

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

July 26, 2011
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation
- Pledge of Allegiance
- Roll Call – Councilmembers Botts, Franklin, Machisic, Robinson, Mayor Hanna

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

A three-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

CORRESPONDENCE: Items received under this category may be received and filed or referred to staff for future research or a future agenda.

PRESENTATIONS:

1. Waste Management of the Inland Empire Awards (ORAL)

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

IV. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless any member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 5

Items to be pulled _____, _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1.	Approval of Minutes – Special Joint Meeting – 6/28/11	1
2.	Approval of Minutes – Joint Meeting – 07/12/11.....	35
3.	Approval of Minutes – Regular Meeting – 07/12/11	37
4.	Resolution No. 2011-64, Authorizing the Submittal of the FY 2011-12 Local Transportation Fund (LTF) Claim in the amount of \$1,130,537 and Approving the FY 2011/12-13/14 Short Range Transit Plan (SRTP).....	44
5.	Resolution No. 2011-66, Authorizing the Purchase of One (1) 2012 Ford F-450 16500 GVW 141 Wheelbase 6.81 Truck for the Banning Transit System from Downtown Ford Sales, Sacramento, California, in the Amount “Not to Exceed” \$53,033.83	47

- Open for Public Comments
- Make Motion

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

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

VI. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement *(study session)*
4. Update on Shop Local Program
5. FEMA Training – Senior Officials *(Aug. 30, 2011)*
6. General Management of Council Meetings *(Aug. 23, 2011)*
7. Update on Loans

VII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor and Council. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A three-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor and Council. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

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July 26, 2011
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ADDENDUM

**RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A JOINT
MEETING OF THE BANNING CITY COUNCIL, THE COMMUNITY
REDEVELOPMENT AGENCY.**

IV. CONSENT ITEMS

6.	Resolution No. 2011-68, Confirming the City's Approval of the Village at Paseo San Gorgonio Project and the Proposal to Utilize Loan Funding from Inland Banning Investor Visa Group I, L.P. Through the American Redevelopment Regional Center Based on the U.S. Citizenship and Immigration service EB-5 Investor Visa Program to Finance the Project	51
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**Adjourn Joint Meeting of the Banning City Council and the Banning Community
Redevelopment Agency and reconvene the Regular City Council meeting.**

(Posted: 7/21/11 – approx. 3:30 p.m.)

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/14/11
SPECIAL JOINT MEETING

A special joint meeting (study session) of the Banning City Council and the Banning Utility Authority was called to order by Mayor Hanna on June 14, 2011 at 3:03 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
June Overholt, Administrative Services Director
Fred Mason, Electric Utility Director
Jeff Stowells, Battalion Chief
Marie A. Calderon, City Clerk

DISCUSSION ITEM

1. Urban Water Management Plan (Staff Report—Duane Burk, Public Works Director)

Mr. Burk said this is a workshop for the Urban Water Management Plan document that has to be done per the Water Code every five years. He said that he and the consultant for the project, Geoscience, will be giving the presentation. In regards to background Dr. Dennis Williams has been in the hydrology business for about 30 plus years and in the 1990's Dr. Williams was the one that located and spotted and selected well sites for C-4 at Smith Creek, C-5 at Woodland and Westward, C-6 at our city yard and at the wastewater treatment plant the R-1 well and also the 2003 Cabazon Safe Perennial Yield and the current 2010 Perennial Yield for the Cabazon Basin. He has studied more basins within this area than anybody else and he also does a lot of peer reviews for multiple agencies. His office and his firm are well recognized within the business. Another project he worked on was the recharge facility for the Beaumont-Cherry Valley Water District currently on Beaumont Avenue and Brookside. Mr. Burk said that Brian Villalobos is one of the authors of this document of 680 pages of technical information as it relates to the overall resources within the city of Banning. It also points out to the complexities of what the city has as far as resources go. This is the first time that the public will hear this information and also the document is on the City's website. Also in the audience this evening is Jeff Davis, Chief Engineer for the San Gorgonio Pass Water Agency. Mr. Burk said that they

have had a regional meeting with Yucaipa Valley Water District, Beaumont-Cherry Valley Water District, and San Bernardino Municipal Water District as a collective body to outreach. They have also sent this document out to multiple agencies and this is just one more formal action they need to check off before the document is certified. The key point is that once you send it for certification it does take awhile for the Department of Water Resources to certify it.

Dr. Dennis Williams founder and President of Geoscience addressed the Council stating that as Mr. Burk said they have had a long history working in this area going back to the early 1990s so they have kind of watched the basin grow and have had a chance to assess a lot of the ground water facilities. They did the design of the Noble Creek recharge which Beaumont-Cherry Valley received a very distinguished award. He introduced Senior Geohydrologist Brian Villalobos who is the Project Manager for the Urban Water Management Plan. As Mr. Burk mentioned the Urban Water Management Plan according to the Water Code has to be updated every five years and the last plan was in 2005 so this is the 2010 plan which is projected for 25 years into the future so what you are going to hear about today is a brief overview of the Urban Water Management Plan. They will be discussing a number of ground water basins, the Beaumont Basins, the Banning Basins and the Cabazon Basin and you will hear about where the water supplies are going to come from and then we can entertain questions.

Brian Villalobos addressed the Council stating that this is the first time that they have been able to provide a presentation of the results or the findings for the Urban Water Management Plan publicly and they value that opportunity. He said that once comments are received and addressed in the Urban Water Management Plan it will have to be finalized, adopted and then provided to the State Department of Water Resources by July 1, 2011. At this time Mr. Villalobos started his power-point presentation (see Exhibit "A").

Obviously we are passed 2010 but the Water Conservation Law 2009 allowed to push this process forward to July 1st. The Urban Water Management Planning Act basically states that any water purveyor that supplies more than 3,000 acre feet a year or has more than 3,000 connections has to prepare an Urban Water Management Plan every five years. It requires a 20-year planning horizon for water supply and the purpose is to be able to demonstrate over a 20 year period that there are water supplies to support any current and anticipated growth. The new addition to this 2010 Urban Water Management Plan is including the provisions of the Water Conservation Act of 2009 known as SBX7-7 and essentially it is a water conservation plan that calls for reducing per capita water use by 10% by the year 2015 and an overall 20% reduction by 2020. This Urban Water Management Plan is not required to include the details of how that will be accomplished. That will be included in the next water management plan. The key elements of the Urban Water Management Plan are essentially population projections, developing water demands—historic, current and future, water demand with 20x20x20 reduction targets, assessing water supply during average, single-dry and multiple-dry years, the inclusion of the use of recycle water now and in the future, and 14 demand management measurers as to how water conservation can grow within the purveyor's service area. He said included is the Comparison of Key 2010 Urban Water Management Plan Changes Since 2005 and he will not go into each of them but can come back to it if there are any questions. Specifically from 2005 to 2010 there are some key changes in this document and one of them is the calculation of

actual household use of water. In the 2005 Plan there was an estimate given of 0.67 acre feet per household based on a report that was done for the City in 1994. This 2010 planning document is using historic City recorded data so that we have a historic record of trends of water use so that we have an accurate assessment of how much water is being used per household in the city and into the future. Part of that is going to be how we calculate reductions in time. The other important change is the population projections. In 2005 the projections were made using SCAG (Southern California Association of Governments) data but prior to the housing bubble so that has made a significant change in looking at projections. What they have done is to use the City's own Housing Element, as well as, the actual Census Data Points from 1990 to 2000 to 2010 which has allowed them to prepare a population projection that they feel is accurate for now and into the future. Also in 2005 the amount of persons per household was projected to decrease. In other words, if you had 2.5 persons per household it was projected to go down. That means the water use overall would increase per household but in actuality the City's Housing Element projects an increase to about 2.7 which is what they used in this document. The State Water Project Supply Reliability the data that was used for the 2005 Urban Water Management Plan assumed that 38% of the State Water Project Supply could be obtained by the City. There wasn't substantiation for a portion of those numbers. What they have done for this plan is to make sure that they have used the most current Reliability Report and they have also looked at historic purchases to provided the most reasonable, defendable amount of water that we expect to receive. Some of the other key important differences are the availability of water supply from the Beaumont Basin and the adjudication for Beaumont Basin had just occurred and the projections for what would be available to the City was based on that time. We have had five years since then and we have been able to see how the Beaumont Basin Water Master has determined the City's allotment with time and we were also able to get from Water Master projections into the future based on other work that has been done since then. So there is a good accurate accounting for the projections of water supply available into the future from the Beaumont Basin. Also, recycled water at the time of 2005 there was an estimate that we would have tertiary treated water by 2010 however, at that time the plan did not have the certifications substantiations behind it but for this plan we are able to include that which means that the State will see that it is a viable water supply for projections. Lastly, the groundwater storage unit boundaries that Dr. Williams mentioned the five groundwater storage units that we draw water from here in the city those unit boundaries, the edges of these basins were based on a 1974 USGS report. Since then the USGS has published more recent mapping so we have included that mapping into this document.

Mr. Villalobos continued his presentation going over the population projections, EDU and household projections and the trend is about a 2% increase annually in population and land use build out based upon a 2% population projection they estimate that build out will occur probably in the year 2061 and remember that this document only looks at water supply to 2035. At this time he displayed and went over a table providing Past, Current, and Projected Water Use based on Projected Population Growth (acre-ft./year). This shows us the number of dwelling units but more importantly you can see the amount of water used per household. As you can see in regards to the totals the water use in 2000 was 8,031 acre ft. and in 2010 it was 7,586 acre ft. so the projections from 2015 to 2035 were based on these proportions of residential, commercial, single-family, industrial water use in the city and that is how they

came up with those projections. He displayed another table showing Total Projected Water Use Based on Land Use and this is another way of looking at water use essentially applying water use factors per the type of land use. When you go about calculating water use using land use you can see that the water demand is significantly higher and you can see that calculating water use by land use is extremely conservative. So what they are using is based on population growth rather than land use. He said that the 20x2020 Plan requires the consultant to use the Department of Water Resources methodologies for calculating water targets and they selected Method #1 and this is essentially taking 80% of the water supplier's baseline per capital water use. So in other words by 2020 we want to be at 80% and he explained how that was calculated. By 2015 our conservation will have to have reached a target per capital water use of 283 and by 2020 it should be 252 gallons per day per capita. He also went over the chart showing the water demands based on population growth estimates including 20x2020 reductions from 2010 to 2035. He said that the 20x2020 Implementation Plan will meet the requirements of the Water Conservation Act by the use of recycled water for landscape irrigation so when Phase I of the Wastewater Treatment Plant comes into effect right a way we will have 1,680 acre ft. per year that will go towards that conservation and also, water conservation education to result in conservation in existing homes and water conservation in new development. Reaching those targets is more than doable by 2015 and 2020.

Mr. Villalobos displayed a map of the Ground Water Storage Basins that Dr. Williams referred to and we pump water from all of those basins for water supply. He displayed a table showing, based on a study they completed this year, where they updated the safe yield calculation for Banning Bench, Banning Canyon and Banning storage units and in addition, they prepared a safe yield calculation for Cabazon so that they would have a defendable document to look at what our future supplies could be expected from those basins. In regards to the Beaumont Basin because it is adjudicated there are set supplies that will come from that basin. Our water supplies essentially are coming from five groundwater storage units as well as return flows from recycled water irrigation. We have included a calculation where water percolates and that returns to the groundwater basin, as well as, State Water Project import water. We are looking at by 2035 we will have a water supply of 16,628 and that is to be compared against the water demands that we looked at. So in these calculations we have a surplus in these five year increments as long as we are able to manage those ground water basins. He displayed a map of the well locations and also a chart showing the Well Capacities by Storage Unit and this table is required by the Urban Water Management Plan and it shows the total capacity that can be pumped by from each one of these basins. Currently we have wells in place now that can supply those demands and obviously with time wells have to be replaced. He also went over a chart showing the Historical Treated Wastewater Supply which shows water that is generated by the city that goes to the wastewater treatment plant from 2005 to 2010 and we have percolated these volumes of water into the Cabazon storage unit and right now we are not extracting that water back; only a portion of it. So one of the future water supply projects would be to capture that water and use it as part of the city water supply.

Mr. Villalobos said in regards to Recycled Water Opportunities in the Urban Water Management Plan we only assume that we would have the Phase I Wastewater Treatment Plant tertiary treatment available and so the chart shows Recycled Water Demand and it continues to increase but water supply would simply be based on what water we treat. If we continue to add

the ability using satellite plants or expanding the current plant, we can see that we can continue to meet non-potable water supply using non-potable water but that is not included in the Urban Water Management Plan simply because we need to have supporting data to show that we would have those treatment plants up and running. This is here just to explain that we can reduce a lot of use of potable water simply by continuing to increase the production of tertiary treated water. In regards to the chart showing the Average Water Years Supplier Per Water Supply Source these are the numbers that we looked at previously and you can see that the numbers are the average user is the ones we used in the previous table. In regards to the Single-Dry Water Year Supplies per Water Supply Source chart you can see it begins to change. What we have noted is that they looked at the historical water level trends and pumping in some of the basins and when water levels begin to drop the production from the basins change specifically Banning Bench Storage Unit is very sensitive to climatic conditions. So what they have done is to look at the single driest year on record, looked at the pumping that took place from that basin and we are able to use that as a lower limit for pumping from that basin during a single dry year. For the Multiple-Day Year Supplies there is a similar situation and we looked at the three consecutively driest years and then included a change in those basins that would be sensitive to those and at the bottom of the chart you can see what would be expected water supply projection for those multiple-dry years. The next table basically shows the average, single-dry, and multiple-dry water years demand including 20x2020 demand reductions. You can see the water supply versus water demand and because of the ground water portfolio we are able to see surplus in these years and he explained further the chart numbers. He went over another chart showing Well Hydrographs and this map shows water level trends for different areas in the storage units. You can see that the water level trends fairly track the climatic conditions. Lastly, we are required to show Minimum Water Supply During Multiple-Dry Years so we used the years 2010 through 2013 just to project what those would be and again, these show that there are surpluses given those conditions.

