AGENDA

CITY COUNCIL - REGULAR MEETING
CITY OF BANNING, CALIFORNIA

May 12, 2026
5:00 p.m.
In Chambers

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

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

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

To observe and participate in the online video portion of the meeting through your personal computer or device, follow this link:
https://us02web.zoom.us/j/82012644588?pwd=GwdLNir0X6fHkhlgVjAjRUQf1C6yoz.1

Dial in: +1 669 900 9128

Meeting ID: 820 1264 4588
Password: 1913-92220

Per the City of Banning Manual of Procedural Guidelines, matters taken up by the Council before 10 p.m. may be concluded, but no new matters shall be taken up except upon a majority vote of the council members present and voting. Such an extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

1. CALL TO ORDER

1.1 **ROLL CALL**

1.2 **INVOCATION**
Performed by Pastor James Baylark of First Community Baptist Church

1.3 **PLEDGE OF ALLEGIANCE**

2. AGENDA APPROVAL

2.1 **AGENDA APPROVAL**

3. PRESENTATIONS

3.1 Proclamation - Kids to Parks Day 2026
Recommendation: Proclaim May 16, 2026 as National Kids to Parks Day.

3.2 Small Business Month – May 2026 Proclamation and Recognition of Black Diamond Event Planning DBA Elegant Affair Wedding Venue
Recommendation:

Staff recommends that the City Council:

1. Approve the Small Business Month Proclamation for May 2026; and
2. Receive and file the recognition of Black Diamond Event Planning DBA Elegant Affair Wedding Venue.

Mayor Richard Royce will present the proclamation and recognition at the May 12, 2026 City Council meeting.

3.3 Proclamation - National Public Works Week (May 17-23)
Recommendation: Proclaim May 17 to May 23, 2026 as National Public Works Week.

4. REPORT ON CLOSED SESSION

John Pinkney, City Attorney

5. PUBLIC COMMENTS, CORRESPONDENCE, APPOINTMENTS, AND REPORTS

5.1 PUBLIC COMMENTS

5.2 CORRESPONDENCE

5.3 APPOINTMENTS

Parks and Recreation Appointment for Position 1, term ending January 31, 2029
Recommendation: Appoint one applicant to fill vacancy in Position 1 on the Parks and Recreation Commission

5.4 CITY COUNCIL COMMITTEE REPORTS

5.5 ANNOUNCEMENTS OF CITY COUNCIL MEMBERS

5.6 CITY TREASURER'S REPORT

5.7 CITY MANAGER'S REPORT
- PMAM Alarm Update

5.8 CITY ATTORNEY'S REPORT

6. CONSENT ITEMS

The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council/Banning Utility Authority/Successor Agency Board wishes to remove an item for separate consideration.

6.1 Consideration and Approval of the meeting minutes of the February 22, 2025 Special City

City Council meeting (Workshop).
Recommendation: Approve the meeting minutes of the February 22, 2025 Special City Council meeting (Workshop).

6.2 Public Works Capital Improvement Project Tracking List
Recommendation: Receive and file.

6.3 Accept as Complete Various Improvements Related to the Atwell Specific Plan Development and Authorize a 90% Reduction of the Improvement Bonds and Exoneration of Monumentation Bonds
Recommendation: City Council accept as complete various improvements related to the Atwell Specific Plan Development and authorize a 90% reductions in the improvements bonds and exoneration of Monumentation Bonds.

6.4 Parks and Recreation Report of Monthly Activities through the 3rd Quarter of Fiscal Year 2025/2026 - March 2026
Recommendation: Receive and file.

6.5 Consideration of Resolution 2026-15, Approving and Adopting the City of Banning Electric Utility's Electric System Master Plan
Recommendation: Adopt Resolution 2026-15

6.6 Consideration of Resolution 2026-73, amendment to the Professional Services Agreement with Rogers, Anderson, Malody & Scott, LLP (RAMS) providing Oversight Accounting Services and Staff Augmentation to the City's Finance Department

Recommendation:

Adopt Resolution 2026-73

7. PUBLIC HEARINGS

8. REPORTS OF OFFICERS

9. DISCUSSION ITEMS

9.1 Consideration of a Fee Waiver Request Not-to-Exceed $ 12,960 for Stagecoach Days Associations Barrels, Brews and Bites Event scheduled for May 15 & 16, 2026.
Recommendation: Approve the fee waiver of no more than $ 12,960

9.2 Consideration of Resolution 2026-44, A Resolution of the City Council of the City of Banning, California, reprogramming approved Community Development Block Grant (CDBG) Funds in the amount of $43,144 from FY 2024-25 - Banning Senior Center ADA Improvement Project to CDBG FY 25-26 - Banning Senior Center ADA Improvement Project #2 ($148,144)
Recommendation: Adopt Resolution 2026-44

9.3 Make a Determination of Exemption Under the California Environmental Quality Act and Consideration of Resolution 2026-69, Establishing Fiscal Year 2026/2027 Rates for Residential and Commercial Garbage, Recyclable and Organic Waste Collection.
Recommendation: Adopt Resolution 2026-69

9.4 Make a Determination of Exemption Under the California Environmental Quality Act and Consideration of Resolution 2026-70, Receiving a Report in Connection with the proposed

Collection on the 2026-27 Riverside County Property Tax Roll of Delinquent Solid Waste Service Charges for Single-Family and Multi-Family Accounts for Calendar Year 2025, Setting a Public Hearing on the Report.
Recommendation: Adopt Resolution 2026-70

9.5 Lamar Billboard – Agreement Overview and Selection of City Advertisement Rendering
Recommendation:

Receive and file the overview of the Lamar billboard agreement and provide staff with direction by selecting a preferred advertisement rendering (Attachment A, B, or C) for display on the City of Banning Lamar billboard.

Additionally, provide any desired feedback or modifications to the selected design.

Upon City Council selection, staff will:

- Finalize the selected design incorporating any Council feedback;
- Coordinate with Lamar Advertising for production and installation; and
- Schedule the advertisement update in accordance with the agreement's annual no-cost change provision.

9.6 Discussion and direction to staff on a draft Social Media Policy
Recommendation: Discuss the draft social media policy as presented and provide direction to staff on any changes to the policy.

10. ITEMS FOR FUTURE AGENDAS

11.1 **NEW ITEMS**
1. Rename the Arthur Welch Community Center back to the National Guard Armory (Flynn) April 2026
2. Smoke Shop Moratorium (Miller) April 2026

11.2 **EXISTING ITEMS**
1. Emergency Preparedness (Barrington) January 2025
2. Streamline Procurement Policy (Flynn) August 2025
3. Sales Tax Agreement Update with Diamond Chevrolet (Flynn) December 2025
4. Cannabis Warehouse Moratorium (New Facilities Only) (Barrington) December 2025
5. Continue Food Truck Festival (Barrington) January 2026
6. Maintenance and replacement of street signs. (Flynn) March 2026

11. ADJOURNMENT

Next Regular Meeting – May 26, 2026

Zoom Community Standards for Public Meetings

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

- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Mayor.
- Your camera must be turned off unless/until you are recognized by the Mayor.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Mayor will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in-person comment from members of the public in Council Chambers.

- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.
- The chat function will be disabled for all City Council meetings on Zoom.

Estándares comunitarios de Zoom para Reuniones Públicas

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

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

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220, at least 72 hours in advance of the meeting.

Vickie Sellers

Vickie Sellers, Elected City Clerk
Secretaria Municipal Electa

PUBLIC NOTICE • NOTICIA PÚBLICA

Meeting Agendas and Notices

Interested in receiving email and/or text notifications of upcoming City Council meetings? Sign up for meeting notifications through the City's website. Pursuant to amended Government Code §54957.5(b), staff reports and other public records related to open session agenda items are available on the City's website (www.banningca.gov/).

Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

Non-Agenda Items

Any member of the public may address this meeting of the City Council on any item which does not appear on the regular meeting agenda but is of interest to the general public and is an item upon which the City Council may act. A three-minute limitation shall apply to each member of the public and no member shall be permitted to share their time with any other person. No action shall be taken, nor discussion held by the City 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 §54954.2 of the Government Code.

Special Assistance/Accessibility Requests

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

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

CONTACT • CONTACTO

City Clerk's Office | 951-922-3102 | CityClerks@banningca.gov
99 East Ramsey Street, Banning, California 92220

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Ralph Wright, Parks and Recreation Director**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Proclamation - Kids to Parks Day 2026**

RECOMMENDATION:

Proclaim May 16, 2026 as National Kids to Parks Day.

BACKGROUND:

Kids to Parks Day is a national day of outdoor play celebrated annually on the third Saturday of May. The day connects kids and families with their local, state, and national parks and public lands through hundreds of park events that promote discovery and exploration in the great outdoors. The City of Banning annually hosts a Color Run for families on the third Saturday in May. This year's event will be held at Roosevelt Williams Park on May 16, 2026 and we invite all families to participate in the Color Run.

JUSTIFICATION:

Kids to Parks Day empowers kids and encourages families to get outdoors and visit America's parks, public lands and waters!

FISCAL IMPACT:

None

ATTACHMENTS:

1. Proclamation_Kids_to_Parks_Day_May_16_2026.pdf

CITY OF BANNING
OFFICE OF THE MAYOR

Proclamation

***WHEREAS**, May 16, 2026, is the sixteenth Kids to Parks Day organized and launched by the National Park Trust held annually on the third Saturday of May; and*

***WHEREAS**, Kids to Parks Day empowers kids and encourages families to get outdoors and visit America's parks, public lands and waters; and*

***WHEREAS**, Kids to Parks Day will broaden children's appreciation for nature and outdoors; and*

***WHEREAS**, we should encourage children to lead a more active lifestyle to combat issues of childhood obesity, diabetes, hypertension and hypercholesterolemia; and*

***WHEREAS**, the City of Banning continues to offer diverse outdoor programming in our parks and throughout Southern California thanks to our Outdoor Equity Programming grant; and*

***WHEREAS**, the Parks and Recreation Department will be hosting its Annual Family Fun Color Run on Saturday, May 16, 2026, at Roosevelt Williams Park in Banning.*

***NOW THEREFORE**, the City Council of the City of Banning do hereby proclaim and designate May 16, 2026, as **KIDS TO PARKS DAY** and urge all citizens to visit Roosevelt Williams Park and all Banning Parks on Saturday, May 16, 2026, and throughout the year.*

Kids to Parks Day
May 16, 2026

in the City of Banning and encourage the citizens of our community to join us in this special observance.

