



AGENDA

SPECIAL CITY COUNCIL MEETING

CITY OF BANNING, CALIFORNIA

August 23, 2022

4:00 p.m.

In Chambers and via Zoom

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

The following information comprises the agenda for the regular meeting of the Banning City Council, a joint meeting of the City Council and Banning Utility Authority, and the Banning City Council sitting in its capacity as the Banning Successor Agency Board.

This meeting is being held via Zoom so that members of the public may observe and participate in this meeting electronically. If you participate in this meeting via Zoom, you are agreeing to abide by the City's Zoom Community Standards for Public Meetings (provided in full on the last page of the agenda). Esta reunión se lleva a cabo en la Cámara y a través de Video/Teleconferencia en Zoom para que los miembros del público puedan observar y participar en esta reunión de manera electrónica. Si elige participar en esta reunión a través de Zoom, acepta cumplir con los Estándares comunitarios de Zoom para reuniones públicas de la ciudad (que se proporcionan en su totalidad en la última página de la agenda).

To observe and participate in the online video portion of the meeting through your personal computer or device, follow this link:

<https://us02web.zoom.us/j/81007280759?pwd=d0JCK0yeGhOQk5Cek1kd3FJUmlsQT09>

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1. **CALL TO ORDER**

Roll Call

2. **PUBLIC COMMENT – Agenda Items Only**

3. **PRESENTATIONS**

- 3.1. Workshop: Draft Water and Wastewater Rate Study.....4
(Art Vela, Director of Public Works)

Recommendation: City staff will present the Draft Water and Wastewater Rate Study for City Council and public discussion.

4. **ADJOURNMENT**

Zoom Community Standards for Public Meetings

By participating in this meeting on Zoom, you are agreeing to abide by the City of Banning's Community Standards for Public Meetings. Zoom attendees that fail to adhere to these standards may be removed from the meeting room.

- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Mayor.
- Your camera must be turned off unless/until you are recognized by the Mayor.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Mayor will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in person comment from members of the public in Council Chambers.
- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.
- The chat function will be disabled for all City Council meetings on Zoom.

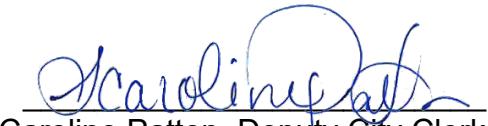
Estándares comunitarios de Zoom para Reuniones Públicas

Al participar en esta reunión en Zoom, usted acepta cumplir con los Estándares Comunitarios para Reuniones Públicas de la ciudad de Banning. Los que atienden por Zoom que no cumplan con estos estándares pueden ser retirados de la sala de reuniones.

- Su micrófono debe permanecer en silencio, y solo puede reactivar su micrófono cuando / si es reconocido por el alcalde.
- Su cámara debe estar apagada a menos que sea reconocido por el alcalde.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El alcalde no reconocerá a quienes no hayan utilizado la función Levantar la mano.
- Los comentarios públicos de lo que atienden por Zoom seguirán inmediatamente los comentarios en persona de los miembros del público en las Cámaras del Consejo.
- Si no cumple con estas pautas de la comunidad, es posible que lo destituyan por interrumpir la reunión que tiene lugar en las Cámaras del Consejo. Puede volver a unirse a la reunión, pero es posible que lo eliminen por cada violación de estos estándares de la comunidad.
- La función de chat estará deshabilitada para todas las Reuniones del Ayuntamiento en Zoom.

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220 by 4:00 P.M. on the 18th day of August 2022.



Caroline Patton, Deputy City Clerk
Secretario adjunto de la ciudad

PUBLIC NOTICE • NOTICIA PÚBLICA

Meeting Agendas and Notices

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Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person. *Special meetings do not have public comment periods for non-agenda items.*

Special Assistance/Accessibility Requests

In compliance with the Americans with Disabilities Act, any member of the public may request that the agenda and agenda packet be mailed to them. If you need special assistance to participate in this meeting (such as translation services), please contact the Office of the City Clerk. Advanced notification of at least 48 hours prior to the meeting will allow the city to make arrangements to ensure your accessibility.

¿Necesita servicios de traducción para participar? Contacto Oficina del Secretario de la Ciudad.

CONTACT • CONTACTO

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99 East Ramsey Street, Banning, California 92220



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL
FROM: Douglas Schulze, City Manager
PREPARED BY: Art Vela, Director of Public Works
MEETING DATE: August 23, 2022
SUBJECT: Workshop: Draft Water and Wastewater Rate Study

RECOMMENDATION:

City staff will present the Draft Water and Wastewater Rate Study for City Council and public discussion.

BACKGROUND:

On August 22, 2017, Willdan, who was hired by the City of Banning (City) to develop a Water and Wastewater Rate Study ("Rate Study"), presented to City Council the results of the Rate Study including proposed rates based on operating costs and the City's capital improvement needs. Willdan, based on their analysis, recommended water rate increases of **19%, 18%, 18%, 5% and 3%** over five years. Willdan also recommended wastewater rate increases of **26%, 26% and 5%** over a three-year period with no increases the last two years.

City Council did not approve the recommended rate adjustments for both water and wastewater and instead approved a rate increase of 3% annually for a five-year period. As a result, approximately 92% of water related capital improvement projects and approximately 98% of wastewater related capital improvements projects were defunded.

The annual 3% rate increase was approved in June, 2018 and prior to that rates were adjusted in 2003 and 2010. A similar, but not as drastic, decrease in the recommended rate increases occurred in 2010, which deferred capital projects.

It should also be noted that the last 3% rate increase became effective on July 1, 2022 and fell short of tracking with the consumer price index (CPI) adjustment for the previous year of approximately 10%.

Unfortunately, the 2018 approved rate increase also deferred most of the City's water and wastewater infrastructure maintenance and replacement projects. The need for the projects still exist and it's evident in the cost of construction (i.e. labor and material) that the longer the projects are deferred the more expensive they become. In some cases

maintenance projects, when continuously deferred, become expensive reconstruction projects rather than maintenance projects. Additionally, aging infrastructure is inefficient, unreliable and requires more resources (i.e. staffing and funding) to maintain.

Staff opined that it was necessary to evaluate the need for additional rate increases while considering the existing rate structure, service levels, regulatory demands, staffing levels, capital requirements and bond covenant requirements. As result, the City hired Black and Veatch to prepare a new Water and Wastewater Rate Study.

The scope of work included a thorough review of the City's fiscal policies to ensure that current policies are maintained, including: reserve levels, capital/system replacement funding and debt service coverage targets; development of financial plans for the water, and wastewater enterprises to ensure financial sufficiency; meet operations and maintenance costs; ensure sufficient funding of City financial reserves, and to fund capital repair and replacement projects; analysis of future annual non-capital costs associated with the operation, maintenance and administration of the utility systems and development of a fire service rate.

During the workshop, City staff along with Black and Veatch, will present an overview of the Draft Water and Wastewater Rate study, findings and next steps.

ATTACHMENT:

1. Draft Water and Wastewater Rate Study Presentation

<https://banningca.gov/DocumentCenter/View/11203/Att-1-Banning-City-Council-Meeting>

Approved by:



Douglas Schulze
City Manager