Mr. Villalobos said also what we have in our Water Conservation Ordinance is Rational Stages to decrease water use when dry periods occur. This would be the affect during a dry period. This is part of the plan to manage water in the city. The next chart shows Demand Management Measures that are required in the Urban Water Management Plan. Currently we have addressed four out of 14 and he believes the City is working on applying some of these demand management measures that are anything from residential water surveys which they have done some, retrofits, and system water audits, etc. So the plan is to continue to work on these demand management measures and to make sure they are all being addressed. All these sorts of programs are actually recommended and not required but if there is a move to look to the State for loans for water supply, then they except that all of these would be a part of the City's water conservation programs.

Mr. Villalobos concluded his presentation and asked if there were any questions.

Councilmember Botts said that this is rather important data for the City but what does the State ever do with it. How can they make it unacceptable?

Mr. Villalobos said that the State will review it and they will provide comments to it. This is not an option task. If it is acceptable, then it will be accepted without any other comments. In

regards to it being unacceptable for instance, if the calculations for the population are incorrect, or if the way we have gone about calculating water supply in any one of the basins isn't clear to them they could comment on that. If they are not in agreement with say the recycled water and they say there is not enough supporting data, they could comment on that. It needs to be clear to them that all of this water supply is substantiated and it has been the target of this document.

Mr. Burk said we want them to certify this report and if and when we apply for grants and/or State Revolving Funds, this would be a document that they would refer back to and say you are in compliance and you would qualify as it relates to any type of grant. This is a document they would want the public, through the Council's adoption, recognize.

Councilmember Franklin said in our 2005 Water Report that we thought was okay and turned out not to be okay, what differentiates this report from being okay versus that one being okay.

Mayor Hanna asked if she was thinking of what the judge said with the Black Bench Case; criticisms of 2005. Councilmember Franklin said that was correct; saying that that report was flawed. Mayor Hanna said she just wanted to make sure this is what she was asking is this chart showing when you talk about deficiency in mitigation.

Mr. Villalobos said that was correct and the chart he is showing specifically addresses those issues. He said that when Mr. Burk first approached them about preparing this plan one of the first documents he reviewed was the court judgment to make sure that they covered every detail of discussion that the judge wrote in his opinion and these are the key points. Again, it is the way that the household residential water use was calculated. But specifically, he had the greatest issues with the State Water Project reliability and primarily because when you read the plan numbers given but there was no explanation of how those numbers were derived. Not saying there were not correct numbers for the point but that he couldn't follow the math. We tried to footnote every calculation that we are using for water supply in this and in the Safe Yield Report that is an appendix to this report so there shouldn't be any question in our realm of study to be able to follow how we calculated these numbers.

Councilmember Franklin said will that present any problem for us with knowing that the San Gorgonio Pass Water Agency cannot guarantee any particular amount of water.

Mr. Villalobos said that was right and that is stated in the report. He said that he believes that is a fairly common approach by wholesalers so we have given as much as we can to demonstrate what would be expected without saying we have complete right to this water because we don't.

Councilmember Franklin said that you have mentioned in the report about the inactive wells; is there further use available for the inactive wells.

Mr. Burk said he would like to touch on those two questions. In regards to the first question, the difference in his opinion about the 2005 Urban Water Management Plan versus the 2010 is that back in 2005 there was language put in the document that would refer to paper water meaning that you have it on the document but you don't have any place to have the water. We

currently purchased State Project Water and we have from 2007 to current. You have also committed in your water rates to purchase water from the State Project Water based on their availability and that is a key factor to this document and it is also footnoted in there. This is a good wet year for the State Water Project and if we didn't have the bottlenecks in our system or maybe in our funding sources, we may be able to receive more water. But maybe we have a year like we had a couple of years ago where there was only 5% available. So the point is that back in 2005 you didn't have the funding mechanism and you didn't have actual wet water. You have a storage account in the adjudication. You actually have received and purchased water from the State Project Water and you have committed that you will do that in your rates. This is a lot different than 2005. The other inactive well portion is that the only really inactive wells that we have are non-studied. Meaning that M-4, M-3, M-8 those are wells that we purchased from the Mountain Water Company and those are inactive right now but we have not studied that basin enough and when we purchased those wells they were wells that were not very good producers for the Mountain Water Company. However, the caveat is that if and when we go to study the Banning Basin that maybe if we do some type of recharge facility through storm water or we recharge our recycled water in that area through that scalping plant we talked about, maybe they will become productive wells. The good thing about those inactive wells is that there are known sources and you could explore that and you also own the land.

There was some further discussion in regards to these dry wells or inactive wells.

Mayor Hanna said to follow up on the State Water Project in the judges statements in the Black Bench Case he talked about while the temporary surplus would continue to 2014 and then a share would go to a minimum of 400 acre feet per year and you have said in the presentation that you have discussed this with the Water Master and have reason to believe that the projections have some basis but she really doesn't really understand what that basis is for your projections. She understands that the Water Master is supposed to reconfigure this in 2014 so how do you know what he is going to say in 2014.

Mr. Villalobos said that in the Beaumont Basin the City of Banning has a percentage of water allotted to them that is the remaining water not pumped by the overlying right users so the Water Master calculates those numbers in five year increments so for instance, when the judgment started in 2004 immediately every year from there they would calculate what the overlies produced, what was the remaining portion un-pumped and then apply percentage to the City of Banning. Then the Water Master then applies that annually ahead of time. The Water Master has produced their engineering reports that show what the water supply will be over the next five years. Along with that the City was allotted a portion of what they call the temporary overdraft. There was a 40,000 acre foot volume of water that was distributed. We have not pumped all of that and we still have at least half of that remaining. So what we have done was to look at a portion of that and we are able to then look at what is our current pumping and if we pump into the future, we include what is a part of the City's supply now, we include what Water Master has already published belongs to the City and we have extended that outwards. Along with that the City is now a part of the Beaumont Management Zone Maximum Benefits Program and a part of that modeling for that project that the consultant for the Water Master has projected what would be anticipated City supply from Beaumont and that

is extended all the way out to 2035. So we have at least three different sources that identify what the water from Beaumont will be.

Mayor Hanna asked when you say we are allotted 25% is that in writing? Mr. Villalobos said it was a certain percentage. Actually it is 31.43% and it is in writing and it is an exhibit of the judgment.

Mayor Hanna said that she doesn't understand how it can be projected out when he hasn't made his statement but you are saying it is all in writing and substantiated.

Mr. Villalobos said in 2014 what they will do is re-evaluate the safe yield of the basin and we get a certain portion of that. We've assumed that that safe yield will stay the same even though one of the Water Master's reports has mentioned that it could increase but we didn't use the increase. We used the current safe yield number for this document. Mayor Hanna said but that is an assumption because you just said we've assumed. Mr. Villalobos said no. In other words, the Water Master will update their safe yield and right now it is 8,650 acre feet per year. In one of their reports they have stated that they have probably underestimated and it could be as much as 10,290. So rather than make the assumption that it is going to be higher, we have taken the lower documented safe yield for our document.

Councilmember Robinson said that we are going to spend quite a bit of money on the flume project and he was wondering how that entered into the calculations for the next five years and will we see a gain in the water from the flume project once it is repaired. Hopefully it is worth the \$1.2 million dollars and is that going to help the water capacity. It appears in your charts that the Banning Canyon is the worst hit when you have multiple dry years. So will that help that number?

Mr. Villalobos said that the Banning Canyon is sensitive to climatic conditions because it is a fairly thin thickness of aquifer in the canyon. It is a narrow canyon and the gravel and sands are fairly narrow so water comes in and goes out fairly quickly. What will help with the flume is that we are able to capture with a reconstructed flume more water that will be percolated in the Banning Canyon and then into Banning Bench and even into Cabazon. So it will help our overall water supply when the flume is constructed. This is calculated in to this document.

Mr. Burk said that in regards to the flume there is a certain amount at the top and a certain amount at the bottom and we don't know what either of those amounts are because it has never been metered and during the transfer of the flume and/or the facilities we will ultimately be metering that and he would imagine if we get that accomplished by 2015 we would be including that. But the safe yield you see in the Banning Canyon is derived from the safe yield of 4,070 acre feet annually. That safe yield is exactly what we would do to create that narrow amount of alluvial material for that basin so we wouldn't want to take anymore than 4,000 acre feet. The flume will be something we address as it relates to what the benefit is to the canyon after all the conveyance systems are completed but it is not part of this document.

Mayor Pro Tem Machisic said on one of the charts it shows that the water demand had dropped from 8,000 to 7,000 and then the next year you jumped up to 10,000; on what basis.

Mr. Villalobos said the date on the bottom of this table for 2000, 2005 and 2010 is actual city water use and this comes from the City's water use reports so those are not projected; they are actuals. But when we go to 2015 we have to take the percent of water used by the city and apply that to growth and population. Therefore, as the population grows from 2010 to 2015 then there would be an increase in water use accordingly and that is applied through 2035. In 2015 you are saying how do you know it doesn't go down again. All we can do is to take the trends that you have. In other words, the actual water use trends that you have records for and apply that at this point. Obviously in five years we will have more data and we will if those trends are reducing even more.

Mayor Pro Tem Machisic said based on what reads the housing market is down and going further down and what assumptions do you use in the number of homes or population.

Mr. Villalobos said the population trend, the 2% annual growth, was based upon the amendment to the housing element that the City produced, as well as, looking at three census points from 1990 to 2000 to 2010. Obviously you anticipate that there may be spikes in growth and then maybe plateaus and this type of thing but overall it looks like the city has grown about at that rate so we are using that rate to project the future.

Mayor Pro Tem Machisic said the reason he is concerned is that when we did our water rate there were certain assumptions made about the number of housing in the future which of course affected the water rate and of course, if the projection is incorrect, then the amount of money you raise for water operations is considerably less. Also, there was a question about the non-producing wells and we did three wells with Beaumont-Cherry Valley about five years ago and those wells were dug at 1500 hundred feet and it was his understanding that the water flow at that level was much higher; is that correct.

Mr. Burk said that Wells 23, 24 and 25 were drilled greater than 1200 or 1500 feet. Those wells are good producers. We have an agreement with Beaumont-Cherry Valley Water that we would receive 1000 gallons per minute from each well so you have 3000 gallons per minute. We have multiple connections on Highland Springs where we can receive that water at different elevations and different pressure zones.

Mayor Pro Tem Machisic asked Mr. Villalobos if he has made any assumption based on technology that is improving in home building for instance, we recently had a homebuilder that came in and they have a couple of model homes comparing normal water consumption as opposed to the conventional and the amount of savings that they indicated was about 30% to 40% and have you taken any of that into your assumptions.

Mr. Villalobos said no that haven't but they have used historic water use to calculate these. In the 2015 Urban Water Management Plan those conditions will be applied to the water conservation however, there is going to have to be a demonstration of how many that is. But obviously for new houses it is going to expand the time.

Mr. Burk said however, the City has adopted AB 1881 as it relates to water conservation for new buildings and have also adopted a new plumbing code. Our challenge is really not the new development that comes forward because they are going to have to conform to the new standards. It is our current residents that we will have to do the best management practices for and how we convert them through remodels or incentives to change their plumbing fixtures or update.

Mayor Hanna said in regards to the charts in demand it seems to her that when you are projecting demand that you should be conservative and yet you dismiss the extremely conservative projection for 2035 of the total water demand based on land use because that would have been 22,775 acre feet versus using per capita where you came up with the demand being 13,705. The difference between these amounts is kind of a lot on an annual basis and you are saying with a worst case scenario with a single-dry water supply year would be 13,235 so the demand could be more. Why not use a more conservative approach with water?

Mr. Villalobos said because the data from the population growth matches the fact and to use a number that is 40% or 50% higher there is no basis for that. Because we know what the land use is in 2010 and we know what the water use is. He would have to basically say the records that we have don't apply. The records are there and we know the residential use, the industrial use and commercial use. We got records now to demonstrate that. The reason we included the land use was more to see if it was in the same range of water use. Had it been a lower water use for land use, we still would have used the population simply because it matches the actual city's water use and that is why they chose to do that.

Councilmember Franklin asked if someone could explain the Beaumont Management Zone.