***BE IT PROCLAIMED** this 12th day of May 2026.*

Richard Royce, Mayor

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Marisol Lopez, Economic Development Manager** **Elizabeth Gibbs, City Manager**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Small Business Month – May 2026 Proclamation and Recognition of Black Diamond Event Planning DBA Elegant Affair Wedding Venue**

RECOMMENDATION:

Staff recommends that the City Council:

1. Approve the Small Business Month Proclamation for May 2026; and
2. Receive and file the recognition of Black Diamond Event Planning DBA Elegant Affair Wedding Venue.

Mayor Richard Royce will present the proclamation and recognition at the May 12, 2026 City Council meeting.

BACKGROUND:

May is nationally recognized as Small Business Month, celebrating the vital role small businesses play in driving economic growth, creating jobs, and strengthening communities. In recognition of this observance, the City of Banning highlights local businesses that demonstrate excellence, innovation, and community impact.

At the May 12, 2026 meeting, the City will recognize Black Diamond Event Planning, located in downtown Banning. Established on June 1, 2021, the business provides event planning, design, and venue management services throughout the Inland Empire. Owned and operated by husband-and-wife team Ismael and Claudia, the business has grown from a small catering venture into a full-service event enterprise. Services include event planning, luxury décor, and venue management for weddings, quinceañeras, birthdays, baby showers, community events and more.

The business has expanded to include the Elegant Affair Venue, contributing to downtown activation and the City's hospitality offerings. A short video presentation will be shown at the meeting to highlight the business and its impact.

The City will continue this recognition effort at the May 26, 2026 City Council meeting by honoring an

additional local business.

JUSTIFICATION:

Small businesses represent over 99 percent of all businesses in California and employ more than 7 million people, making them essential to economic vitality. Locally, they are key drivers of job creation, entrepreneurship, and community development.

Recognizing Black Diamond Event Planning supports the City's economic development goals by promoting local entrepreneurship and business growth.

This effort aligns with the City's **Banning 2030 – Designing Our Future NOW! Economic Development Framework**, including:

- **Tier 1:** Advancing a clear, business-friendly economic vision
- **Tier 2:** Supporting small business growth and strengthening key industries, including event services and hospitality, within the downtown area.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENTS:

1. Proclamation_Small Business Month.pdf
2. Certificate of Recognition - Black Diamond Event Planning.pdf

CITY OF BANNING
OFFICE OF THE MAYOR

Proclamation

***WHEREAS**, small businesses are the foundation of the national, state, and local economy, representing over 99 percent of all businesses and employing millions of individuals; and*

***WHEREAS**, small businesses play a vital role in creating jobs, fostering innovation, and enhancing the quality of life within the City of Banning; and*

***WHEREAS**, the City of Banning is committed to supporting a strong, diverse, and resilient local business community; and*

***WHEREAS**, the success of small businesses contributes significantly to the economic vitality, character, and identity of the City of Banning; and*

***WHEREAS**, Small Business Month provides an opportunity to recognize and celebrate the dedication, hard work, and entrepreneurial spirit of small business owners throughout the community, while also encouraging continued support beyond the month of May;*

***NOW, THEREFORE**, I, Richard Royce, Mayor of the City of Banning, on behalf of the City Council, do hereby proclaim the month of May 2026 as:*

"SMALL BUSINESS MONTH"

in the City of Banning, and encourage all residents to support and celebrate the many small businesses that contribute to the strength and success of our community, not only during this month, but throughout the year.

***IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Banning to be affixed this 12th day of May, 2026.*

Richard Royce, Mayor

City of Banning

Certificate of Recognition

PRESENTED TO

Black Diamond Event Planning

*In recognition of **Black Diamond Event Planning** for its outstanding contributions to the City of Banning and its commitment to excellence in event planning, design, and venue management. Through creativity, professionalism, and continued growth, activating Downtown Banning, your business has enhanced the local hospitality industry and created memorable experiences for residents and visitors alike.*

*The City of Banning proudly recognizes Black Diamond Event Planning for its excellence, innovation, and positive impact on the community during **Small Business Month – May 2026**.*

Presented on this 12th day of May, 2026

Richard Royce, Mayor

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Art Vela, Director of Public Works**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Proclamation - National Public Works Week (May 17-23)**

RECOMMENDATION:

Proclaim May 17 to May 23, 2026 as National Public Works Week.

BACKGROUND:

National Public Works Week (NPWW) is sponsored annually by the American Public Works Association to recognize the contributions of public works professionals who plan, build, manage, and maintain the infrastructure and services that support daily life in communities across the country.

The 2026 NPWW theme, “Rooted in Service, Powered by Community,” highlights the essential role public works plays in fostering strong, resilient communities. It emphasizes the dedication of public works professionals and the partnerships that support the delivery of critical services.

JUSTIFICATION:

Public Works Departments provide a wide range of essential services, including maintenance of streets and public facilities, water and wastewater systems, stormwater management, fleet services, and other infrastructure operations. These services are fundamental to public health, safety, and quality of life.

National Public Works Week provides an opportunity to:

- Recognize the contributions and professionalism of public works staff.
- Increase public awareness of the services provided by the Public Works Department.
- Highlight the importance of infrastructure investment and maintenance.
- Promote community engagement and appreciation for municipal services.

The 2026 NPWW theme reflects the commitment to serving the community while working collaboratively with residents, businesses, and partner agencies to deliver reliable and efficient services.

FISCAL IMPACT:

Not applicable.

ATTACHMENTS:

1. Proclamation National Public Works Week 2026.pdf
2. 26NPWW-Poster-sm.jpg

CITY OF BANNING
OFFICE OF THE MAYOR

Proclamation

***WHEREAS**, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to public health, high quality of life, and well-being of the people of **City of Banning**; and,*

***WHEREAS**, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,*

***WHEREAS**, it is in the public interest for the citizens, civic leaders, and children in **the City of Banning** to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and,*

***WHEREAS**, the year 2026 marks the 66th annual National Public Works Week sponsored by the American Public Works Association, be it now,*

***RESOLVED**, I, **Mayor Richard Royce**, do hereby designate the week of May 17–23, 2026, as **NATIONAL PUBLIC WORKS WEEK**. I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, engineers, managers, and employees, and to recognize the substantial contributions they make to protecting our national health, safety, and advancing quality of life for all.*

***BE IT PROCLAIMED** this 12th day of May 2026.*

Richard Royce, Mayor


APWA
ROOTED IN
Service
POWERED BY
Community
NATIONAL PUBLIC
WORKS WEEK
MAY 17–23, 2026
15

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Sandra Calderon, Deputy City Clerk**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Parks and Recreation Appointment for Position 1, term ending January 31, 2029**

RECOMMENDATION:

Appoint one applicant to fill vacancy in Position 1 on the Parks and Recreation Commission

BACKGROUND:

The Parks and Recreation Commission's rules and responsibilities are governed by Chapter 2.40 of the Municipal Code. The Commission's main function is to serve as an advisory board to the City Council and the Parks and Recreation Director for the purpose of the formulation of rules, regulations and policies for all parks and recreation programs, activities, and fees.

The Banning Municipal Code Section 2.40.030 requires applications be made available and vacancies announced at least two months prior to the vacancy. The Parks and Recreation vacancy was advertised on the City's website and across social media platforms starting on March 25, 2026. Public Notice was published in the Record Gazette on March 27, 2026. The deadline to submit an application was Thursday, April 30, 2026.

JUSTIFICATION:

Two applications were received for the Parks and Recreation vacancy and are up for consideration:

- Monette Hamilton
- Cheryce Cobbs

The candidates will be interviewed in a Special Meeting - Workshop on May 12, 2026 beginning at 4:00 p.m. Staff recommends that the City Council appoint a member to the Parks and Recreation Commission.

FISCAL IMPACT:

Reopening the recruitment and maintaining vacancies on the Parks and Recreation Commission may further delay projects across the City.

ATTACHMENTS:

1. Monette Hamilton_Application_Redacted.pdf
2. Cheryce Cobbs_Application_Redacted.pdf
3. Parks & Rec_Proof of Publication.pdf

4. Banning__CA_Code_of_Ordinances_2.40 (1).pdf

APPLICATION TO SERVE ON PARKS AND RECREATION COMMISSION

This application is to fill **one immediate vacancy** on the Parks and Recreation Commission. The term of office for both positions will begin immediately and will expire on January 31, 2029. The Parks and Recreation Commission meets monthly on the **Third Wednesday** of each month, except July and August, beginning at 6:00 p.m. **Applications are due to the Office of the City Clerk no later than Thursday, April 30, 2026 at 5:00 p.m.**

Name Monette Hamilton

Phone [redacted]

Email Address [redacted]

Address [redacted]

Are you currently employed? ☒ Yes ☐ No

Position Program Director Company Hamilton Essentials

Length of Residency in Banning 3

Are you a registered voter? ☒ Yes ☐ No

Are you able to commit to attend commission meetings on the regular meeting date? ☒ Yes ☐ No

Information requested below will be used by the City Council as a screening process to determine which applicants will be interviewed for the Parks & Recreation Commission. ***Please do not submit supplemental materials.***

1. Tell us about your background, including education, work, and volunteer experience, civic involvement, and other experience relevant to this appointment.

I am a community-based leader, program director, and advocate with a strong commitment to youth development, public service, and community engagement. I currently serve as the Program Director of The Hamilton Essentials Foundation, Inc., where I design and lead initiatives that support transitional-aged youth through leadership development, creative expression, and community-based programming.

My work includes leading the Youth Leader Entrepreneurs & Philanthropy (YLEAP) Initiative, where young people develop skills ito address community needs and increase access to safe, enriching spaces. I also bring experience in grant-aligned programming and funding strategy,

2. What unique skills and traits would you bring to the commission?

I bring a unique combination of community-centered leadership, strategic program development, and hands-on experience with grants, policy, and advisory processes. My background in designing youth leadership and community engagement programs has equipped me with skills in collaboration, creative problem-solving, and inclusive decision-making. I excel at connecting diverse stakeholders —youth, families, schools, and local organizations—to achieve shared goals, while ensuring programs are sustainable and aligned with funding and policy priorities. My focus on mentorship and empowering youth also brings a fresh perspective to the Commission, ensuring that community spaces and programs serve residents of all ages equitably and meaningfully.

