fees:
 - General Plan Amendment \$6,192
 - Environmental Assessment \$3,124
 - Zone Change \$8,524
- Zone Change \$17,840

- General Fund Revenue – Fee for Service
- Waiver – *Additional charges not covered:*
 - Technical studies (i.e. traffic impact, CEQA)
 - Design Review (PC approval of physical expansion)

Procedure – 15.72.050(C)

1. Written request by beneficiary
2. Must be conducted at a public hearing
3. Fee Waiver (Approval/Denial) – City Council action

Required Findings – 15.72.050(B)

One or more findings are required before waiver may be granted

- Fee not required for payment of outstanding debt
- Waiver does not create a gift of public funds, granting of waiver will derive a benefit of equal or greater value from beneficiary
- Fee not required for ongoing expenses of any assessment district
- Fee not properly collected by the City
- Waiver of fee will not have an adverse impact on City operations
- Fee is not properly chargeable to the beneficiary

Recommended Action

1. Provide guidance to staff regarding supporting language for Findings
2. Request additional information from Requestors relating to development plans, level of detail required
3. Should the fee waiver request lack sufficient facts, findings – direct staff to return a resolution of denial with findings