Mr. Villalobos said the Beaumont Management Zone is obviously the area that overlies the Beaumont Storage Unit. Within that Beaumont Management Zone, as well as, in the San Timeteo and Yucaipa Management Zones the Regional Water Quality Control Board has set up a program to monitor the use of recycled water within those basins. So what that means is that entities that are applying recycled water either to irrigation or direct application in the stream, etc. are then responsible for the amount of "salts" or totally dissolved solids that are going back into that basin. So because the City intends to use recycled water for irrigation within the Beaumont Management Zone you are participating in this program that says the current water quality is at a level of 260 milligrams per liter. What the Regional Board is saying those that are applying recycled water if you commit yourselves to keeping the solids component in water quality to a certain level, then you are allowed to bring that level up a little bit. In other words, you can use recycled water there but ultimately it is going to reach a point where it has to be mitigated. The advantage of being a part of that is that we can use recycled water in that basin and work within the water quality limitation that is more beneficial in terms of how we operate with recycled water.

Mr. Burk said the Beaumont Management Zone spans from Yucaipa, Calimesa, Beaumont and Banning primarily the two sections of property for Sections 1 and 35 on the east side of Highland Springs north of Wilson Street but also that area is governed in the Regional Board side, the Colorado side for us. But because the City of Beaumont to the west of us wants to

discharge water from their effluent treatment plant into the Beaumont Management Zone the Regional Board is coming up with a set of criteria for degradation of the basin. So what happens is that we overlie the Beaumont Management Zone and we have around seven wells that could be impacted so there has been an application to the Regional Board to allow a certain amount of water to be discharged from their treatment plant to the Beaumont Management Zone. We are participating in that for one reason. One, we want to know what the rules are going to be over that basin first and foremost. Two, we don't want to reach the anti-degradation loss. If we don't participate in it at 350 parts per million, then we would have to go to the anti-degradation at 230 parts per million. We are just trying to participate in the Beaumont Management Zone as it relates to regulatory reasons. So from Highland Home Road which is a mile east of Highland Springs the Santa Ana Regional Quality Control Board is now our regulator as it relates to using recycled water in those sections.

Councilmember Franklin said in regards to recycled water going further east and you talked about right now we do have percolation from the wastewater treatment plant down in the Cabazon Basin but we can't use that water for potable water or do we. Mr. Burk said no we do not. Councilmember Franklin said so what are we doing with that water.

Mr. Burk said as a collective body we fully intend on taking all the water we put in the Cabazon Basin and using it for future use and will be able to use it as potable water but it is not at this point.

Councilmember Botts said does that not become potable as it percolates back down in. Mr. Burk said that potable is a different term. Potable whether you are serving or drinking it at the tap has to reach a certain quality of water; Title 22 Water. It has to reach certain levels of criteria to be potable water. If we recharged it now and put the R-1 well in, we could use that for recycled water, so yes you could use it for recycled water as irrigation purposes go but not potable. He would like to remind the Council that by the time the water reaches Orange County it has probably been toilet to tap five times.

Councilmember Botts said you sense our concern about a defensible document and defensible numbers and he thinks a majority of this Council over time believes that we want to have good solid development and in order to do that we need to have the projected water. Has the Cabazon Basin been adjudicated or is that something that could or would or should happen? And are we getting credit for the water that we are putting into the Cabazon Basin.

Mr. Villalobos said that for most people you don't want to go into adjudication. It warrants a regular management plan possibly for the basins that are not adjudicated and that way it is an interaction between all that are using it. The City of Banning is essentially the only water user in those basins. With Cabazon there are obviously other users. So no, it has not been adjudicated but at some point there will probably be a discussion of how to manage that safe yield. In regards to credit, there is no format to get credit for it. We have documentation within our records of what has gone in there in terms of what has been percolated from year to year but there is no agency that looks at it.

Mr. Burk said that the City of Banning through its rates and design said that they are going to develop recycled water and so the only way to really develop the recycled is at our wastewater treatment plant or some hybrid of some sorts. Whatever water you scalp off or drop in and treat is going to be less than you put in the Cabazon Basin so by adopting that maybe not formally but kind of informally you said you are going to take that water. In your 2005 Urban Water Management Plan you said in that document you were going to drill wells in the Cabazon Basin so on both sides of it you've adopted and you put in your rates to drill wells in the Cabazon Basin; a document that says you are going to do these things. You are going to develop recycled water and drill new wells in that basin. It is a non-adjudicated basin and we have an overlying and appropriated right to that and we currently put water in that basin for it to go on down to the Cabazon Basin where it is extracted.

Councilmember Botts said in regards to trends we had .67 that was projected and it actually was .52 which is 15 bases point difference and is that significant and what do you attribute that to. Obviously, if he remembers the .52 was actual so is just simply the difference between what somebody projected, the .67 and years later we tracked it and it was .52.

Mr. Villalobos said quite essentially that is what happened. We now have a significant record of water use and we are able to then actually calculate it. The .67 came from a 1994 report that was done for the City and since then we got good data to calculate this. Also, on the last point, in the Urban Water Management Plan and also in the Safe Yield Report which is an appendix, we clearly outline the water that has been put in Cabazon so we do have documentation and also demonstrates how the City putting water in the Cabazon Basin has added to the safe yield so we already have a precedent there.

Councilmember Robinson said we just put in a new reservoir, Brinton Reservoir, and you gave us the numbers on that and it was a high yield tank and as you look down the line the others are lower yield and is this something we should be looking at in the future maybe one high efficiency well versus four that we have to provide power to that don't produce that much along with the tank storage. Or maybe another Brinton reservoir versus two Sunset reservoirs is a better way to go or do we have the capacity that we need to store all of this water.

Mr. Burk said the Brinton Reservoir was designed and built based on your water master plans and studies stating that the deficiencies of your storage as it relates to your hydraulic models of how we distribute the water. Right now we are still around 5 million short in storage in our distribution system. He thinks that what you are getting at is that our yield in these basins that overlie these pressure zones and how efficient they are versus how it works into our overall hydraulic model. Each one of these basins has clearly shown what our safe yield is and our water master plan will do exactly what you are saying and will tell us where we want to put that next reservoir. For example, if we drill a well in the Cabazon Basin, we would want to build what we call a "Matich Tank" on Florida and Repplier. That is in our master plan so it would work a little bit better hydraulically for us. We wouldn't want to build a tank on the west end of town for that. What we are trying to say is that we have water over here let's build our master plan accordingly.

Councilmember Botts said in going back to the population trends he thinks that Councilman Machisic was concerned and the projections have been missed in a number of areas and obviously no one knew that we were going to have a great recession so whether it is numbers or dollars or houses being built you can't foresee that but he is looking at it a little bit differently in that you said that you averaged it out between now and 2035 at a linear 2%. His concern would be is that he does believe that the recession is going to be over and the economy is going to come back and we are going to be back in a boom of some type and that boom could very well be housing so his concern would be are we prepared if in fact it was not 2% and could be a significant jump in 3 to 8 years that is much more than 2%. We need to make sure that we have the water, the numbers and a defensible document that a judge can understand and believe.

Mr. Villalobos said when you look at census data from 1990 to 2010 that includes some peak periods of growth so the 2% is based on that plus your housing element also looked at that percentage of growth. But besides that all of the developments that are on the books are included in this Urban Water Management Plan to 2035. If we grew that amount in 10 or 20 years, we would still have the water supply to cover those.

Mayor Hanna said in regards to Table 4.1 for the Cabazon Storage Unit she doesn't understand why it goes from 565 in 2010 to 2515 in 2015. It said that Geoscience said there was 720 acre feet per year and she doesn't understand why the jump to 2015.

Mr. Villalobos said in 2010 the 565 is an actual value. So the 2015 projection is based upon the water balance that we did for the basin itself. So when we look at long-term averages within the Cabazon Basin inflows versus outflows we can determine what the change in storage is. In other words, we can look at the average annual change in storage for that basin and that is what we have used for 2015. The changes in projections then change because what we are also looking at as Mr. Burk said earlier is that in 2015 what we are going to do is that we are going to be using recycled water elsewhere that we would be putting in the Cabazon Basin. Basically we have done a calculation for the different water balances year by year by year to see what change in storage would be available to pump should we put an additional well in the Cabazon Basin.

Mayor Hanna said that we have talked about putting straws in the same basin doesn't mean that you are going to get more water necessarily.

Mr. Villalobos said no, it doesn't mean that. But what we are saying is that when you look long-term, the long-term water balance in Cabazon Basin, there is an addition of water supply and it is really coming from the percolation of water that the City is doing. So we have two wells currently in the basin so what we are saying is that right now we are taking out on average we have pumped from Well C-6 710 acre feet per year. But there is an additional amount of supply in the basin that is a result of the percolation. What we are saying is that in time we either use Well R-1 or another well in the basin to be able to capture the amount of water that is being placed in the basin from year to year.

Mayor Hanna said so it is a calculation and you don't really know. Mr. Villalobos said it is not that because when you are doing a water balance you have to look at historical trends and that

is the map that he showed that had the water level trends so what we are looking at in those records are the water levels based on rainfall and underflow from the other basins. So it is a calculation of what has happened historically to look at then how do you project into the future. It is a common way of looking at what water supply will be based on historically the past records.

Councilmember Botts said in talking about recycled water 1,680 acre feet we got from saying if we provided irrigation water to Sun Lakes, Caltrans, parks and school districts that is how we arrived at that number and is that the correct we have plugged in by 2015. How dependent upon this analysis is the analysis if we were to miss that. What he is seeing is that we must have that done by 2015. Meaning some form of tertiary treatment or irrigation water.

Mr. Burk said he believes that the City Council in the past and current have committed to pulling the trigger on recycled water. You have done it in your rates, you have designed a plant with bond money, you designed pipelines that are currently ready to go and you drilled R-1 Well in 1990. He thinks that this document is committing you to do something by 2015 to create the recycled water and that in it self along with the Water Master and the adjudication almost will force you and if not, then if you extract out of the cyclical basins of the canyon you know what your yields are here. If you don't drill wells in Cabazon Basin and you don't develop recycled water, then the document is kind of flawed to some extent. To him it is just a matter of are we going to build the central plant and build everything at one time or are we going to do something a little bit more hybrid and develop it. He thinks that that this Council is willing and ready to do that and in fact, the environmental impact report that is out there right now for the 5400 homes that you are talking about talks about a satellite plant on their project. So the commitment from the community is that we want to see recycled water for golf course uses or irrigation uses. He believes that this document is triggered based on developing the recycled water whether it be a pipeline in R-1 or whether you design a plant. You have the ability to develop the 1680 that you are talking about. What you have asked us to do is to find something a little less expensive and so the idea was the scalping plant or drop in plant and bring those numbers to you. So that is kind of the time delay as it relates to where we stand in developing recycled water.

Councilmember Franklin said in regards to the actual plant itself you said that once it is adopted then it goes on to the State and it may take about six months. From the time it is submitted do we then start using this plan or what happens from the time we submit it to whether or not it is approved. Also if there are any drastic changes once it goes into play then do we modify the plan, do we just make a notation; what happens?

Mr. Burk said that once you send it to the Department of Water Resources for certification they would have to find something that was scientifically wrong with it or maybe typographically but really this is just the planning tool we plan on moving forward with. This is the document that he thinks the Council has given the direction for staff to move forward with.

Councilmember Franklin said what she is getting at is if there is anything drastically different that happens either to the good or the bad, we don't have to pay any more money to modify the plan. We are still working off this plan for five years. Mr. Burk said that was correct.

Councilmember Robinson said that he went through the plan and it was pretty in depth but he didn't find anything about rainwater catch mechanisms in the plan and he doesn't know if we have a way to monitor how much rainwater comes down through here then ends up in Whitewater or wherever it ends up. Is there any allowance for catching more of that storm drain water so that it does not go out to Whitewater or the Cabazon Basin or is there any way we can measure how much actually goes out there.

Mr. Burk said to his understanding the safe yield is the design behind the climatic changes as it relates to rain and multiple dry years but as development moves forward there will be a design to catch storm water and that way we would be able to quantify and add to this document as new yield. Now, there will be the argument of double counting and how you quantify what actually goes into the basin today versus what you are capturing and whether or not you are capturing and moving it over to another basin but that is where we would quantify. But if you were to say lets build a dam in Banning Canyon, there is a lot involved in that and he doesn't think we could do a dam and capture anything more than that.

Mayor Hanna said in some of the documents she has read it says basically for a plan like this you should have a plan of action if we lost say one major source of water which is so easily done. Water is such a fragile system whether it is the State Project Water gone, earthquake, delta collapses or our own water canyon with an earthquake or landslide. What would we do if we lost 30% of our water at any point in time and is it considered in this document?