3. Why are you interested in serving on the Parks & Recreation Commission? What do you hope to achieve during your term of service?

I am interested in serving on the Parks & Recreation Commission because I am deeply committed to creating safe, inclusive, and engaging community spaces that serve residents of all ages. As a long-time member of the Banning community and as someone who works directly with youth and families through The Hamilton Essentials Foundation, Inc., I understand the transformative power of parks and recreation programs—not just for physical wellness, but for community connection, creativity, and leadership development. I see this commission as an opportunity to bring my experience in program design, community engagement, and collaborative leadership to ensure that our parks and recreational offerings meet the diverse needs of our community.

During my term of service, I hope to achieve several goals, like strengthen programs that promote accessibility, equity, and wellness across all community demographics and Increase youth engagement and mentorship opportunities in recreational programming, ensuring young people

In accordance with Banning's City Council Resolution 2012-67, if selected you will be required to submit to a criminal background investigation, including LiveScan fingerprinting prior to your formal appointment.

Please return to: City of Banning
City Clerk's Office
99 E. Ramsey Street
PO Box 998
Banning, CA 92220

Return by: **Thursday, April 30, 2026**
5:00 p.m.

Or email to: cityclerks@banningca.gov

Remember to sign your application.

Signature

April 8, 2026
Date

APPLICATION TO SERVE ON PARKS AND RECREATION COMMISSION

This application is to fill **one immediate vacancy** on the Parks and Recreation Commission. The term of office for both positions will begin immediately and will expire on January 31, 2029. The Parks and Recreation Commission meets monthly on the **Third Wednesday** of each month, except July and August, beginning at 6:00 p.m. **Applications are due to the Office of the City Clerk no later than Thursday, April 30, 2026 at 5:00 p.m.**

Name Cheryce Cobbs

Phone [redacted]

Email Address

Address

Are you currently employed? ☐ Yes ☒ No

Position Disabled Company

Length of Residency in Banning 9 years

Are you a registered voter? ☒ Yes ☐ No

Are you able to commit to attend commission meetings on the regular meeting date? ☒ Yes ☐ No

Information requested below will be used by the City Council as a screening process to determine which applicants will be interviewed for the Parks & Recreation Commission. ***Please do not submit supplemental materials.***

1. Tell us about your background, including education, work, and volunteer experience, civic involvement, and other experience relevant to this appointment.

I have been a resident of Banning for 9 years, coming from the City of Riverside, California. I am almost 10 years from addiction. Currently a member for 3.5 years at Sunrise Church here in Banning, where I volunteer as a Greeter, Children's Check-in, and also a member of the choir. I am a volunteer with the Banning Unified School District, where I have served as a parent volunteer for 4 years, assisting wherever and whenever I can. I am also the School Site Council secretary for Central Elementary School. As it shows, I have grown as a person capable of taking on responsibilities despite my past. I love being a part of society and my community. Working with children, families at church, and school helps me understand the community's needs and wants. My role as secretary of the SSC demonstrates that I am organized and capable of working with different groups, which is our community build-up.

2. What unique skills and traits would you bring to the commission?

As part of the commission, I believe I bring many ideas and energy to the table. I am also a mother of 2 boys, who also add to my energetic personality. I can see where some improvements can be made as a member of this community. As a mother, I would like to propose ideas like splash pads for families to connect and cool down during the summer months, more movie nights in the park, talent shows, art shows, etc., for family activities, and even days for community games like kids-versus-adults tag or something that doesn't always require funds to be a part of. I believe it is important to listen to other families and community members, and I am committed to being a voice for them on the commission.

3. Why are you interested in serving on the Parks & Recreation Commission? What do you hope to achieve during your term of service?

I want to make parks and programs better for everyone, especially families. Drawing on my personal experience, I hope to increase friendly activities and make sure that our community's input is heard.

In accordance with Banning's City Council Resolution 2012-67, if selected you will be required to submit to a criminal background investigation, including LiveScan fingerprinting prior to your formal appointment.

Please return to: City of Banning
City Clerk's Office
99 E. Ramsey Street
PO Box 998
Banning, CA 92220

Return by: **Thursday, April 30, 2026 5:00 p.m.**

Or email to: cityclerks@banningca.gov

Remember to sign your application.

Cheryce Cobbs — April 21, 2026

Signature — Date

Column

OFFICIAL AD PROOF

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Notice ID: yl5yIuVT5WEhReX5YsBP | **Proof Updated: Mar. 25, 2026 at 11:54am PDT**
Notice Name: City of Banning Public Notices PRC Vacancy

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FILER	FILING FOR
SANDRA CALDERON scalderon@banningca.gov (951) 922-3125	Record Gazette

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PUBLIC NOTICE
CITY OF BANNING
PARKS & RECREATION COMMISSION

The City of Banning is accepting applications to fill **one immediate vacancy** on the City of Banning Parks & Recreation Commission. The term of office will begin immediately and run through January 31, 2029.

This is a volunteer position on a Commission that meets on the **third Wednesday of each month beginning at 6:00 P.M**. You must be a registered voter in the City of Banning to qualify. All applicants must successfully complete a background investigation with fingerprinting before appointment. The application for this position is available on the City's website at http://banning.ca.us/837/Parks-Recreation-Commission

The deadline to submit your application to the City Clerk's Office is **Thursday, April 30, 2026 at 5:00 P.M.** Submit to the City Clerk's Office, PO Box 998, Banning, CA 92220 or by emailing your signed application to cityclerk@banningca.gov

/s/Sandra Calderon, Deputy City Clerk
City of Banning, California

Dated: March 25, 2026
Publish: March 27, 2026

Chapter 2.40 - PARKS AND RECREATION COMMISSION

2.40.010 - Established—Purpose.

There is hereby established a parks and recreation commission of the city for the purpose of facilitating the integration of the parks and recreation activities for the city.

(Code 1965, § 15-1; Ord. No. 1438, § 1.A., 6-14-11)

2.40.020 - Advisory agency designated—Powers and duties.

The city parks and recreation commission shall serve as an advisory agency to the city council and the director of community services for the purpose of the formulation of rules, regulations and policies for all parks and recreation programs, activities, and fees. Parks and recreation commission members shall be registered voters of the City of Banning.

(Code 1965, § 15-2; Ord. No. 1438, § 1.A., 6-14-11)

2.40.030 - Appointment of members.

A. The parks and recreation commission shall consist of five members.

B. The parks and recreation commission shall serve four-year terms, which shall be staggered every two years concurrent with the city elections. Appointments shall be made by the city council. Applications shall be made available and the closing date announced at least two months prior to the expiration of the commissioner's term to be filled.

C. Members shall serve at the pleasure of the council and may be removed at any time by a majority vote of the entire council.

D. Any member who is absent from two regular meetings of the Commission within a twelve-month period whether the absence is excused or not, will be deemed to have resigned their office and the City Council may appoint a new member to serve in the resigned commissioner's place for the remainder of the existing term.

(Code 1965, § 15-3; Ord. No. 1438, § 1.A., B., 6-14-11; Ord. No. 1579, § 2, 11-9-21)

2.40.040 - Conduct of meetings.

A. The commission shall meet at 6:00 P.M. on the third Wednesday of the following months: January, February, March, April, May, June, September, October and November.

B. Additional meeting may occur if deemed necessary by the city council or commission chairperson.

C. A majority of the voting members of the commission shall constitute a quorum.

(Code 1965, § 15-4; Ord. No. 1438, § 1.A., 6-14-11)

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Sandra Calderon, Deputy City Clerk**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Consideration and Approval of the meeting minutes of the February 22, 2025 Special City City Council meeting (Workshop).**

RECOMMENDATION:

Approve the meeting minutes of the February 22, 2025 Special City Council meeting (Workshop).

BACKGROUND:

After every meeting, the City Clerk's Office prepares meeting minutes. The City Council reviews and approves these minutes either as presented or with modifications.

JUSTIFICATION:

These minutes have been prepared as summary minutes in accordance with City Council Resolution 2025-22 and Government Code Section 36814, 4801, and 54953 (c)(2).

FISCAL IMPACT:

None

ATTACHMENTS:

1. 2025 02 25_City Council_Workshop_DRAFT.pdf

MINUTES

CITY COUNCIL – SPECIAL MEETING (WORKSHOP)

FEBRUARY 25, 2025

1. CALL TO ORDER – 4:54 p.m.

COUNCIL MEMBERS PRESENT: Mayor Sheri Flynn
Mayor Pro Tem Richard Royce
Council Member Cindy Barrington
Council Member Leroy Miller
Council Member Colleen Wallace

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Laurie Sampson, Assistant City Manager
John Pinkney, Interim City Attorney
Lincoln Bogard, Administrative Services Director
Vickie Sellers, City Clerk
Caroline Patton, Administrative City Clerk
John Garside, Multimedia Specialist

2. PUBLIC COMMENTS - ***Agenda Items Only***

John Hagen expressed concern regarding impacts to the community if the grant agreement were approved. He requested that grant funds be used to provide transportation for released inmates to return to their hometowns.

Sue Savage questioned what would occur once grant funds were exhausted and questioned the structure of the grant. She proposed a zero-tolerance policy for released inmates living unhoused within city limits.

Michelle Walter provided clarification regarding details of the grant and indicated support for the proposed program. She stated the program would serve released inmates seeking to improve their lives and move forward successfully.

Scott Drake expressed support for the grant program and shared success stories from similar programs.

Wilma Glover expressed opposition to the proposed program. She stated released inmates should be returned to their hometowns upon release and expressed concern regarding property values and growth within Banning.

Dylan Daniel stated he was new to Banning and had previously been incarcerated. He stated he came to Banning through a similar program and indicated it had provided opportunities he otherwise would not have had.

Doreen Reynolds stated she lived close to the jail. She expressed concern for youth within the community and shared experiences involving released inmates in her neighborhood.

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Lincoln Bogard, Banning Administrative Services Director, stated if the City withdrew from the grant at this stage, it could impact the City's eligibility for future State grant opportunities.

Amy Pippinger shared statistics regarding previous Proposition 47 grant programs. She expressed concern that prior grant recipients were larger agencies and stated Banning was not large enough to support a similar program.

Kathleen Dale stated she found inconsistencies within the grant information. She stated misinformation had been circulating among residents and requested that the City provide additional information for clarity.

Marco Santana discussed the community-based organizations involved with the grant and clarified that those organizations operate throughout the county and surrounding areas, addressing concerns raised by previous speakers that the program would require participants to remain in Banning.

Jerry stated he was a member of the Riverside County homeless outreach team. He stated that when communities are resistant to supportive housing or outreach efforts, organizations may redirect participants to other areas.

Carol Albaugh, Faith in Action, expressed support for the grant program and urged the City to move forward with the proposal.

Sandra Glickman, Faith in Action, discussed a life-skills cohort program offered by the organization for individuals in need and offered assistance in support of the proposed program.

Juanita Diaz discussed inmate releases at the local jail and questioned why certain organizations were excluded from the program. She stated the City faced larger issues that should be addressed prior to implementation of a program of this nature.

Chris Castarena urged the Council to make effective use of the funding included in the grant. He stated he agreed the issue was regional in nature and should be addressed accordingly. He expressed concern that community issues could worsen if not addressed.

Mark Davis, Salvation Army, expressed support for the program. He stated this was a great opportunity to use grant funds to improve the community without having to tap into the local budget.

Daneen indicated opposition to the program. She stated she lived near a proposed transitional housing site, and she was concerned about the number of children in the neighborhood.

Lou Gregory addressed the Council and stated he had a son experiencing homelessness. He stated that when agencies ignore issues or assume others will address them, those problems continue to persist. He expressed support for the program.

Mario Carlos, Case Manager Specialist for the City of Banning, discussed the human aspect of the program and urged the public to remember that program participants are individuals deserving of compassion and support.

Kelly expressed opposition to the project and stated she was concerned for the children and residents of Banning if the program went through.

Heteres Milsa expressed opposition to the program and Proposition 47 generally.

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3. WORKSHOP

3.1 Review of Agreement with the California Board of State and Community Corrections (BSCC) for the Proposition 47 Safe Neighborhoods and Schools Grant Program
Recommendation: Receive and file.

Jeff Platt, Homeless Services Director, presented the staff report. He provided a timeline of the Proposition 47 grant program. He discussed Opportunity Village, a similar program in Banning, and noted the success it has had. He addressed concerns raised during public comment. He stated the City received grant funds similar to that of San Francisco and Los Angeles which speaks to the success of the already existing programs.

Mark Davis, Salvation Army, shared success stories. He discussed the variety of services the Salvation Army offers and how they would contribute to this program.

In response to a question from Council Member Wallace, Mr. Davis stated they weren't directly associated with the transitional housing portion but rather would provide employment and treatment services to participants as part of the grant. In response to a second question from Council Member Wallace, he stated that successful grant recipient agencies are typically eligible to renew the grant at its expiration.

In response to Council Member Miller, Mr. Davis the Salvation Army would receive roughly $3.7 million from the total grant funds. He stated $1.3 million of that amount is for salaries for the homeless-to-work program. He stated portions of the program would be funded in-kind by the Salvation Army and not taken out of the grand funding.

In response to Council Member Miller, Lincoln Bogard, Administrative Services Director, stated there would be a five-percent retention requirement for this grant which meant that the City would need to pay for five percent of the total grant amount throughout the life of the grant which would then be released at the conclusion of the grant period.

In response to Council Member Wallace, Robert Fisher, Acting City Manager, discussed elements of the grant and potential costs to the City not covered by the grant, such as law enforcement salary.

Mr. Platt addressed questions from Mayor Flynn related to various requirements of the grant regarding housing. He also discussed the organizations partnered on the grant and the reasons certain partners were included. He discussed previous meetings held related to the grant application and development.

MOTION

Council Member Miller made a motion to adjourn the workshop and begin the regular meeting, seconded by Council Member Wallace.

Council Members discussed whether to adjourn the meeting or continue.

4. ADJOURNMENT

The question was called by roll call vote and the motion carried 3-2, Mayor Flynn and Mayor Pro Tem Royce dissenting.

DRAFT

The meeting adjourned at 7:04 p.m.

Minutes presented by:

Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/172?view_id=1&redirect=true

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CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Patrick Safari, Capital Improvement Projects Manager** **Art Vela, Director of Public Works**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Public Works Capital Improvement Project Tracking List**

RECOMMENDATION:

Receive and file.

BACKGROUND:

To keep the City Council and the public informed of the progress and status of various capital improvement projects, staff has prepared the attached Public Works CIP Tracking List, which will be updated and presented on a monthly basis.

The tracking list includes planning, environmental, design, and construction contracts previously approved by the City Council and/or the City Manager's Office and currently managed by the Public Works Department.

JUSTIFICATION:

This recurring item is provided to keep the City Council and public apprised of the progress on certain projects.

FISCAL IMPACT:

Not applicable.

ATTACHMENTS:

1. CIP Tracking List_April 2026.pdf

PUBLIC WORKS CAPITAL IMPROVEMENT PROJECTS (CIP) TRACKING SHEET

Category	Project #	Project Name	Phase	% Completed	Tasks Completed	Current Tasks	Future Tasks	Tentative Completion Date	Project Budget
Streets	2023-17	Hargrave Grade Separation	PA&ED	15%	Contract execution; project kickoff, grant reporting.	Agreements with Caltrans and UPRR; Basis of Design document sent to all stakeholders for approval.	Caltrans DEER exception. Environmental work.	12/31/27	$ 8,300,000
Streets	-	Highland Springs Avenue Interchange	PA&ED	40%	Highway Safety Manual segmentation existing condition; aerial topo mapping; traffic volume report; Environmental Purpose/Need Statement; Air/Noise memos; VMT Methodology Memo; DDI Exclusion Memo; ROW Data Sheets;	Revised noise studies for new alternate, updated technical studies	Design Standard Risk Assessment; Value Analysis Report; Geometric Approval Document; R/W Data Sheets; Transp. Management Plan	12/31/27	$ 2,900,000
Streets	2020-04	Sun Lakes Blvd Extension	CEQA, PS&E	99%	Obtained environmental permits, complted PSE package.	Finalize Kinder Morgan pipeline relocation final plans.	Complete environmental permitting	12/1/26	$ 1,248,026
Streets	2020-04	Sun Lakes Blvd Extension	Construction	0%	Construction project public advertising	Pre-con Environmental Surveys. Begin Construction 5/11	Begin Kinder Morgan Relocation and Construction of the Reinforced Concrete Boxes at the Smith Creek crossings	7/30/27	$ 20,996,793
Streets	-	Traffic Signalization of 8th Street/I-10 Interchange	Design/Permits	90%	Design well underway. Submittal of encroachment permit application to Caltrans. Caltrans approval on TOAR and concepts.	Design paused, due to rephase of RSG project and property acquisition needs	Resubmitted to Caltrans if needed. Caltrans encroachment permit issuance. Property acquisition (private party task)	6/1/26	$ 1,081,000
Streets	2022-05	HSIP Cycle 10 Omar/Ramsey Intersection Improvements	Construction	100%	Project Approved for Funding by the State. Proposal solicitation. Contract award.	Release Retention	Caltrans post-construction review meeting	2/27/26	$ 649,954
Streets	2023-04	HSIP Cycle 10 Ramsey Street Pedestrian Safety Improvements	Construction	95%	Project Approved for Funding by the State. Project Awarded.	Construction in progress. Construction Contract ends 4/30/26	Pre-Construction review meeting with Caltrans.	4/14/26	$ 596,850
Streets	2023-09	HSIP Upgrade 17 Traffic Signals Hardware	PS&E	90%	Project approved for funding by Caltrans	STC Traffic Working on 90% Plans Submittal and Caltrans EP Approval	100% Plans Submittal and Approval	3/30/26	$ 74,760
Streets	2023-10	HSIP Pedestrian Crossings Upgrades at 19 Intersection	PS&E	80%	Project approved for funding by Caltrans	Consultant working on 90% plans	90% plan submittal	6/30/26	$ 86,075
Streets	2023-11	HSIP Wilson St & 12 St Intersection Upgrade	PS&E	10%	Project approved for funding by Caltrans	Consultant working on on 30% plan submittal	Submit 30% Plans	9/30/26	$ 41,665
Streets	2023-05	San Gorgonio/UPRR Pedestrian Crossing	Design	95%	Amendment 2 CC Approval. 65% Plans complete	Final Plans approved by UPRR, CUPC and Caltrans. C&M Agreement Draft	Approve C&M Agreement. Prepare Bid Documents	8/30/26	$ 230,000
Facility	2021-06	CNG Station	Design-Build	98%	Project is now substantially complete.	Project is now substantially complete.	Completion of final punchlist items. Notice of Completion	5/15/26	$ 4,888,261
Facility		City Hall Roof Repairs - Phase 2	Design/Bid	10%	Scope identification - Roof/leak repairs on flat roof section over remainder of City Hall	Preparation of RFP	Award, Construction	6/30/26	$ 275,000
Facility	2024-02	City Hall HVAC Replacement	Construction	1%	Bid and award of contract	Finalize contracts	Construction	6/1/26	$ 188,000
Water	2018-02W-2	New Domestic Water Well C8 (Phase 2: Well Equipping and Site Development)	Construction	70%	Poured pump pedestal, installed pump and completed vertical construction pending roof.	Continue installation of above-ground piping, roof installation, louvers, doors etc., and other onsite work.	Finish roof installation, louvers, doors etc., and above ground piping including pump-to-waste.	7/30/26	$ 3,774,100
Water	2022-07W	Well M12A (Phase 2: Well Equipping an Site Development)	Construction	70%	Pump house building inclduing pump installation has been completed.	Installation of above-ground piping and electrical wiring and cabintes.	Finish above ground piping and pump-to-waste.	7/30/26	$ 2,684,990
Wastewater	2022-01WW	Wastewater Treatment Plant and Recycled Water Improvements	Phase 1 (Design)	30%	Received 10% BODR (Basis Of Design Report).	PDB team has provided updated quote on a packaged system, which is currently being evaluated.	Analyze the cost estimate and determine next steps.	4/30/26	$ 4,398,490
Wastewater	2020-08WW	WWTP Equalization Basin	Design/CEQA	95%	Completed 90% drawings review.	Development of 100% drawings; ~$1.25M EPA Community Grant has been issued.	Finalize 100% drawings; Approval to proceed with grant expenditures; Invitation for Bids.	6/1/26	$ 362,866
Recycled Water	2024-1RW	Charles Street and Lincoln Street Booster Station and Reservoirs	Construction	90%	Project was awarded, a NTP was issued followed by pre-con meeting and submittal reviews.	Charles St - Installation of MCC. Lincoln St- Fencing installation and site paving.	Installation of the MCC at Lincoln	5/30/26	$ 10,160,200
Recycled Water	2023-06RW	Lions Park Non-Potable Water Conversion	Construction	100%	Project Awarded. Kick Off Meeting. Surveying and utility research	NOC approval by CC on 4/28	Issue Retention	3/31/26	$ 920,672
Electric		Sun Lakes Blvd Extension	Construction	0%	Construction bid completed. Attended kick off meeting on 1/26/26. Began Coordination with Frontier and SCE for communication conductor relocation.	Issue plan revisions to Public Works to accomodate Kinder Morgan pipeline work. Complete application with SCE for relocation work.	Prepare for construction of electric improvements and joint trench with SCE.	7/30/27	$ 2,366,090
Electric		Robertson's Ready Mix Pole Relocation	Construction	0%	Line Extension Agreement approved by City Council. Additional comments provided by Robertson's Ready Mix	Update agreement and resubmit for City Council approval	Collect deposits from Robertson's Ready Mix and order materials for construction and schedule installation	12/30/26	$ 425,000