Dr. Williams said that you are fortunate that you have groundwater resources. We have done studies like this in other basins such as the San Gabriel Basin and Raymond Basin and in that case we assumed a designed earthquake that knocked everything out so they had cross-connections with other utilities but the main way you will prevent against that is to keep your groundwater basins healthy. You will keep them topped up so that in the event you lose for instance, State Water Project water, that we can rely on those. We can even use what is called 'Operational Storage'. We can rely on the millions of acre feet that are already in the ground to pump that and use that until we get things back to normal. The ground water reservoirs, if you remember back when he had the serious droughts, that in Southern California we were told well you probably shouldn't water your driveways but the people in Northern California who relied on surface water reservoirs were told you have 5 gallons a day to use and that was it and we always have to be careful about conservation. Also the inactive wells that the City purchased these were agricultural wells and to use those for municipal supply you have to place sanitary seals on them and the Department of Public Health requires a minimum 50 foot seal. So what we will do with those is to actually go in and actually retrofit them with a seal so they meet water quality standards because when you are irrigating for crops and so on you really don't care but you do as a water supplier and those can be converted. Regarding the use of recycled water we do a lot of that and it is getting more difficult to getting more State Project Water because of the environmental constraints being put on us. Recycled water is a real big alternative and he is involved in a lot of projects and recycled water which is tertiary treated water goes through this dry zone and goes through soil aquifer treatment and it filters it out. In addition when it gets into the ground water the Department of Public Health has some very strict standards and you have to mix that recycled water with at least an equal amount of natural

ground water so that it would be safe for the downstream recovery of that. There are some very strict guidelines and monitoring of totally organic carbon and other chemicals. So recycled water is a good alternative and natural formations do filter it. The hydrologic budget when you asked the question about the Cabazon Basin it is like your bank account. Whatever you put in, whatever you take out, the difference is the change in storage and when we looked at Cabazon we looked at the long-term information as to how much is coming in from precipitation, how much is flowing out to the Indio and San Jacinto tunnel and coming in from the Banning storage unit.

Mayor Hanna said that she knows that environmental reports, EIR's, CEQA type studies that climate change needs to be taken into consideration. Are there projections that were taken into consideration in this study?

Dr. Williams said he doesn't think they addressed climate change in this but there are still some controversies about that even though we are addressing them in a lot of other studies. There are a lot of uncertainties still in that that he thinks will be in future urban water management plans. For example, he cannot find anywhere anyone agrees on what the level of sea rise is going to be and you can imagine what would happen if the sea level rose two feet along our coast and what would it do to all of our inland aquifers and things like that.

Councilmember Botts said this document appears to support growth and it appears to be defensible on the face of it and can you reiterate are there other pluses.

Dr. Williams said that when they prepared this they tried to be conservative in all things just in case things don't work out the way we projected. So we tried to be conservative and tried to do sensibility analysis to see what happens if it is dry. If you remember we had like a 25 or 30 year dry spell between 45 and 75. All of the work, defensible is the key word that we have tried to use and scientifically we do a lot of expert work and all of our projects take that same standard.

Councilmember Botts said that I think you said you were conservative on the Beaumont Basin whether it was the Water Master that projected 10,000 acre feet instead of 8,000 but you used the 8,000 so again that is a plus. He said that he was looking for a plan that doesn't have a lot of negatives but could have some pluses. Besides those two things is there anything else that could in fact provide more water.

Mr. Villalobos said if you compare the water demand tables like 3.8 with 4.1 where even in 2015 or 2020 we are not dependent on the recycled water. If we get it, it helps our conservation targets that we are trying to meet. That was a great question about capturing storm water and that is becoming almost state-of-the-art now and we are involved in a number of projects to capture peak stream flows and there is a number of drainages/watersheds that are within our water resource area here that could get those kind of projects. They just incrementally add water supply. Again, the flume is not counted in here but when the flume is reconstructed it will be additional water for the water supply.

Mayor Hanna opened the item for public comments.

Jeff Davis, General Manager of the San Gorgonio Pass Water Agency, 1210 Beaumont Avenue addressed the Council stating that in regards to the climate change issue to the extent that your plan does talk about the State Water Project and it does in the Climate Changes Considered in the State Water Project Reliability and Brian Villalobos does indicate that 60% reliability of the State Water Project and climate change is taken into account in computing that 60% so at least that portion of your water supply were covered. As required by the Urban Water Management Planning Act after 2005 and before 2010 the Assembly and the State Senate went back and changed the Act to required any entity that gets its water from the State Water Project to take that into account so that is already done via the State Water Project Reliability Report. Another comment he has relates to page 67 of the Plan and he is not suggesting that you make any changes but just wanted to make a comment about the language that is there. He said it is in the paragraph that is on the very top of page 67 and actually starts at the bottom of page 66, and it says, "The City intends to purchase on average 25% of Table A deliveries from SGPWA for recharge to ground water storage in the Beaumont Basin." And then there is another sentence that says, "For projection purposes SWP water available to the City 25% of 8,650 acre feet or 1,298 acre feet per year is estimated for years 2011 to 2014 and 25% of 17,300 acre feet or 2,514 acre feet per year is estimated to be available after 2014." His comment is that for planning purposes he thinks it is perfectly fine to say that and this is a planning document and you are using words for planning purposes and estimating purposes and that sort of thing. The purpose of his comment is to make sure that no one on your City Council or in the public has any misunderstanding that there is any policy on the part of his Agency that they guarantee anybody a particular percentage of our water in any particular year. We have no policy that says you will get 25% of whatever we have. For planning purposes it is okay for you to say that and in some years we may be able to meet that and in some years we will probably have more than 25% available if you want it. Other years you might have less than 25% of what we get. For planning purposes he thinks it is fine but there is no guarantee or any allocation of our water to any particular entity.

Don Smith resident of Banning addressed the Council thanking everyone for the presentation and he certainly understands it better than he did reading the 363 report followed by all the addendums. He said he has a lot of questions but two of them jumped out at him and he has been trying to figure out the whole picture. The bottom chart on page 13 that shows the Average, Single-Dry and Multiple-Dry Years is not intuitive to him and he is just thinking to himself as a user that in wet years I use less water than I do in dry years because I use the same amount inside my house but in wet years I use less outside my house. But the chart on page 13 says that by 2035 in average years the demand would be 13,705 but in dry years it would 12,972 so intuitively that just seems wrong to him so if somebody could explain that to him at some time and not necessarily tonight. His second question deals with how this Plan corresponds with the General Plan. But as he understands this chart by 2035 we are using all of our water sources and there is not much water left in dry years, only 263 acre feet, but by that year our population will only be 48,000 and we have used all of our available water and we have a General Plan that calls for about 70,000 so he doesn't understand how these two plans meet each other. The second one deals particularly with Pardee because if he reads this right we have enough for a population of 48,567 by 2035. We currently have 29,000 and if Pardee builds 55,000 homes at 2.7 per house which he thinks is low, Pardee alone will take us up to

44,000. So this Plan seems well thought out and it tells us how much water we have but as we are approving plans he thinks that we ought to keep this 48,000 number when we might have right now more than that pending before the City.

Mr. Villalobos said for the Council Members on Table 2-2, page 14 as an example, in 1972 you see for Beaumont Station you see a low rainfall of 7.77 inches and that is a single-dry year but if you look at 1973 it goes up to 17 and in 1974 it goes up to 17. That is a single dry year in 1972. If you go back up the Table to 1961 there are three years in a row there that say 8, 13 and 16 and that would be considered as a multiple-dry year but if you notice three years consecutively don't have the lowest single-dry so that is why the numbers for multiple-dry are slightly higher than for single-dry.

Mayor Hanna said the second question was regarding the General Plan and our build out is supposedly 80,000 according to this plan and this only takes us to 48,500 in 2035 using about all the water we have as we projected at this point so should we amend the General Plan to allow only 48,567 or do we just ignore this and hope it all works out in the future.

Mr. Villalobos said he thinks the reason this plan has been prepared and being submitted to the Department of Water Resources is for exactly that reason we want to be make sure that as we project into the future we know what we have. The General Plan does not give a build out date. We assumed 2061 bases on a 2% projection. The water supply as we established it here is based on our current water supply; our portfolio. If we increase the use of recycled water, then that provides an additional water supply in the next five or ten or twenty years with the flume project. Obviously there is a water supply ceiling based on storm water capture and some of these projects that we can do and that will eventually dictate what the water supply can sustain in terms of the City but for the planning document it asks us to project 20 years and we projected 25 years. In five years you will do it again and you will extend it to 2040.

Mr. Burk added that in these planning documents this window is for five years. As we develop and what we commit to is going to be the change of how this works. Right now you are talking about building a 1.5 mgd plant for recycled water and in five years from now you might do another 1.5 mgd but that is not part of this plan. So your resources are going to change and you might get out and have storm water capture and that is not part of this right now. The flume may increase an additional flow and he doesn't know if it will or it won't. We may have an integrated plan and take a direct delivery from somebody. For example, if we integrate a recycle plan with Yucaipa or Beaumont-Cherry Valley Water District, we don't have that incorporated into this plan. This is a snapshot in time for five years. And instead of just 20 years we kind of projected out 25 years. He can remember when there was a time that this City relied on 80% of its water from the Banning Water Canyon. We had one well in the downtown Beaumont Basin and you currently have seven in the Beaumont Basin today. That footprint has changed. The State Project Water is here and it is in Cherry Valley and is being spread today and that was never part of the previous plans and that EBX 2 is not here. Jeff Davis spoke to a commitment and we put 25% on there so that we can say when whenever you have 25% of 5% if you have it that year. We are making this planning tool for people to know we are committed through this document so it doesn't change and we don't have to go back and do another study. We are committed to doing these things and you as an elected body have set in rates and set

projects to move forward and this is where we are going for the next five years. He does want to caveat the fact that we have given this document to multiple agencies and we want to be as transparent as we possibly can in what we see happening in the next five years and hopefully work together with our neighbors.

Mayor Hanna said in the superior court ruling on January 29, 2008 regarding Black Bench a judge included the following rulings: 1) the City did not proceed in a manner required by law because it relied upon an EIR that did not analyze water supply according to the legal principal set forth by statute and by applicable case authorities and because the EIR did not set forth information on water supply that was sufficiently reliable for the City and the public to make an informed decision; and 2) that there is no substantial evidence in the record to support the finding in the EIR relied upon by the City that there is adequate water supply for the project. She said her question is and she is now talking legal and not scientific, but would you like to consider directing staff, our City Attorney in particular, to look at this water study to see that it does meet the legal principals set forth by statute and so forth so that before it comes before our approval that we will have confidence from a legal aspect. We spent over \$1.3 million dollars on that Black Bench defending ourselves in settlements and she thinks that money spent on the attorney at this point would do well.

City Attorney Aleshire said that they have been working closely with Duane Burk and the consultants working over these reports and again, given the test that the court laid out is substantial evidence. It is not to a moral certainty. The question is reasonableness and reliability. He thinks that this study is substantially more detailed and thorough and comprehensive than the previous one. It is not to say somebody couldn't come up with some argument but he thinks that we have spent a lot of time on these documents and he thinks that they are in a condition that you can go forward. He thinks that the way that things were handled previously the City undertook a lot of legal expense in all of that if there was a challenge in terms of some of the things we are looking at at this point in time he thinks we would structure how the defense of that is undertaken in a different way. The City would not necessarily carry the laboring or in terms of some of that. He thinks that certainly when we come to the point of adopting this if there is controversy, somebody has to come forward and raise their arguments so we certainly would have a chance to look at it at that point in time.

ADJOURNMENT

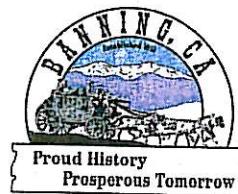
By common consent the meeting adjourned the meeting at 4:40 p.m.

Marie A. Calderon, City Clerk

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

CITY OF BANNING DRAFT 2010 URBAN WATER MANAGEMENT PLAN

JUNE 14, 2011



GEOSCIENCE

Urban Water Management Planning Act

Water Code 10610 through 10657

- Publicly or privately Owned Water Supplier that provides over 3,000 acre-ft annually or serves more than 3,000 connections
- Requires a 20-year Planning Horizon for Water Supply
- NEW - Water Conservation Act of 2009 (SBX7-7) known as the 20X2020 Plan – 10% Reduction of per capita water use by 2015 and 20% Reduction by 2020

Urban Water Management Plan

Key Elements

- Population Projections
- Water Demand – Historic, Current and Future
- Water Demand with 20X2020 Reduction Targets
- Water Supply for Average, Single Dry, and Multiple Dry years
- Use of Recycled Water
- 14-Demand Management Measures

**Comparison of Key 2010 Urban Water Management Plan
Changes Since 2005**

UWMP Item	2005 UWMP	2010 UWMP
Time Period Covered	2005-2030	2010-2035
Document Submittal Date	1-Dec-05	1-Jul-11 Provision of 6-Month Additional Time for Preparation of UWMP
20X2020 Baseline and Targets	Not Required	Required Use of DWR Methodologies to Determine Baseline per capita daily water Use
	Not Required	Development of per Capita Daily Water Use Reductions for 2015 and 2020
Notification	30-Day Noticing Period	60-Day Noticing period
Structuring of Planning Document	Use of Previous Suggested Format	Document Restructured to Facilitate DWR Review Per 2010 UWMP Guidance Document
Safe Yield Calculation for Ground water Supply	Banning Basins Only	Banning Storage Units and Cabazon Storage Unit
Water Rights from the Beaumont Storage Unit	Initial estimates from Judgment	Projected through 2035 Based on Watermaster Engineering Documents
State Water Project Water Estimates	Based on SWP Reliability Report of 2002	Based on Historical Purchases, SWP Reliability Report of 2009, and Additional Storage Capacity procured in the Beaumont Storage Unit to allow purchase of additional water during wet years
Recycled Water	Estimates for Future Supply Development Projected Wastewater Generation by 2030 Not a participant	Addition of Funding Mechanism to Support Projected Supply Development Projected Wastewater Generation by 2035 with Conservation Impacts Included Participation in RWQCB - Maximum Benefits Program