Electric		12kV Reconductor on Barbour St at Hathaway	PS&E	95%	Alternative plan to address replacement of 4kV equipment at the site has been approved.	Negtiate cost sharing with property owners at 700 S Hathaway St for reduced scope of work for completing necessary upgrades to replace all 4kV equipment with 12kV equipment.	Make adjustments for current budget cycle and carry over to 2026/27 if needed. Current construction estimate is $125,000.	9/30/26	$	125,000
Electric		Mias Canyon Line Hardening	Design/MSHCP	95%	Modified layout of pole line to avoid sensitive species	Submit redesign to USFW/FEMA/CDFW for clearance on avoidance.	Await determination on approval of federal grant funding and match funding thru CalOES	6/30/27	$	2,189,140
Electric		34.5kV Circuit Reroute	Construction	65%	16 of 26 poles have been replaced. Installation is being completed by BEU linemen.	Schedule construction for remaining poles	Complete installation of remaining poles and re-energize sub-transmission Circuit #1.	6/30/26	$	575,000

CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Elizabeth Gibbs, City Manager**

PREPARED BY: **Nate Smith, Deputy Director of Public Works/City Engineer**
Art Vela, Director of Public Works

MEETING DATE: **May 12, 2026**

SUBJECT: **Accept as Complete Various Improvements Related to the Atwell Specific Plan Development and Authorize a 90% Reduction of the Improvement Bonds and Exoneration of Monumentation Bonds**

RECOMMENDATION:

City Council accept as complete various improvements related to the Atwell Specific Plan Development and authorize a 90% reductions in the improvements bonds and exoneration of Monumentation Bonds.

BACKGROUND:

On February 27, 2024, City Council adopted Resolution 2024-29 approving Final Tract Map 37388-3, releasing the map for recordation, authorizing staff to sign the subdivision improvement agreement and final tract map, and accepting the Performance and Labor and Material Bond for public improvements.

On September 13, 2022, City Council adopted Resolution 2022-122 approving Final Tract Map 37389-1, releasing the map for recordation, authorizing staff to sign the subdivision improvement agreement and final tract map; and accepting the Performance and Labor and Material Bond for public improvements. This map included the requirements for the widening on Wilson Street at the Smith Creek crossing.

As conditions of approval for the Atwell Specific Plan development, Tri Pointe Homes was required to sign subdivision improvement agreements and to submit bonds to assure the City that the required public improvements are constructed according to City standards and specifications. These public improvements include onsite street, sewer, water, non-potable water, and centerline monuments serving the tract.

JUSTIFICATION:

Staff has verified through inspections that the required public improvements were completed per City standards and specifications and recommends that City Council accept the improvements as complete and authorize the 90% bond reduction for the following bonds:

Bond #	Bond Amount	Improvements
CMS0359923	$595,680.88	Wilson @ Smith Creek - Street Improvements
CMS0359924	$79,251.85	Wilson @ Smith Creek - Sewer/Water
30202734	$1,049,936.93	37388-3 (PA15A) Street Improvements

30202735	$1,123,023.72	37388-3 (PA15A) Water Improvements
30202763	$650,736.23	37388-3 (PA15A) Sewer Improvements
30240656	$4,159,425.80	37389 (PA2A-2) (various) Storm Drain Improvements

The remaining 10% of the bond amounts will remain for a period of 12 months (maintenance period) at which point the 10% balance will be released and the improvements will become City owned and maintained improvements.

Staff has verified through inspections that the required monuments were installed per City standards and specifications and recommends that City Council accept the monuments as complete and authorize the 100% bond exoneration for the following bond:

Bond #	Bond Amount	Improvements
30202737	$44,722.50	37388-3 (PA15A) Monuments
30464665	$14,835	37389-1 (Backbone) Monuments

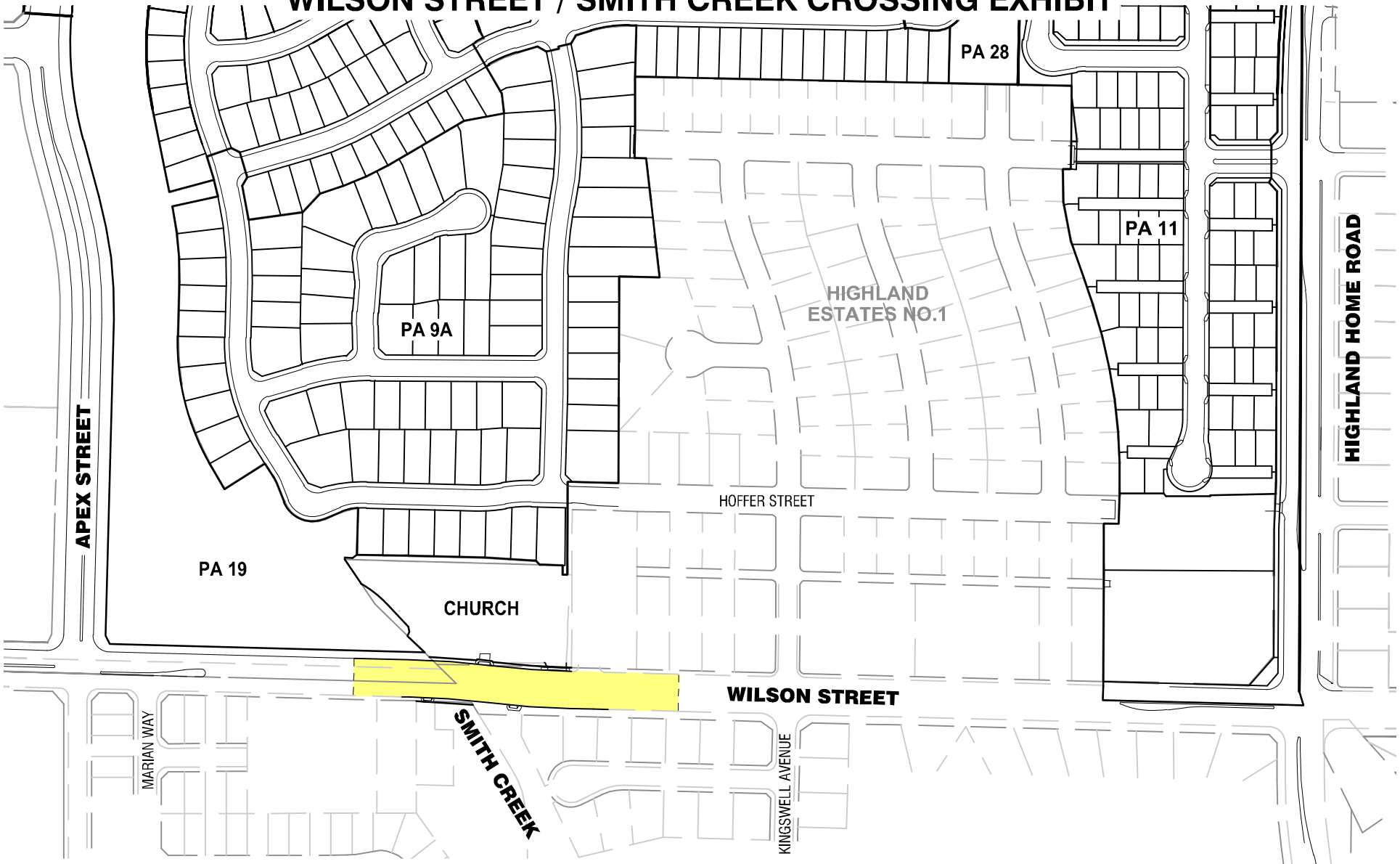
FISCAL IMPACT:

Not Applicable

ATTACHMENTS:

1. 37389-1 Wilson Creek Crossing Exhibit.pdf
2. 37389-1 Wilson Creek Crossing SIA and Bonds.pdf
3. 37388-3 Improvement Exhibit.pdf
4. 37388-3 SIA and Bonds.pdf
5. 37388-3 CL Ties.pdf
6. 37389 Improvement Exhibit.pdf
7. 37389 SIA and Bonds.pdf
8. 37389-1 CL Ties.pdf
9. 37389-1 Monumentation Bond.pdf

WILSON STREET / SMITH CREEK CROSSING EXHIBIT



LEGEND:

WILSON STREET

CITY OF BANNING

SUBDIVISION IMPROVEMENT AGREEMENT

* * * * * * SUBDIVISION REFERENCE DATA * * * * * *

[ ] FINAL TRACT MAP NO. 37389-1 ("Final Map" herein)

[ ] PARCEL MAP NO. _____ ("Parcel Map" herein)

NAME OR TRACT NUMBER OF SUBDIVISION ("Subdivision" herein):	ATWELL – TR 37389-1 (Wilson Widening @ Smith Creek (Sewer, Water, Street))
NAME AND ADDRESS OF SUBDIVIDER(S):	TRI POINTE HOMES, IE-SD 1250 CORONA POINTE CT, #600 CORONA, CA 92879
CITY COUNCIL RESOLUTION OF APPROVAL NO.	_____ ("Resolution of Approval" herein)

DATE(S) THAT IMPROVEMENT PLANS WERE APPROVED BY THE CITY ENGINEER: _____

IMPROVEMENT/PLAN NO.:	Street Imp Plan	
	Water Imp Plan	
	Sewer Imp Plan	
	_____	
ESTIMATED TOTAL COSTS:	IMPROVEMENTS	$675,112.73
	GRADING	$_____
	MONUMENTATION	$_____
	TOTAL:	$675,112.73

FORM OF IMPROVEMENT SECURITY:

[ ] AAA Corporate surety bonds

[ ] Deposit of money

NAME AND ADDRESS OF CORPORATE SURETY (if applicable):

RLI Insurance Company
(Name of Corporate Entity)

9025 N. Lindbergh Drive
(Street Address)

Peoria IL 61615
(City) (State) (Zip)

SURETY BOND NUMBERS (if applicable):

#CMS0359923

#CMS0359924

EFFECTIVE DATE OF AGREEMENT:

(to be inserted by City)

COMPLETION PERIOD: All improvements of Tract 37389-1 (~~including the complete water and sewer system in _____ Street) with the exception of the roadway (street) improvements on _____ Street~~, shall be completed within two years from the Effective Date of the Agreement. ~~_____ Street roadway (street) construction (so that _____ Street is a continuous route from _____ to _____) shall be constructed prior to the Certificate of Occupancy for development of lots ____ and ____ of Tract _____.~~

* *

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SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Banning, a municipal corporation ("City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation a Final Map, identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations as such ordinances and regulations are vested under the development agreement recorded in the official records of the County of Riverside on July 17, 2012 as Document No. 2012-0332888 ("Development Agreement") relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A tentative map of the Subdivision was previously approved by City, subject to the Subdivision Laws and to the City's standard requirements as vested under the Development Agreement and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with applicable City standards, all of the improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the improvements and land development work within a period of time specified by the City.

D. In consideration of approval of the Final Map for the Subdivision by the City Council, Subdivider desires to enter into this Agreement whereby Subdivider promises to install and complete, at its sole expense, except as otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, all public improvement work required by the City as set forth on the Improvement Plans (as defined below) for the proposed Subdivision. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City. In any conflict between the terms in this Agreement and the Development Agreement, the Development Agreement shall be the controlling document.

E. Improvement Plans, and related specifications, numbered as designated above in the Subdivision Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Subdivider, approved by the City Engineer, and are on file in the office of the City Engineer. Said Improvement Plans, and related specifications, subsequently modified by the mutual written agreement of the parties, are hereby referred to as the "Improvement Plans" and are incorporated herein by this reference.

Any improvement to be constructed pursuant to the Improvement Plan is hereby referred to individually as an "**Improvement**" and collectively as the "**Improvements**".

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, Subdivider and City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, conditions of approval of the Tentative Map, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee (as set forth in Section 3) the Improvements, Grading, and Monumentation described on the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the City Engineer, the Subdivider shall acquire and dedicate, or pay the reasonable, documented cost of acquisition by City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. If the Subdivider is unable to acquire such rights-of-way, easements and other interests in real property by negotiation, then Subdivider shall, within 120 days of Final Map approval, enter into a condemnation agreement with City pursuant to Government Code Section 66462.5, by which the City will commence the process for the acquisition of the rights-of-way, easements or other real property.

C. Subject to any time extensions granted in accordance with Section 4, Subdivider shall complete all Improvements within its respective "Completion Period" specified in the Subdivision Reference Data; provided, however, that if the City Engineer reasonably determines in good faith that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, the City Engineer shall give Subdivider not less than fifteen (15) business days' prior written notice to commence or accelerate installation and construction of such Improvements, or any portion thereof. The notice shall be in writing, and shall describe the work to be done by Subdivider, the time within which the work will commence, the period within which the work will be completed and identify the reasons that such early commencement is essential in order to protect the public health, welfare and safety. All or any portions of said Improvements may be required to be constructed or completed at a specified time, providing the foregoing criteria is met. If the Subdivider objects to the commencement or acceleration of the Improvements as specified by the City Engineer, Subdivider may appeal the decision of the City Engineer to the City Council. Any such appeal shall be filed with the City Clerk within 10 days after receipt by Subdivider of the written notice from the City Engineer.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 2. As used herein,

"monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the City Engineer of tie notes for said points.

E. Subdivider shall , at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, replace or repair all public improvements, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work performed by Subdivider under this Agreement during or after the Completion Period. Any such replacement or repair shall be subject to the approval of the City Engineer.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the applicable portion of the Improvements until the latter of the following time periods: (i) the Improvements or applicable portion thereof is accepted in writing by the City; or (ii) the expiration of the required one-year guarantee and warranty period as specified herein; or (iii) the expiration of any applicable period of time requiring the care, repair and maintenance of the applicable Improvement specified in the Development Agreement (not including the term of any Development Agreement). Neither City, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements and that may result from the construction of the Improvements prior to their completion and written acceptance by the City

G. In addition to, and separate from: (1) the indemnity obligations contained in Section 7 of this Agreement, (2) the care, repair and maintenance provisions under paragraph E of this Section 1 of this Agreement; and (3) the warranty and guarantee provisions of Section 3 of this Agreement, Subdivider shall repair and correct, or be liable to the City for any cost to repair and correct, any defect in the construction of the Improvements that is identified by City within in accordance with general construction defect law ten (10) years after City's acceptance of the Improvement, provided the City provides written notice to Subdivider of the existence of the defect within that the time period under law, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of Subdivider. Nothing contained in this paragraph is intended to limit or otherwise waive any right or cause of action under applicable construction defect law that City may assert against Subdivider.

H. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all applicable fees required by City ordinance or resolution and all taxes required by law.

I. Not less than seven (7) days prior to commencement of work on the Improvements, Subdivider shall give written notice to the City Engineer of the date fixed for such commencement of work in order that the City Engineer shall have adequate time to schedule all necessary inspections.

J. SUBDIVIDER shall pay all applicable City fees and costs stipulated in the latest fee resolution as adopted by the City Council from time to time as required for the development of the SUBDIVISION including but not limited to the following:

1. Building Permit Fees --- to be paid at the time of building permit issuance;

2. Final Map Plan Check Fees --- to be paid at time of submittal of final map for plan check and resubmittal of revised final map for plan check;

3. Final Map Moratorium Fees --- to be paid from cash deposit established at time of filing final map;

4. Plan Check and Review Fees --- to be paid from cash deposit established at time of filing improvement plans for plan check;

5. Encroachment Permit Fees --- to be paid at time of application for encroachment permit;

6. Inspection Fees --- to be paid from cash deposit established at time of construction permit issuance; and

7. Grading Permit Fee --- to be paid from cash deposit established at time of grading permit issuance.

K. Subdivider shall provide City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Tentative Tract Map Conditions of Approval, and shall provide electronic image files of those final Record Drawings consistent with electronic image file size and type specifications of the City prior to the acceptance of improvements and release of bonds or other security.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the City Engineer and other City personnel and inspection consultants.

B. Upon completion of the work on all or any category of the Improvements, the Subdivider may request a final inspection by the City Engineer. Within forty-five (45) days of receipt of the written letter request, the City Engineer shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the City Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the City Engineer shall acknowledge that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City (Improvements within City right of way and property for public use), the City Engineer's determination shall be

submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and determination of completeness in accordance with City's formally adopted and applicable fees and rates.

C. Acceptance of all or any specified category of the Improvements by the City Council shall be made upon recommendation and certification of the City Engineer following inspection of said Improvements pursuant to subparagraph B above. The City Council shall act upon the City Engineer's recommendation that such public Improvements have been completed unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. Acceptance by the City or by the governing body of the entity that is to accept dedication or ownership of the public improvements shall not constitute a waiver by the City or such other public entity of any defects in the public Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following acceptance by the City of the applicable Improvements specified in Schedule A, any Improvements or part of any Improvements specified in Section A furnished, installed or constructed by the Subdivider, or any of the work performed under this Agreement by Subdivider, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans and related specifications, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Subdivider's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one year.

B. Should the Subdivider fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction and draw upon the Subdivider's improvement security to reimburse itself for the costs incurred. If the Subdivider's improvement security does not cover the total cost of such repair, replacement, or reconstruction, the Subdivider shall reimburse the City for any excess costs incurred.

C. The security furnished for the faithful performance of the Subdivider's obligation to construct and install the Improvements described herein shall include the Subdivider's liability and obligation hereunder to provide the one-year guarantee and warranty of the Improvements.

4. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause therefor, the duration of the Completion Period for the Improvements (or any of them) may be extended by the City Engineer in writing. As used herein, "good cause" may include, without limitation, delay resulting from, arising out of or relating to an act of the City; acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance or requires further permitting and approval; and/or actions or failure to act of native American monitor(s); and, the order of any court.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the City Engineer, may require the Subdivider to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the City Engineer.

5. IMPROVEMENT SECURITY

A. Prior to City's execution of this Agreement, Subdivider shall provide as security to the City:

1. For Performance and Guarantee: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider assures faithful performance under this Agreement and guarantees the Improvements for one year after the completion and acceptance of the applicable portion of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 3 hereof.

2. For Payment: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider guarantees payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

B. If the improvement security is a corporate surety bond and, in the opinion of the City, any surety or sureties thereon become insufficient, because (i) the surety becomes

insolvent; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, or (v) the form of the surety or the amount is found by City to be in error or materially insufficient, the Subdivider shall renew or replace any such surety bond with good and sufficient surety or sureties within thirty (30) days after receiving from City written demand therefor.

C. The amount of security for performance, payment and warranty obligations provided by this section shall not include the cost of monumentation, as required by Government Code Section 66497 so long as a separate cash deposit or security acceptable to the City Engineer for the estimated cost of monumentation has been submitted to the City.

D. Improvement security consisting of corporate surety bonds, in a form accepted by the City Attorney, shall be filed with the City Engineer and then kept on file with the City Clerk. If a corporate surety bond is replaced by another approved bond, the replacement shall be submitted to the City Engineer and, upon filing with the City Clerk, shall be deemed to have been made a part of and incorporated into this Agreement. Upon submission to the City Engineer and then filing with the City Clerk of a replacement bond, the former improvement security shall be released following written approval of the City Engineer.

E. Modifications of the Improvement Plans and related specifications, and modifications of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of the Improvements, shall not relieve or release any improvement security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Subdivider shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements.

F. Subject to any time extensions granted in accordance with Section 4 herein, the Subdivider shall be in default if the Subdivider has not completed all improvements within two years from the Execution Date of the Agreement and has not repaired any defects in the completed Improvements within the one-year guarantee and warranty period.