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2005 UWMP Deficiency and Mitigation

UWMP Item	2005 UWMP Deficiency	2010 UWMP Mitigation of Deficiency
Residential Water Use factors	0.67 Acre-It per Household based upon 1994 Report, resulting in greater water demand projections	0.52 acre-ft/yr per household based upon City Records for Water Use
Water System Losses	9% System Loss	7.8% system loss based upon City Records for Water Use
Projected Growth and Water Demands	Population Projections, Housing Development projections, and Water Demands Overstated because Plan adopted before Housing Bubble	Population Projections and Water Demands Based on Historic Census Data and City of Banning 2008 Housing Element
Projection of People per Household	Persons per Household Trends projected to decrease	Persons Per Household projected to Increase to 2.7 per City Housing Element
SWP Supply reliability	Reliable Supply Predicted to be 38% of SWP available at a 71% reliability (4,667 acre-ft/yr and additional 4,104 acre-ft/yr or a total of 8,771 acre-ft/yr after construction of EBX-II) without explanation or substantiation	Reliability based on Historic Purchases and Updated SWP Reliability Report - 1,298 acre-ft/yr and 2,595 acre-ft/yr after construction of EBX-II
Beaumont Basin	Projects Availability of 4,000 acre-ft/yr in 2025 and 6,000 acre-ft/yr in 2030 without explanation or substantiation	Provides Projection of Water Right Allotment based on Published Watermaster reports
Recycled Water	Estimated that 1,504 acre-ft/yr of Recycled Water would be available in 2010 and 2,816 acre-ft/yr would be available by 2030 without	Water Supply Based on Projected availability of 1,680 acre-ft/yr for non-potable use
Geohydrologic Boundaries	Ground water Storage Unit Boundaries based on 1974 report	Ground water Storage Unit Boundaries from recent 2006 Mapping



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Population, EDU and Household Projections

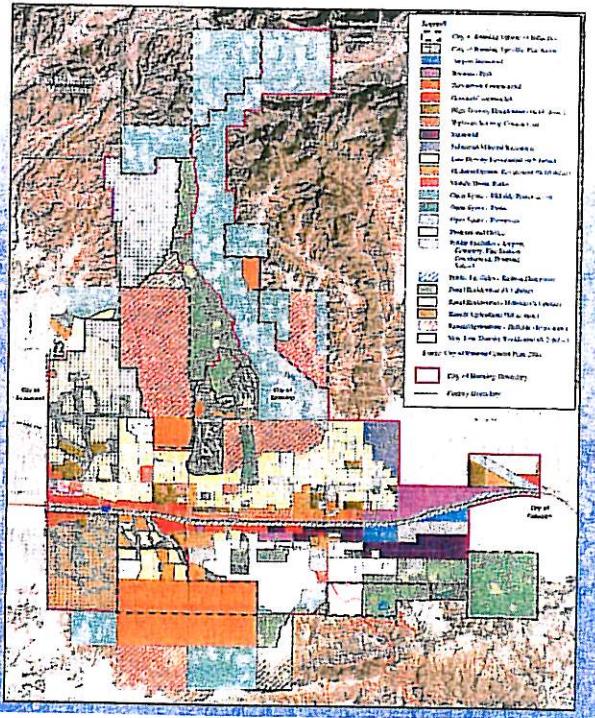
	2010 ¹	2015	2020	2025	2030	2035
Population	29,603	32,684	36,086	39,842	43,989	48,567
People/EDU	2.7	2.7	2.7	2.7	2.7	2.7
Households	10,838	12,105	13,365	14,756	16,292	17,988

¹Data from CDOF 2010 Census and City of Banning Housing Element - 2% Population Growth

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City of Banning Landuse at Buildout*

*Buildout is defined as maximum future anticipated growth within the city, estimated to occur in 2061 based on current population. Projection of 2% annual growth.



Water Demands

- **Past, Current, and Projected Water Use Based on Projected Population Growth**
- **Total Projected Water Use Based on Land Use**
- **Water Demands Based on Population Growth Estimates Including 20x2020 Reductions**



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Past, Current, and Projected Water Use Based on Projected Population Growth (acre-ft/year)

Water Use Sectors	Average % Use of Water Supply 2005-2010	Projected Water Use (acre-ft/year)									
		2000	2005	2010	2015	2020	2025	2030	2035	2040	2045
Population		23,562	28,250	29,603	32,684	36,086	39,842	43,989	48,567		
Number of Dwelling Units		8,923	10,554	10,838	12,105	13,365	14,756	16,292	17,988		
Residential @ 0.52 AF/DU	58.5%	4,744	5,088	4,532	6,285	6,950	7,673	8,472	9,354		
Single Family Residential	56.2%	4,649	4,986	4,412	6,049	6,678	7,373	8,141	8,988		
Multifamily Residential	2.3%	95	102	120	249	275	304	335	370		
Commercial/ Institutional	26.2%	2,160	2,401	1,908	2,821	3,114	3,438	3,796	4,191		
Industrial	1.2%	83	123	95	126	139	153	169	187		
Irrigation	11.9%	1,037	1,052	939	1,279	1,412	1,559	1,722	1,901		
Other	1.1%	6	13	31	117	129	143	157	174		
Wholesale to other Agencies	1.1%	0	100	82	120	132	146	161	178		
Total		8,031	8,776	7,586	10,760	11,880	13,117	14,482	15,989		

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Total Projected Water Use Based on Land Use

Water Use Sectors	2010 [acre-ft]	2015 [acre-ft]	2020 [acre-ft]	2025 [acre-ft]	2030 [acre-ft]	2035 [acre-ft]
Residential	9,257	10,842	12,427	14,013	15,598	17,183
Commercial	665	729	793	857	921	985
Industrial	483	523	563	603	643	683
Irrigation	1,180	1,466	1,752	2,038	2,324	2,610
Public	1,142	1,176	1,211	1,245	1,279	1,314
Total	12,726	14,736	16,746	18,755	20,765	22,775

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20X2020 Plan

Use Department of Water Resources Methodologies for Calculating Water Targets

Selected Method:

Method 1 – Eighty Percent of the water supplier’s baseline per capita water use.



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Base Daily Per Capita Water Use - 2001 through 2010

Sequence Year	Calendar Year	Base Period Year		Annual Daily Per Capita Water Use (gpcd)
		Distribution System Population	Daily System Gross Water Use (mgd)	
Year 1	2001	24,639	8.95	363
Year 2	2002	25,662	8.75	341
Year 3	2003	27,608	8.95	324
Year 4	2004	28,055	9.30	332
Year 5	2005	28,250	8.41	298
Year 6	2006	28,234	9.14	324
Year 7	2007	28,193	9.14	324
Year 8	2008	28,551	8.57	300
Year 9	2009	28,751	8.26	287
Year 10	2010	29,603	7.57	256
Base Daily Per Capita Water Use				315



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20x2020 Base and Target Data

20x2020 Required Data

Gallons Per Capita Per Day
(gpcd)

Base Per Capita Daily Water Use

10-Year Average	315
Target Using Method 1	
2015 Target (10% reduction)	283
2020 Target (20% reduction)	252



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Water Demands Based on Population Growth Estimates Including 20x2020 Reductions

Water Use Sectors	Water Use 2005-2010	Average %					
		2010*	2015	2020	2025	2030	2035
Population	29,603	32,684	36,086	39,842	43,989	48,567	
Per Capita Water Use [gpcd]	229 ¹	283 ¹	252	252	252	252	
Single Family Residential	56.2%	4,412	5,833	5,724	6,320	6,978	7,704
Multi-family Residential	2.3%	120	240	236	260	288	317
Commercial / Institutional	26.2%	1,908	2,720	2,669	2,947	3,254	3,593
Industrial	1.2%	95	121	119	131	145	160
Irrigation	11.9%	939	1,233	1,211	1,337	1,476	1,629
Other	1.1%	31	113	111	122	135	149
Sales to other Agencies	1.1%	82	116	113	125	138	153
Total [acre-ft/yr]		7,586	10,376	10,183	11,243	12,413	13,705

*2010 values are actual water use for 2010

¹Per capita water use values are rounded to the nearest whole number

Exhibit "A"

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20X2020 Implementation Plan

Will Meet the Requirements of the Water Conservation Act by:

- **Use of Recycled Water for Landscape Irrigation**
- **Water Conservation Education to Result in Conservation in Existing Homes**
- **Water Conservation in New Development**



GEOSCIENCE
Support Services, Inc.

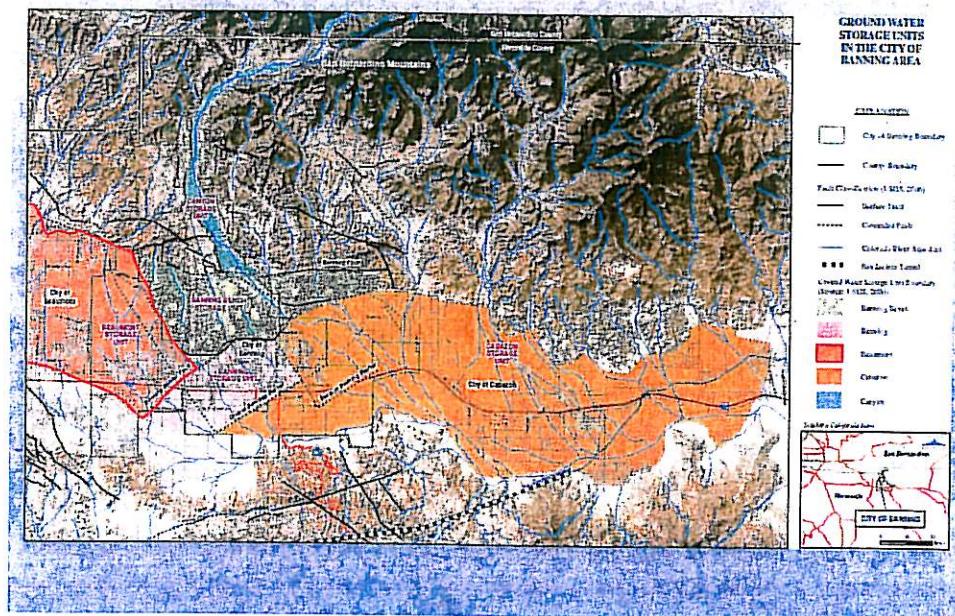
Water Supply

- **Ground Water Supplies**
- **Recycled Water**



GEOSCIENCE
Support Services, Inc.

Ground Water Storage Units in the City of Banning Area



Current and Projected Water Supplies for the City of Banning [acre-ft]

Water Supply Source	2010*	2015	2020	2025	2030	2035
Banning Storage Unit ¹	1,218	1,130	1,130	1,130	1,130	1,130
Banning Bench Storage Unit ¹	1,472	1,960	1,960	1,960	1,960	1,960
Banning Canyon Storage Unit ¹	3,726	4,070	4,070	4,070	4,070	4,070
Beaumont Storage Unit ²	1,372	2,514	2,514	2,514	2,514	2,514
Cabazon Storage Unit ³	565	1,185	1,405	1,648	1,916	2,212
Recycled Water Supply ⁴	0	1,680	1,680	1,680	1,680	1,680
Return Flows from Recycled Water Irrigation ⁵		420	420	420	420	420
Return Flows from Potable Residential Irrigation ⁶	0	9	18	28	38	48
SWP Table A Entitlement ⁷	1,200	2,595	2,595	2,595	2,595	2,595
Total	9,552	15,563	15,792	16,045	16,323	16,628

*2010 values are actual water use for 2010

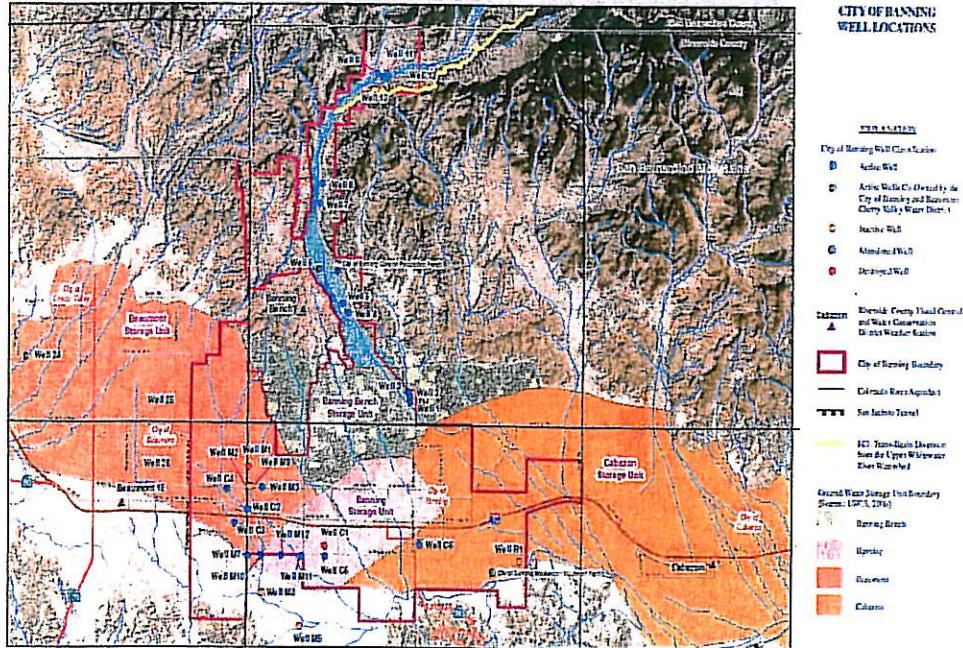


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Exhibit "A"
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City of Banning Well Locations