Alternatively, in the event of a default by the Subdivider pursuant to Section 10, and after written notice to Subdivider and reasonable opportunity to cure, City, at its sole option, shall have the right, without limiting any other rights and/or remedies available to City at law or in equity, to draw upon or utilize the improvement security furnished herewith to construct and install the Improvements itself. If City exercises this right, the release of any unused portion of such improvement security shall be in accordance with the procedures outlined in Section 6 herein, including any retention necessary for the one-year guarantee period.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. All public Improvements (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by a private community

association) shall be first completed, deemed completed by the City Engineer and then accepted as complete by the City prior to release of sureties. All private Improvements (Improvements that are to be owned by a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then accepted as complete in writing by the City Engineer.

B. Partial releases or reductions in the Subdivider's improvement (performance) security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

1. At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the City shall review and comment or approve the completion of the required work within forty-five (45) days. If the City does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed within this 45-day period.

2. Within forty-five (45) days of receipt of the list of remaining work from the local agency, the Subdivider may then provide cost estimates for all remaining work for review and approval by the City. Upon receipt of the cost estimates, the City shall then have forty-five (45) days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for multiple and phased partial releases as it otherwise deems appropriate.

3. If the City approves the cost estimate, the City shall release all performance security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of performance security shall occur when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security unless the City allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the City. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the City receives and approves that form of replacement security. A reduction in the performance security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements in and of itself, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the Subdivider until the applicable required public Improvements have been accepted by the City in writing and all other required improvements have been fully completed in accordance with the plans and specifications for the improvements.

4. The Subdivider shall complete the works of Improvement until all remaining items are accepted by the City.

5. Upon the completion of the Improvements, the Subdivider, or his or her assigns, shall be notified in writing by the City within forty-five (45) days.

6. Within sixty (60) days of the issuance of the notification by the City Engineer, any remaining performance security, except ten percent (10%) of the original amount of the security to guarantee and warrant the Improvements for the one-year guarantee and warranty period, shall be released within sixty (60) days of the issuance of the written statement of completion.

C. Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all stop notice claimants for whom stop notices have been filed with the City, and if no claims have been filed, the security shall be released in full.

D. The partial release provisions of this Section 6 shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within thirty (30) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement (performance) security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have sixty (60) days after receipt of written notice from the Subdivider of the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such improvement security shall be promptly released.

F. In the event the time periods for action by the City specified in this Section conflict with a shorter or longer time period for such actions as provided in Government Code Section 66499.7, the time periods in Government Code Section 66499.7 shall control.

7. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the defective design, construction, functionality, installation assembly or improper

maintenance including, without limitation, the use of defective methods, materials or workmanship (collectively "Subdivider's Faults") of the Improvements by Subdivider, its officers, employees and agents. Subdivider shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults.

B. Subdivider's obligations under this Section 7 are not conditioned or dependent upon whether the City, or its officers, agents and employees, prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City under this Section 7 shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's defective design or defective construction of public drainage systems, streets, and other public facilities or improvements. Except for a City Directive as defined below, the City's acceptance of the Improvements shall not constitute an assumption by the City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Subdivision or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, regardless of any act or omission by the City in approving the Improvement Plans or the Final Map, unless the particular Improvement design was required by the City over the written objection of the Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design (a "City Directive"). After City's acceptance of the Improvements, the Subdivider shall remain obligated to correct or eliminate all dangerous conditions created by defects in design, construction or Subdivider's Faults (other than those required by a City Directive); provided, however, that Subdivider shall not be responsible for routine maintenance as specified in Section 1(F) of this Agreement. Subdivider's indemnity obligations hereunder shall remain in effect for ten (10) years following acceptance of the respective Improvement(s) by the City Council. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the Subdivider's Faults with respect to the Improvements and other work done pursuant to this Agreement, unless same is due to a City Directive. City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements, unless same is due to a City Directive. The Subdivider's improvement security shall not be required to secure the Subdivider's obligations under this subparagraph C beyond the one-year guarantee and warranty period, unless the City Engineer provides notice to Subdivider prior to the expiration of the one-year period of the existence of, or continued existence of, defects in the improvements, in which case the portion of the improvement security to guarantee and warranty the improvements against defective work shall not be released and shall remain in place until the City Engineer provides written confirmation that the defects have been cured and corrected. The indemnity shall be effective retroactively to the earliest recordation date of the Final Map.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City, its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "City and City Personnel") to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided City gives Subdivider prompt written notice of such claim and allows Subdivider to undertake the defense thereof, and provided further that City cooperates in any such suit, action, or other legal proceeding, but shall retain its right to reject a settlement that the City deems, in its sole and absolute discretion, to be contrary to the interests of the City.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against City and City Personnel to the extent of the indemnity above provided.

8. INSURANCE

The following coverages will be provided by Subdivider and maintained on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the construction period, the coverages shown below as "Insurance After Construction." In addition, Subdivider may elect to obtain, for all or any portion of the Project, an "Owner-Controlled Wrap Up" insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word "Subdivider" refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor.

A. Insurance During Construction. Subdivider shall provide the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider's General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to "ongoing operations" or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars ($1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

B. Insurance After Construction. Upon completion of construction of the Improvements, and for the required one-year guarantee and warranty period for Improvements and the required 10-year indemnification period, Subdivider at Subdivider's expense shall maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort by Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance may be excused, subject to City's verification of inability to obtain the required insurance. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 150% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO form CG 20 10 or equivalent if available from the insurer and reasonably acceptable to the City. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City until the warranty period specified in this Agreement expires.

3. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting

date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. Workers Compensation Insurance. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Employer's liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. Business Auto Coverage. Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

C. Provisions Pertaining to Insurance Provided by Subdivider

1. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

3. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

4. None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

5. Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

6. In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any reasonable premium paid by City will be promptly reimbursed by Subdivider.

7. Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability and umbrella liability policies using ISO Form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide copies of any endorsements modifying coverage in any way upon request from City.

8. Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage.

9. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

10. Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit $1,000,000 per occurrence), automobile liability ($1,000,000 per accident) and workers' compensation (statutory benefits). Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

11. Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all agreements with subcontractors or others with whom Subdivider contracts with on behalf of City, and all certificates of insurance

obtained in compliance with this paragraph will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

12. Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

13. Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

14. Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

15. Subdivider agrees not to attempt to avoid its defense and indemnity obligations to City, and its officers, employees, agents by using as a defense Subdivider's statutory immunity under workers' compensation and similar statutes.

16. Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

17. If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

18. Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than $15,000,000 for each occurrence, until the warranty period specified in this Agreement expires.

19. Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than $1,000,000 per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If

Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

20. To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

9. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City. The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City pursuant to Government Code Section 66477.2 and recorded with the County Recorder or by other writing.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps reasonably necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City in writing, each Improvement and Improvement area that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

10. PREPARATION AND RECORDATION OF CC&RS.

A. The Subdivider shall establish a Homeowners Association for the residential areas of the Final Map owned by Subdivider, and to pay all costs associated with the creation of the associations.

B. The Subdivider shall prepare and record Covenants, Conditions, and Restrictions (CC&Rs) which obligate each homeowners association to provide for maintenance of the shared facilities, improvements, and landscaping within the boundaries of the associations in perpetuity in accordance with the Development Agreement and conditions of approval. The CC&Rs shall describe the homeowners association and the City's responsibilities and rights, and shall be subject to the approval of the City prior to recordation.

C. The Subdivider shall implement applicable provisions of the Mitigation Monitoring and Reporting Program.

11. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to complete construction and installation of the Improvements or any of them by the completion date set forth above in the Subdivision Reference Data;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the one-year guarantee and warranty period as required by Section 3.A or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following receipt by Subdivider of written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work of the Improvements or any of them, after commencement of work on same, for a period of thirty (30) days after Subdivider's receipt of written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after receipt by Subdivider of written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after receipt by Subdivider of written notice thereof from the City.

B. City reserves to itself all remedies available to it at law or in equity for any breach of Subdivider's obligations under this Agreement. City shall have the right, without limitation of other rights or remedies, after written notice to Subdivider and a reasonable opportunity for Subdivider to cure any such alleged default, to draw upon or utilize any improvement security furnished hereunder to complete the Improvements or otherwise mitigate City's damages in the event of Subdivider's default.

C. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may serve written notice of any such default upon the surety on any corporate surety bond furnished as improvement security hereunder, and request that said surety take over and complete the Improvements herein specified. If such surety, within thirty (30) days after service of such notice of default, does not give the City

written notice of its intention to perform this Agreement, or does not commence such performance within thirty (30) days after notice to the City of such intention to perform, the City may take over the work and prosecute the same to completion, by contract or by any other method the City deems advisable, for the account and at the expense of the Subdivider and its surety.

D. Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

E. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the performance of the work. Subdivider hereby consents to such entry by the City and its representatives, including contractors, following written notice to Subdivider upon the real property in the Subdivision owned by Subdivider and necessary for City to enter or access under this Agreement, in the event the City elects to maintain or complete the work on the Improvements following Subdivider's default.

F. Subdivider acknowledges and agrees that approval of the Final Map for the Subdivision conferred substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by Subdivider.

G. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

H. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, and is the prevailing party, Subdivider agrees to pay all reasonable attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

12. RELATIONSHIP OF THE PARTIES

Neither Subdivider, nor any of Subdivider's contractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

13. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City in accordance with the Development Agreement. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Subdivider of its obligations hereunder. If Subdivider intends to sell the Subdivision, or any portion thereof (except for the sale of individual lots with homes to individual purchasers), to any other person or entity, the Subdivider may request an assignment or novation of this Agreement and a substitution of improvement security. Upon the City's approval of the assignment or novation and substitution of improvement security, the Subdivider may request a release or reduction of the improvement security furnished pursuant to this Agreement.

14. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the City:	Art Vela Director of Public Works/City Engineer City of Banning 99 E. Ramsey Drive Banning, California 92220
If to the Subdivider:	To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if mailed, three (3) days after the date of deposit in the United States Mail.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the City Engineer.

16. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

17. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data and the Recitals are incorporated into this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

19. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

[Note: All signatures must be acknowledged by a notary public and the acknowledgement must be attached. If signed by a Corporation, the signatures of two Corporate officers are required, unless a resolution of the Corporation's Board of Directors is provided indicating that the signature of the one signatory is sufficient to bind the Corporation.]