City of Banning Well Capacities by Storage Unit

Wells by Storage Unit	Well Capacity [Historical High]		Dry Year Capacity [Historical Low]	
	[gpm]	[acre-ft/year]	[gpm]	[acre-ft/year]
Banning	3,500	5,646	2,850	4,597
Banning Bench	3,650	5,888	2,750	4,463
Banning Canyon	8,600	13,873	4,250	6,856
Cabazon	900	1,452	850	1,371
Beaumont	7,650	12,340	7,125	11,493
Total Capacity	24,300	39,199	17,825	28,754



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Historical Treated Wastewater Supply

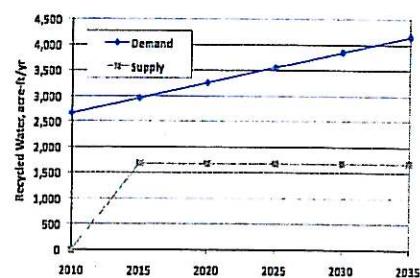
	2005	2006	2007	2008	2009	2010
[million gallons]						
	969	963	892	860	802	807
[acre-ft]						
	2,974	2,956	2,737	2,639	2,461	2,477



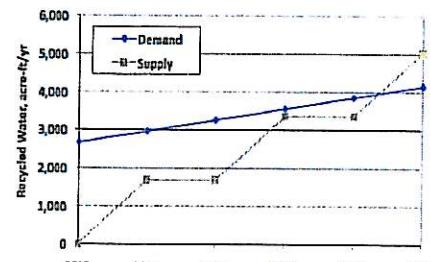
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Recycled Water Opportunities

Recycled Water Supply – Phase 1 Only
vs.
Demand Projections



Recycled Water Supply
vs.
Demand Projections
With Incremental Addition of WWTP Capacity



Recycled water projected based upon projected population growth and generation
of 84 gpcd of wastewater flow



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Average Water Years Supplies per Water Supply Source

Water Supply Source	Average Water Year Supplies					
	2010	2015	2020	2025	2030	2035
Banning Storage Unit	1,218	1,130	1,130	1,130	1,130	1,130
Banning Bench Storage Unit	1,472	1,960	1,960	1,960	1,960	1,960
Banning Canyon Storage Unit	3,726	4,070	4,070	4,070	4,070	4,070
Beaumont Storage Unit	1,372	2,514	2,514	2,514	2,514	2,514
Cabazon Storage Unit	565	1,185	1,405	1,648	1,916	2,212
Recycled Water Supply	0	1,680	1,680	1,680	1,680	1,680
Return Flows from Recycled Water Irrigation	0	420	420	420	420	420
Return Flows Potable Irrigation	0	9	18	28	38	48
SWP Table A Entitlement	1,200	2,595	2,595	2,595	2,595	2,595
Total	9,552	15,563	15,792	16,045	16,323	16,628



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Single-Dry Water Year Supplies per Water Supply Source (acre-ft/yr)

Water Supply Source	Single - Dry Water Year Supplies					
	2010	2015	2020	2025	2030	2035
Banning Storage Unit	N/A	1,103	1,103	1,103	1,103	1,103
Banning Bench Storage Unit	N/A	733	733	733	733	733
Banning Canyon Storage Unit	N/A	4,070	4,070	4,070	4,070	4,070
Beaumont Storage Unit	N/A	2,514	2,514	2,514	2,514	2,514
Cabazon Storage Unit	N/A	1,185	1,405	1,648	1,916	2,212
Recycled Water Supply	N/A	1,680	1,680	1,680	1,680	1,680
Return Flows from Recycled Water Irrigation	N/A	458	458	458	458	458
Return Flows Potable Irrigation	N/A	10	20	30	41	52
SWP Table A Entitlement	N/A	290	391	372	413	413
Total	N/A	12,043	12,314	12,608	12,928	13,235



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Exhibit "A"

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Multiple-Dry Water Years Supplies per Water Supply Source (acre-ft/yr)

Water Supply Source	Multiple - Dry Water Years Supplies					
	2010	2015	2020	2025	2030	2035
Banning Storage Unit	N/A	843	843	843	843	843
Banning Bench Storage Unit	N/A	598	598	598	598	598
Banning Canyon Storage Unit	N/A	4,070	4,070	4,070	4,070	4,070
Beaumont Storage Unit	N/A	2,514	2,514	2,514	2,514	2,514
Cabazon Storage Unit	N/A	1,185	1,405	1,648	1,916	2,212
Recycled Water Supply	N/A	1,680	1,680	1,680	1,680	1,680
Return Flows from Recycled Water Irrigation	N/A	458	458	458	458	458
Return Flows Potable Irrigation	N/A	10	20	30	41	52
SWP Table A Entitlement	N/A	1,427	1,451	1,476	1,500	1,500
Total	N/A	12,784	13,038	13,316	13,619	13,926



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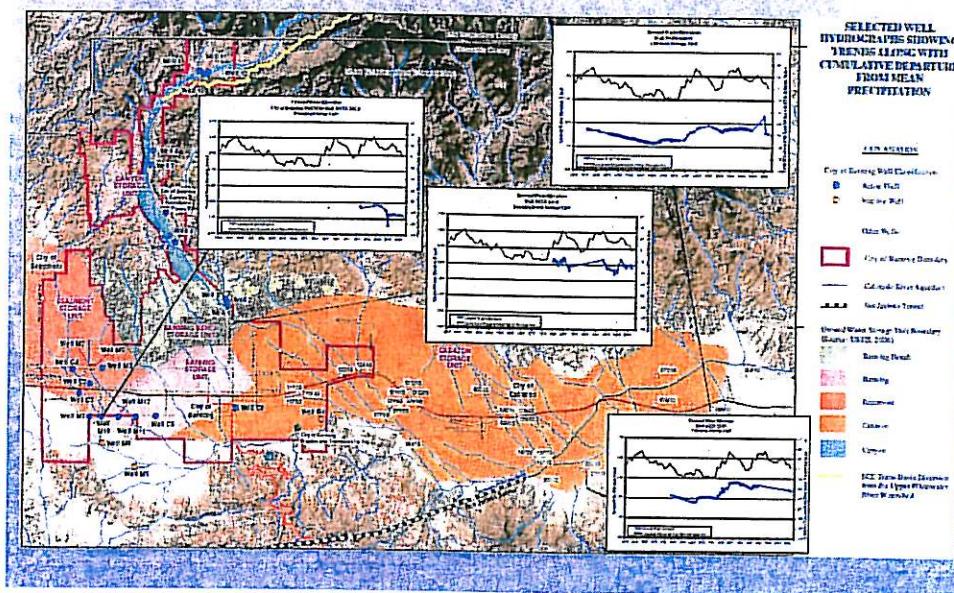
Average, Single-Dry, and Multiple-Dry Water Years Supply and Demand Comparisons Including 20x2020 Demand Reductions (acre-ft/yr)

Average Water Years						
	2010	2015	2020	2025	2030	2035
Total Supply	9,552	15,569	15,792	16,045	16,323	16,628
Total Demand	7,586	10,376	10,183	11,243	12,413	13,705
Supply Surplus	1,966	5,187	5,609	4,802	3,909	2,923
Single-dry Water Years						
	2010	2015	2020	2025	2030	2035
Total Supply	N/A	12,049	12,314	12,608	12,928	13,255
Total Demand	N/A	9,821	9,638	10,642	11,749	12,972
Supply Surplus	N/A	2,222	2,675	1,967	1,179	263
Multiple-dry Water Years						
	2010	2015	2020	2025	2030	2035
Total Supply	N/A	12,784	13,038	13,316	13,619	13,926
Total Demand	N/A	8,184	8,032	8,868	9,791	10,810
Supply Surplus	N/A	4,600	5,006	4,448	3,828	3,116



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Selected Well Hydrographs Showing Trends Along With Cumulative Departure From Mean Precipitation



Minimum Water Supply During Multiple-Dry Years (acre-ft/yr)

	2010	2011	2012	2013
Total Water Supply	N/A	11,432	11,476	11,520
Total Demand	N/A	6,987	7,286	7,586
Supply Surplus	N/A	4,445	4,190	3,935



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Rationing Stages and Reduction Goals

Shortage	Stage of Action	Reduction Goal	Type of Program
Up to 15%	1	15%	Voluntary
15% to 25%	2	25%	Mandatory
25% to 35%	3	35%	Mandatory
35% to 50%	4	50%	Mandatory



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Demand Management Measures

Old BMP Names and Number	New BMP Category
1. Residential Water Surveys Programmatic: Residential	Residential
2. Residential Plumbing Fixture Retrofits Programmatic: Residential	Programmatic: Residential
3. System Water Audits, Leak Detection, and Repair	Foundational: Utility Operations
4. Metering and Commodity Rates	Foundational: Utility Operations
5. Large Landscape Audits	Programmatic: Landscape
6. High Efficiency Washing Machine Rebates	Programmatic: Residential
7. Public Information Programs	Foundational: Education
8. School Education Programs	Foundational: Education
9. CII Conservation Programs	Programmatic: CII
10. Wholesale Agency Assistance	Foundational: Utility Operations
11. Retail Conservation Pricing	Foundational: Utility Operations
12. Conservation Coordinator	Foundational: Utility Operations
13. Water Waste Prohibition	Foundational: Utility Operations
14. Residential Ultra Low Flush Toilet (ULFT) Replacement	Programmatic: Residential



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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

07/12/2011
JOINT MEETING

A joint meeting of the Banning City Council and the Community Redevelopment Agency was called to order by Mayor Hanna on June 28, 2011 at 4:02 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager/Executive Director
David J. Aleshire, City Attorney/Agency Counsel
Zai Abu Bakar, Community Development Director
Duane Burk, Public Works Director
Marie A. Calderon, City Clerk/Secretary

CLOSED SESSION

City Attorney said that the City Council and Agency Board will meet in closed session and for the Agency we have initiation of litigation in one matter pursuant to the provisions of Government Code Section 54956.9 (c); the second item is a matter of potential litigation pursuant to the provisions of Government Code Section 54956.9. The City Council will meet in regards to a litigation matter that has been filed Mascaro v. City of Banning pursuant to the provisions of Government Code Section 54956.9 (a); and will also meet in regards to a matter that has been filed which is Smith Litigation Matter pursuant to the provisions of Government Code Section 54956.9 (a). He said that for each of these items a status report will be given. He said that they would also like to add one litigation matter that has been filed which is Cashe v. City of Banning and there has just been a ruling in this case and would like to give the Council an update.

Motion Machisic/Botts to add the item of Cashe v. City of Banning to the agenda to give an update. Motion carried, all in favor.

Mayor Hanna opened the items for public comments. There were none. Meeting went into closed session at 4:04 p.m.

Councilmember/Chairman Robinson left the room when there was discussion regarding the one matter of potential litigation.

The meeting returned to regular session at 5:07 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:17 p.m.

Marie A. Calderon, City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

07/12/11
REGULAR MEETING

A regular meeting of the Banning City Council and a Joint Meeting of the Banning City Council and Banning Utility Authority was called to order by Mayor Hanna on July 12, 2011 at 5:14 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT:

Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT:

None

OTHERS PRESENT:

Andrew Takata, City Manager
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
Zai Abu Bakar, Community Development Director
Leonard Purvis, Police Chief
Jeff Stowells, Battalion Chief
Fred Mason, Electric Utility
Heidi Meraz, Community Services Director
John McQuown, City Treasurer
Marie A. Calderon, City Clerk

The invocation was given by Pastor Carlton Anderson, Fountain of Life Church
Councilmember Franklin invited the audience to join her in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney said that the City Council and Agency Board met in closed session and the Agency discussed a matter in terms of initiating litigation and a status report was given and no action was taken. The Agency also discussed a matter of potential litigation in one matter and a status report was given and no action was taken. The City Council discussed a matter that has actually been filed Mascaro v. City of Banning and a status report was given and no action was taken. The second litigation matter filed was Smith v. City of Banning and a status report was given on that item and no action was taken. Also one item was added to the closed session agenda which was the litigation matter Cashe v. City of Banning and the City won a victory in that matter and the case has been dismissed.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – *On Items Not on the Agenda*

Randon Lane, Public Affairs Manager for Southern California Gas addressed the Council stating that he was here to introduce himself and that he was new to handling this area. He said that they have not had a strong presence in the area and he has been making attempt to make sure that has been rectified and is working diligently with the City Manager to make sure that they are involved with things that are going on in the area. They were able to sponsor the Banning Disaster Expo and working with Passcom and will continue to do so and also work with different organizations and groups throughout the community and the surrounding area. He said he left some of his business cards with the City Clerk and if anyone would like them and have questions or things that he can help out with in the community, don't hesitate to give him a call.

Inge Schuler resident of Banning addressed the Council stating that she had the opportunity to drive through town on Ramsey and also view the area between I-10 and Ramsey when traffic was slow. It seems that blight is spreading and is very contagious. The Ford property parking lot is weed choked and there are several smaller places as you turn east from 8th Street onto Ramsey Street that are just more than just waist high in weeds. Is there anything that can be done about it? It is such an unsightly thing for people to see who come to Banning from the east from 8th Street or going to fast food alley. It is just an embarrassment to have this city look like that and we need to do something about it. We need to take care of the things we have before we venture out for more stuff.

Dorothy Familetti-McLean of Banning addressed the Council representing the San Gorgonio Child Care Consortium. She said that the Consortium has been in Banning for about 27 years and has served members of the Pass and have an excellent program. She invited the Council and members of the community to help support the Child Care Center by dining with them at Johnny Russo's on July 21st from 4 to 9 p.m. and takeout is available. A portion of the proceeds will be donated to the Center.

Michelle Williams of the Banning Cultural Alliance stated that the "Pass Has Talent" is here. They are now taking applications. If you have a talent whether it be singing, dancing, yo-yo throwing or anything like that come on out; it is going to awesome. The competitions will be held on Friday evenings through August at the Banning Women's Club. You can win \$500 if you are the winner. Auditions will be held July 27th from 6 to 8 p.m. at the Banning Women's Club and applications are also available on-line at www.banningculturalalliance.org and

Charlene Sakurai, 4985 Bermuda Dunes gave a brief report on the speaker at Passcom today which was Jan Olsen from the Office of Emergency Services of Riverside County. She is overseeing the hazard abatement project for the county. Apparently the first plan was completed in 2005 which was a whole lot of work and it is still based on events that have happened in California since the earthquake in 1906 in San Francisco and we started learning what was going on and how we could change construction and just everything in our community. The Plan is now up for review and update and the plan is to have it completed by the end of this year. One of the take home messages was that this is not just a Plan that is done by the County of Riverside and superimposed on everyone. This is a Plan that each City and

jurisdiction must choose to participate in if they would like to receive FEMA funds in case of a disaster and this would also including districts like the hospital district, the cemetery district if they choose to contribute. She said that they did ask about such things as the Pass Water Agency or private companies that impact the whole community like the Banning Bench Water Company and they will look into that. This not only includes construction but floods, dams and levees and over and under passes. In case of a disaster their official radio station for disaster information in Riverside County is K-FROG which is 95.1 FM. Some local stations may download from K-FROG and send it out also. There is always the Reverse 911 and anyone who wants to have their cell phone put on that (your land line is automatically on that) you need to go to Riverside County Office of Emergency Services website or call them and get the information on how you can add your cell phone.

APPOINTMENTS:

1. Designation of Voting Delegates and Alternates to League of California Cities Annual Conference – Sept. 21-23.

Motion Robinson/Machisic that the Mayor be the official voting delegate and that the Mayor Pro Tem be the alternate. Mayor Hanna opened this item for public comment. There were none. **Motion carried, all in favor.**

CONSENT ITEMS

Mayor Hanna pulled Consent Item No. 3 and Councilmember Robinson pulled Consent Item No. 4 for discussion.

1. Approval of Minutes – Joint Meeting – 06/28/11

Recommendation: That the minutes of the joint meeting of July 28, 2011 be approved.

2. Approval of Minutes – Regular Meeting – 06/28/11

Recommendation: That the minutes of regular meeting of July 28, 2011 be approved.

5. Approve Contract Between Banning Unified School District and the City of Banning for Assignment of a School Resource Officer (SRO) at Banning High School for the 2011-12 School Year.

Recommendation: That the City Council approve the contract between the Banning Unified School District and the City of Banning.

Motion Botts/Robinson to approve Consent Items 1, 2 and 5. Mayor Hanna opened the item for public comments. There were none. **Motion carried, all in favor.**

3. Resolution No. 2011-60, Authorizing the Expenditure of \$500,000.00 Received from Morongo through the Riverside Indian Gaming Local Community Benefit Committee (CBC) under the FY 09/10 Special Distribution Fund (SDF) Grant.

Mayor Hanna said that there was a member of the public asking what this meant and she would like a short staff report on it.

Chief Stowells said the SDF Grant is a special distribution fund of money collected from Indian gaming that goes to mitigate issues arising from Indian Gaming and then it is distributed through the Community Benefit Committee based on the grant request and what the Tribe sponsors. These funds were requested to continue the medic program in the City of Banning.

Motion Botts/Franklin to approve Consent Item 3 to adopt Resolution No. 2011-60. Mayor Hanna opened the item for public comment. There were none.

Mayor Pro Tem Machisic said that it is important to let the public know that the benefits we have received from the Morongo Gaming Fund have been very generous over the past six or seven years to the extent that we have received almost a half a million dollars in each of the last five or six years. At one time a number of years ago they also bought us a couple of fire engines to the tune of about \$400,000.00. So they have been very generous and if you don't understand the benefits, it is important to know the background of the monies we have received in past seven years.

Motion carried, all in favor.

4. Resolution No. 2011-62, Authorizing an Appropriation of Funds from the City Hall Construction Fund for Security Upgrades at City Hall.

Councilmember Robinson said that some of the information was left out in regards to the door that is going to be installed behind the Council Chambers. At first glance it looks like it is pretty expensive until you find out what all is involved. He thought is would be best if Duane Burk explained what is going on with this program and obviously this came about with all the terrorism activity of recent months.

Director Burk said specifically there are doors that are not locked and just opened to the general public as of right now. The City actually leases out this facility to other agencies for different uses and by that anybody at that time whether or not it is a City meeting could roam within city hall. The idea is that we would put a door directly behind this wall in the hallway and what Councilmember Robinson was referring to was a dollar estimate of \$4,500.00 for a door. Specifically there is the installation of the door and there are all going to be electronic doors using special key pads and codes. The rest of the doors within this certain area will all have the same security issues and you would have the ability to go through with a key pad or a card.

City Manager said in addition to that the double-glass doors as you come through if someone wants to use the restroom the staff gets up, opens the door and allows them in. This will allow staff to automatically open the door so that we have less staff time getting up and having to go unlock the door and have a path to the restroom. Right now if the public goes to the restroom they could actually go in to the back of city hall where people are working. This would help secure the actual building itself.

Mayor Hanna said that this would also allow better use of the city hall.

Motion Machisic/Botts to approve Consent Item 4 to adopt Resolution No. 2011-62. Mayor Hanna opened the item for public comments. There were none. **Motion carried, all in favor.**

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

CONSENT ITEM

1. Resolution No. 2011-11 UA, Awarding the Professional Services Agreement to G&G Environmental Compliance, Inc. of Riverside, California in an amount "Not to Exceed" \$84,565.00 for Pretreatment Program Services and the Development of Technically Based Local Wastewater Discharge Limits.

Motion Machisic/Botts to adopt Resolution No. 2011-11 UA. Motion carried, all in favor.

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

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

City Council

Councilmember Robinson –

- He said that yesterday Grace Lutheran Church picked up a five-passenger vehicle donated from RTA (Riverside Transit Agency). This vehicle is capable of carrying two wheel chairs and three passengers or else five passengers. This is very similar to the transportation vehicle that was given to Legacy Church about a month ago. So they will use that to help transport families in need through their church.

Councilmember Franklin –

- She said that Pass Transit for Banning is going to be offering Sunday bus service starting in August.
- The Community Investment Corporation of Riverside County has ten loans available for low-income people. They are up to \$1,500.00, no interest, can pay them off within 18 months and can be used for household repairs to buy small household appliances like a washer, dryer, air-conditioner or they can use the money to fix a vehicle or buy a vehicle. To get an application you can call 951-351-2555.

Mayor Hanna –

- The Playhouse Bowl Concert Series will be held every Thursday evening in August at Repplier Park. The deadline is fast approaching for those that would like to have an ad in the

program that will be distributed to approximately 10,000 people please contact the Community Center or the Playhouse Bowl.

City Committee Reports – There were none.

Report by City Attorney – Nothing to report at this time.

Report by City Manager

- In regards to the rumors there is \$300 million dollars that was taken out of the court system for capital improvements and that does not affect the courthouse here. The courthouse here is actually in a different fund. He received a call from Gary Swanson who is in charge of the project and we are still waiting for Treasurer Lockyer to sell bonds and once those bonds are sold for this courthouse they will begin the process.
- Traffic Circulation for the Pardee Project Open House will be held at 5:00 p.m. on Thursday here in the Council Chambers.
- To answer one of the questions that was brought up and he is not sure these properties are being noticed but notices are being sent out for weed abatement. Chief Stowells crew is working to make sure those notices get out soon and if they are not abated, then obviously we have to go through and abate it for the property owner and then charge the property back.
- If anyone is here for the Cultural Alliance or the Banning Chamber of Commerce contract obviously what the State budget has done is to suspend our ability to do that. So if the Council is interested in funding any of those contracts, you should bring that on the agenda to have the City fund those contacts with the possibility of being reimbursed by the Redevelopment Agency if it becomes re-established.

Mayor Pro Tem Machisic said in regards to the weed abatement there is a time parameter process you must go through and can you elaborate on that because people think that once you see a project like that you can go right out and tell them to clean it up but there is a process you have to go through.

Chief Stowells said that is correct. They send out general notices to everybody in the newsletter but then they send direct notices to properties that have not complied. That is done twice to give them an opportunity to do it on their own and if they don't comply, then we send a contractor out to do that abatement and it gets charged on to the tax rolls. There are 14 days in between the two notices.

ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement (*study session – July 26th Tentative*)
4. Update on Shop Local Program
5. FEMA Training – Senior Officials (*Aug. 30, 2011*)

6. Speaker Cards
7. Update on Loans

Mayor Hanna said in regards to the policy discussion regarding code enforcement it states that a study session will be held July 26th and do we have that schedule. City Manager said that date has actually been moved back and he will make that adjustment.

ADJOURNMENT

By common consent the meeting adjourned the meeting at 5:39 p.m.

Marie A. Calderon, City Clerk

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

**CITY COUNCIL AGENDA
CONSENT ITEM**

Exemplary

DATE: **July 26, 2011**

TO: **City Council**

FROM: **Heidi Meraz, Community Services Director**

SUBJECT: **RESOLUTION 20011-64 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZING THE SUBMITTAL OF THE FY 2011-12 LOCAL TRANSPORTATION FUND (LTF) CLAIM AND APPROVING THE FY 2011/12 – 2013/14 SHORT RANGE TRANSIT PLAN (SRTP)**

RECOMMENDATION: “The City Council approve Resolution No. 20011-64, authorizing the submittal of the FY 2011-12 Local Transportation Fund (LTF) in the amount of \$1,130,537 and approving the FY 2011/12 – 2013/14 Short Range Transit Plan (SRTP)”.

JUSTIFICATION: LTF dollars are needed to fund the operation of the City’s fixed route and dial-a-ride services system. The SRTP is prepared annually and justifies the amount of funding being requested from the Riverside County Transportation Commission (RCTC). The plan, as well as the required funding sources, has already been approved by RCTC.

BACKGROUND: The City operates three fixed routes and a dial-a-ride service. The Riverside County Transportation Commission (RCTC) allocates LTF dollars to the City each year to cover the transit system’s operating costs. A claim form must be submitted annually to RCTC in order for the funds to be released to the City. The SRTP should be approved by the Council as part of the claim submittal process.

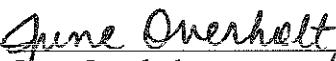
FISCAL DATA: The Fiscal Year 2011-12 LTF transit claim total of \$1,130,537.00 along with fare box recovery will fund the operating expenditures for the City’s transit and dial-a-ride services.

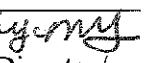
RECOMMENDED BY:



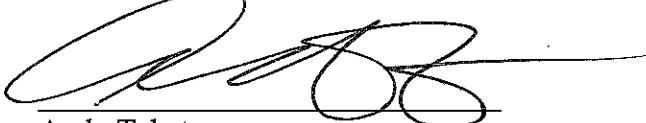
Heidi Meraz
Community Services Director

REVIEWED BY:



June Overholt
June Overholt 
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Andy Takata
City Manager



RESOLUTION NO.2011-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZING THE SUBMITTAL OF THE FY 2011-12 LOCAL TRANSPORTATION FUND (LTF) CLAIM AND APPROVING THE FY 2011/12-13/14 SHORT RANGE TRANSIT PLAN (SRTP)

WHEREAS, the City of Banning annually receives an allocation of Local Transportation Funds to operate the City's transit and dial-a-ride services;

WHEREAS, a claim form and standard assurances must be submitted to Riverside County Transportation Commission in order to receive the allocated LTF; and

WHEREAS, the Short Range Transit Plan is prepared annually as justification for the LTF Funding request; and

WHEREAS, the Short Range Transit Plan should be approved as part of the claim submittal process.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF BANNING APPROVES AS FOLLOWS:

SECTION 1. The City Council of the City of Banning hereby authorizes the Community Services Director to execute and submit the Fiscal Year of 2011-12 LTF Public Transit Claim in the amount of 1,130,537.00 on behalf of the City of Banning.

SECTION 2. The City Council approves the FY 2011/12-13/14 Short Range Transit Plan.

SECTION 3. The Administrative Services Director is authorized to make any budget adjustments related to this resolution.

PASSED, APPROVED, AND ADOPTED this 26th day of July 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

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

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-64, was duly adopted by the City Council of Banning, California, at a regular meeting thereof held on the 26th day of July, 2011.

AYES:

NOES:

ABSENT:

ABSTAIN:

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

**CITY COUNCIL AGENDA
CONSENT ITEM**

DATE: July 26, 2011

TO: City Council

FROM: Heidi Meraz, Community Services Director

SUBJECT: RESOLUTION NO. 2011-66 – “AUTHORIZING THE PURCHASE OF ONE (1) 2012 FORD F-450 16500 GVW 141” WHEELBASE 6.81 V10 TRUCK FOR THE BANNING TRANSIT SYSTEM FROM DOWNTOWN FORD SALES, SACRAMENTO, CALIFORNIA IN AN AMOUNT ‘NOT TO EXCEED’ \$53,033.83.

RECOMMENDATION: The City Council adopt Resolution No. 2011-66 – “Authorizing the Purchase of the 2012 F450 ‘Not to exceed \$53,033.83’. This purchase will be made through the State of California Contract 1-11-23-20.” The State no longer charges a piggyback fee so there will be no additional costs for the purchase. It is staff’s recommendation that the City authorize to proceed with this purchase without going through a formal bid process.

JUSTIFICATION: The 2012 Ford F450 Shop Truck has a heavy duty towing package and the power to more efficiently push or tow buses as necessary for repairs or maintenance. The existing shop truck is a 1989 Ford F250 and is a lighter duty truck that does not have the power to move the buses capably; in addition to the load limitation of the current vehicle, the age of the truck and the years of usage have reduced its dependability and usefulness. The 2012 Ford F450 will enable the transit mechanic to repair and maintain the buses more effectively.

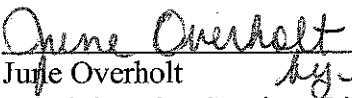
BACKGROUND: As a portion of the annual Short Range Transit Plan (SRTP) anticipated capital expenses are identified and funded. In the 2009-10 SRTP funding was allocated for the purchase of a shop truck. Bids were obtained in 2010, however the piggyback purchase option provides the lowest cost available to obtain this vehicle. The State no longer charges a piggyback fee so there will be no additional costs for the purchase.

FISCAL DATA: Funds for this purchase are available in Transit fund 610-5800-434-9051 .

RECOMMENDED BY:


Heidi Meraz
Community Services Director

REVIEWED BY:


Julie Overholt
Administrative Services Director

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APPROVED BY:



Andy Takata
City Manager

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RESOLUTION NO. 2011-66

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE PURCHASE OF ONE 2012 FORD F450 GVW 141" WHEELBASE 6.81 V10 SHOP TRUCK IN AN AMOUNT "NOT TO EXCEED" \$53,033.83.

WHEREAS, funding has been made available for the replacement of a shop truck through the State Transit Authority; and

WHEREAS, the shop truck that is presently in the Banning Pass Transit Fleet has exceeded its useful life and does not meet current needs of the department; and

WHEREAS, Banning Pass Transit desires to purchase a shop truck that will meet the needs of the department; and

WHEREAS, State of California Contract 1-11-23-20 provides Banning Pass Transit the most fiscally responsible means for acquiring the above mentioned shop truck

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANNING AS FOLLOWS: Authorizing the purchase of one 2012 Ford F450 GVW 141" Wheelbase 6.81 V10 Shop Truck in an amount "not to exceed" \$53,033.83.

PASSED, APPROVED AND ADOPTED this 26th day of July, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

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

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-66 was adopted by the City Council of the City of Banning at a regular meeting thereof held on the 26th day of July, 2011 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

**CITY COUNCIL AGENDA
REPORT OF OFFICERS**

DATE: **July 26, 2011**

TO: **Honorable Mayor and City Council**

FROM: **Andrew J. Takata, City Manager**

SUBJECT: **EB-5 Visa Program Financing for the Village at Paseo San Gorgonio Project**

RECOMMENDATION:

That the City Council adopt Resolution No. 2011-68 confirming the City's approval of the Village at Paseo San Gorgonio Project and the proposal to utilize loan funding from Inland Banning Investor Visa Group I, L.P. through the American Redevelopment Regional Center based on the U. S. Citizenship and Immigration Service EB-5 Investor Visa Program to finance the project.

BACKGROUND:

The Village at Paseo San Gorgonio Project (the "Project") consists of the development of an approximately 68,955 sq. ft. mixed-use multi-tenant commercial/retail project on an approximately 5.25-acre site located in the civic center area of downtown Banning roughly bounded by East Ramsey Street on the north, East Livingston Street on the south, Martin Street on the east and San Gorgonio Avenue on the west (the "Site"). The Project is more particularly described in City Council Resolution No. 2011-44, Community Redevelopment Agency Resolution No. 2011-20, Planning Commission Resolution No. 2011-02, Design Review (DR) #10-702, Tentative Parcel Map (TPM) # 36285 and the Conditions of Approval (the "Project Entitlements").

The Project's developer is JMA Village, LLC, a California limited liability company (the "JMA"). JMA has estimated that the Project will require approximately \$20.5 million to develop. JMA has applied for development loan financing from the Inland Banning Investor Visa Group I, L.P. (the "IBIVG") through the American Redevelopment Regional Center (the "ARRC") under the U. S. Citizenship and Immigration Service (the "USCIS") Employment-Based Immigration Fifth Preference Investor Visa Program (the "EB-5 Visa Program"). The EB-5 Visa Program is an investment-based job creation financing mechanism designed to assist a variety of economic development job creating projects in the United States, which includes projects similar to the Project.

IBIVG is an experienced EB-5 Visa Program fund raiser and the ARRC is a USCIS-sanctioned Regional Center authorized to syndicate and fund eligible EB-5 Visa Program projects in Riverside County and other locations. Loan funding eligibility under the EB-5 Visa Program is tied directly to certain job creation minimum requirements (i.e., at least 10 jobs for every \$500,000 of investor funding). IBIVG's EB-5 Program economist, Evans, Carroll & Associates, Inc., has estimated that the Project has a job creation capability of approximately 480 direct, indirect and induced jobs, which would meet the minimum job creation threshold requirements of the USCIS with respect to the Project's financing needs.

As a part of its loan underwriting procedures, IBIVG has requested that JMA seek a resolution from the City Council confirming the City's approval of the Project Entitlements and JMA's proposal to utilize loan funding for the development of the Project from IBIVG and ARRC through the USCIS EB-5 Visa Program. Therefore, Resolution No. 2011-68 is intended to constitute the City's confirmation of its approval of the Project Entitlements (all of which were granted pursuant to previous City actions). It is further intended that the Resolution shall confirm the City's approval of JMA's proposal to utilize loan funding for the development of the Project from IBIVG and ARRC through the USCIS EB-5 Visa Program.

FISCAL IMPACT:

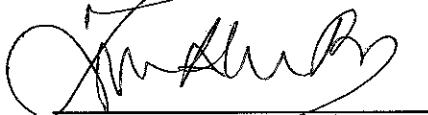
It is important to note that Resolution No. 2011-68 does not commit the City to finance the Project in any way. It only confirms the City's approval of JMA's use of EB-5 Visa Program resources to develop the Project, to the extent that they are made available for that purpose through the efforts of the IBIVG and ARRC. Therefore, is further intended that the Resolution is solely for the purpose of assisting JMA comply with the loan underwriting requirements of IBIVG and the City Council's adoption of Resolution No. 2011-68 does not: i) relieve or exempt the JMA from obtaining any other permits or approvals which may be sought from the City in connection with the Project; nor ii) provide evidence of any intent on the part of the City to incur any obligation whatsoever with respect to financing the Project. Consistent with the foregoing, the adoption of Resolution No. 2011-68 will not have any fiscal impact on the City.

APPROVED BY:



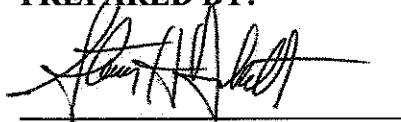
Andrew J. Takata
Executive Director

REVIEWED BY:



Zai Abu Bakar
Community Development Director

PREPARED BY:



Steven H. Dukett
Redevelopment/Financial Advisor
Urban Futures, Inc.

Attachment:

1. Resolution No. 2011-68



RESOLUTION NO. 2011-68

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING
CONFIRMING THE CITY'S APPROVAL OF THE VILLAGE AT PASEO
SAN GORGONIO PROJECT AND THE PROPOSAL TO UTILIZE LOAN
FUNDING FROM INLAND BANNING INVESTOR VISA GROUP I, L.P.
THROUGH THE AMERICAN REDEVELOPMENT REGIONAL CENTER
BASED ON THE U. S. CITIZENSHIP AND IMMIGRATION SERVICE EB-
5 INVESTOR VISA PROGRAM TO FINANCE THE PROJECT**

WHEREAS, the Village at Paseo San Gorgonio Project (the "Project") consists of the development of an approximately 68,955 sq. ft. mixed-use multi-tenant commercial/retail project on an approximately 5.25-acre site located in the civic center area of downtown Banning roughly bounded by East Ramsey Street on the north, East Livingston Street on the south, Martin Street on the east and San Gorgonio Avenue on the west (the "Site"); and

WHEREAS, the Project is more particularly described in City Council Resolution No. 2011-44, Community Redevelopment Agency Resolution No. 2011-20, Planning Commission Resolution No. 2011-02, Design Review (DR) #10-702, Tentative Parcel Map (TPM) # 36285 and the Conditions of Approval (the "Project Entitlements"); and

WHEREAS, the Project's developer is JMA Village, LLC, a California limited liability company (the "JMA"); and

WHEREAS, JMA has estimated that the Project will require approximately \$20.5 million to develop; and

WHEREAS, JMA has applied for development loan financing from the Inland Banning Investor Visa Group I, L.P. (the "IBIVG") through the American Redevelopment Regional Center (the "ARRC") under the U. S. Citizenship and Immigration Service (the "USCIS") Employment-Based Immigration Fifth Preference Investor Visa Program (the "EB-5 Visa Program"); and

WHEREAS, the EB-5 Visa Program is an investment-based job creation financing mechanism designed to assist a variety of economic development job creating projects in the United States, which includes projects similar to the Project; and

WHEREAS, IBIVG is an experienced EB-5 Visa Program fund raiser and the ARRC is a USCIS-sanctioned Regional Center authorized to syndicate and fund eligible EB-5 Visa Program projects in Riverside County and other locations; and

WHEREAS, loan funding eligibility under the EB-5 Visa Program is tied directly to certain job creation minimum requirements (i.e., at least 10 jobs for every \$500,000 of investor funding); and

WHEREAS, IBIVG's EB-5 Program economist, Evans, Carroll & Associates, Inc., has estimated that the Project has a job creation capability of approximately 480 direct, indirect and induced jobs, which would meet the minimum job creation threshold requirements of the USCIS with respect to the Project's financing needs; and

WHEREAS, as a part of its loan underwriting procedures, IBIVG has requested that JMA seek a resolution from the City Council confirming the City's approval of the Project Entitlements and JMA's proposal to utilize loan funding for the development of the Project from IBIVG and ARRC through the USCIS EB-5 Visa Program; and

WHEREAS, it is intended that this Resolution shall constitute the City's confirmation of its approval of the Project Entitlements (all of which were granted pursuant to previous City actions); and

WHEREAS, it is further intended that this Resolution shall constitute the City's confirmation of its approval of JMA's proposal to utilize loan funding for the development of the Project from IBIVG and ARRC through the USCIS EB-5 Visa Program; and

WHEREAS, this Resolution does not commit the City to finance the Project in any way; it only confirms the City's approval of JMA's use of EB-5 Visa Program resources to develop the Project, to the extent that they are made available for that purpose through the efforts of the IBIVG and ARRC; and

WHEREAS, it is further intended that this Resolution is provided solely for the purpose of assisting JMA comply with the loan underwriting requirements of IBIVG and the adoption of this Resolution does not: i) relieve or exempt the JMA from obtaining any other permits or approvals which may be sought from the City in connection with the Project; nor ii) provide evidence of any intent on the part of the City to incur any obligation whatsoever with respect to financing the Project; and

WHEREAS, All of the prerequisites with respect to the approval of this Resolution have been met.

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

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. This Resolution shall confirm the City's approval of the Project Entitlements.

SECTION 3. This Resolution shall confirm the City's approval of JMA's proposal to utilize loan funding for the development of the Project from IBIVG and ARRC through the USCIS EB-5 Visa Program.

SECTION 4. The adoption of this Resolution does not: i) relieve or exempt JMA from obtaining any other permits or approvals which may be sought from the City in connection with the Project, nor ii) provide evidence of any intent on the part of the City to incur any obligation whatsoever with respect to financing the Project.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 26th day of July 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

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

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-68 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 26th day of July 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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