SUBDIVIDER

By: _____
Print Name: Michael C. Taylor
Title: Division President

Date: 5.19.25

CITY

CITY OF BANNING

_____
MAYOR

ATTEST:

_____ (SEAL)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 05/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

CITY CLERK

Approved as to form:

_____

CITY ATTORNEY

BOND NO.:CMS0359923
PREMIUM: $2,234.00

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Street))
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Street)); and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and RLI INSURANCE COMPANY, as Surety, are held and firmly bound unto the City in the penal sum of Five hundred ninety five thousand eight hundred sixty dollars and eighty eight cents Dollars ($595,860.88), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.19.25

"SURETY"

RLI INSURANCE COMPANY
(Type name of Surety)

9025 N. LINDBERGH DRIVE
(Street Address)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 05/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

PEORIA IL 61615
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

SARAH CAMPBELL, ATTORNEY-IN-FACT
(Title of officer)

Date: MAY 15, 2025

APPROVED:

_____
City Attorney

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of LOS ANGELES

On MAY 15 2025 *Date* before me, CHASE AUSTIN SEYFORTH, NOTARY PUBLIC *Here Insert Name and Title of the Officer*,

personally appeared SARAH CAMPBELL *Name(s) of Signer(s)*,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CHASE AUSTIN SEYFORTH
Notary Public - California
Los Angeles County
Commission # 2469380
My Comm. Expires Nov 2, 2027

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public
CHASE AUSTIN SEYFORTH, NOTARY PUBLIC

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____

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POWER OF ATTORNEY

RLI Insurance Company
Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Janina Monroe, Michelle Haase, Jennifer Ochs, Sarah Campbell, Rhonda Larson, Charles R. Teter, III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Rachel A. Mullen, Sandra Corona, Alysha Mendoza, Jaren A Marx, MB Neely, Chase Seyforth, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed Twenty Five Million Dollars ($25,000,000.00) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

> "All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Sr. Vice President with its corporate seal affixed this 26th day of July, 2024.

CONTRACTORS BONDING AND INSURANCE COMPANY — CORPORATE SEAL — ILLINOIS

RLI INSURANCE COMPANY — CORPORATE SEAL — ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Eric Raudins
Eric Raudins — Sr. Vice President

State of Illinois
County of Peoria } SS

On this 26th day of July, 2024, before me, a Notary Public, personally appeared Eric Raudins, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Jill A. Scott
Jill A. Scott — Notary Public

NOTARY PUBLIC STATE OF OHIO

JILL A SCOTT
Notary Public
State of Ohio
My Comm. Expires
September 22, 2025

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15TH day of MAY, 2025.

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Jeffrey D Fick
Jeffrey D Fick — Corporate Secretary

BOND NO.: CMS0359923
PREMIUM: SEE PERFORMANCE BOND

CITY OF BANNING

PAYMENT BOND

Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Street))
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD Inc.,
(hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell TR 37389-1 Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Street))
; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and RLI INSURANCE COMPANY, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of Five hundred ninety five thousand eight hundred sixty dollars and eighty eight cents Dollars ($595,860.88), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of Officer)

Date: 5·19·25

"SURETY"

RLI INSURANCE COMPANY
(Type name of Surety)

9025 N. LINDBERGH DRIVE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 05/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

(Street Address)

PEORIA IL 61615
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

SARAH CAMPBELL, ATTORNEY-IN-FACT
(Title of officer)

Date: MAY 15, 2025

APPROVED:

_____
City Attorney

CALIFORNIA ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of LOS ANGELES

On MAY 15 2025 *Date* before me, CHASE AUSTIN SEYFORTH, NOTARY PUBLIC *Here Insert Name and Title of the Officer*,

personally appeared SARAH CAMPBELL *Name(s) of Signer(s)*,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

CHASE AUSTIN SEYFORTH
Notary Public - California
Los Angeles County
Commission # 2469380
My Comm. Expires Nov 2, 2027

Place Notary Seal and/or Stamp Above

Signature _____
Signature of Notary Public
CHASE AUSTIN SEYFORTH, NOTARY PUBLIC

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____

©2019 National Notary Association

POWER OF ATTORNEY

RLI Insurance Company
Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Janina Monroe, Michelle Haase, Jennifer Ochs, Sarah Campbell, Rhonda Larson, Charles R. Teter, III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Rachel A. Mullen, Sandra Corona, Alysha Mendoza, Jaren A Marx, MB Neely, Chase Seyforth, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed **Twenty Five Million** Dollars (**$25,000,000.00**) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

> "All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Sr. Vice President with its corporate seal affixed this 26th day of July, 2024.

CONTRACTORS BONDING AND INSURANCE COMPANY — CORPORATE SEAL — ILLINOIS

RLI INSURANCE COMPANY — CORPORATE SEAL — ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

By: _____
Eric Raudins — Sr. Vice President

State of Illinois
County of Peoria } SS

On this 26th day of July, 2024, before me, a Notary Public, personally appeared Eric Raudins, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: _____
Jill A. Scott — Notary Public

NOTARY PUBLIC STATE OF OHIO

JILL A SCOTT
Notary Public
State of Ohio
My Comm. Expires
September 22, 2025

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15TH day of MAY, 2025.

RLI Insurance Company
Contractors Bonding and Insurance Company

By: _____
Jeffrey D Fick — Corporate Secretary

BOND NO.: CMS0359924
PREMIUM: $297.00

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Sewer, Water))
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, INC. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Sewer, Water)); and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and RLI INSURANCE COMPANY, as Surety, are held and firmly bound unto the City in the penal sum of Seventy nine thousand two hundred and fifty one dollars and eighty five cents. Dollars ($79,251.85), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.19.25

"SURETY"

RLI INSURANCE COMPANY
(Type name of Surety)

9025 N. LINDBERGH DRIVE
(Street Address)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

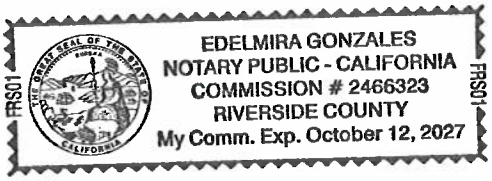
On 05/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Edelmira Gonzales (Seal)



PEORIA IL 61615
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

SARAH CAMPBELL, ATTORNEY-IN-FACT
(Title of officer)

Date: MAY 15, 2025

APPROVED:

_____
City Attorney

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of LOS ANGELES

On MAY 15 2025 *Date* before me, CHASE AUSTIN SEYFORTH, NOTARY PUBLIC *Here Insert Name and Title of the Officer*,

personally appeared SARAH CAMPBELL *Name(s) of Signer(s)*,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CHASE AUSTIN SEYFORTH
Notary Public - California
Los Angeles County
Commission # 2469380
My Comm. Expires Nov 2, 2027

Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ *Signature of Notary Public*
CHASE AUSTIN SEYFORTH, NOTARY PUBLIC

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name:	Signer's Name:
☐ Corporate Officer – Title(s):	☐ Corporate Officer – Title(s):
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other:	☐ Other:
Signer is Representing:	Signer is Representing:

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POWER OF ATTORNEY

RLI Insurance Company
Contractors Bonding and Insurance Company
9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Janina Monroe, Michelle Haase, Jennifer Ochs, Sarah Campbell, Rhonda Larson, Charles R. Teter, III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Rachel A. Mullen, Sandra Corona, Alysha Mendoza, Jaren A Marx, MB Neely, Chase Seyforth, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed Twenty Five Million Dollars ($25,000,000.00) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

> "All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Sr. Vice President with its corporate seal affixed this 26th day of July, 2024.

CONTRACTORS BONDING AND INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Eric Raudins
Eric Raudins — Sr. Vice President

State of Illinois
County of Peoria } SS

On this 26th day of July, 2024, before me, a Notary Public, personally appeared Eric Raudins, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Jill A Scott
Jill A. Scott — Notary Public

JILL A SCOTT
Notary Public
State of Ohio
My Comm. Expires
September 22, 2025

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15TH day of MAY, 2025.

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Jeffrey D Fick
Jeffrey D Fick — Corporate Secretary

BOND NO.: CMS0359924
PREMIUM: SEE PERFORMANCE BOND

CITY OF BANNING

PAYMENT BOND

Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Sewer, Water))
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell TR 37389-1 (Wilson Widening @ Smith Creek (Sewer, Water)) payment bond; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and RLI INSURANCE COMPANY, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of Seventy nine thousand two hundred and fifty one dollars and eighty five cents. Dollars ($79,251.85), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc
(Type name of Principal)

1250 Corona Pointe Court Suite 600

(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5-19-25

"SURETY"

RLI INSURANCE COMPANY
(Type name of Surety)

ACKNOWLEDGMENT

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State of California
County of Riverside)

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(insert name and title of the officer)

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EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

9025 N. LINDBERGH DRIVE
(Street Address)

PEORIA IL 61615
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

SARAH CAMPBELL, ATTORNEY-IN-FACT
(Title of officer)

Date: MAY 15, 2025

APPROVED:

_____
City Attorney

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

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State of California
County of LOS ANGELES

On MAY 15 2025 *Date* before me, CHASE AUSTIN SEYFORTH, NOTARY PUBLIC *Here Insert Name and Title of the Officer*,

personally appeared SARAH CAMPBELL *Name(s) of Signer(s)*,

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CHASE AUSTIN SEYFORTH
Notary Public - California
Los Angeles County
Commission # 2469380
My Comm. Expires Nov 2, 2027

Place Notary Seal and/or Stamp Above

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WITNESS my hand and official seal.

Signature _____
Signature of Notary Public
CHASE AUSTIN SEYFORTH, NOTARY PUBLIC

OPTIONAL

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Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____

©2019 National Notary Association

POWER OF ATTORNEY

RLI Insurance Company
Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

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in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed **Twenty Five Million** Dollars (**$25,000,000.00**) for any single obligation.

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IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Sr. Vice President with its corporate seal affixed this 26th day of July, 2024.

CONTRACTORS BONDING AND INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Eric Raudins
Eric Raudins — Sr. Vice President

State of Illinois
County of Peoria } SS

On this 26th day of July, 2024, before me, a Notary Public, personally appeared Eric Raudins, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Jill A. Scott
Jill A. Scott — Notary Public

JILL A SCOTT
Notary Public
State of Ohio
My Comm. Expires
September 22, 2025

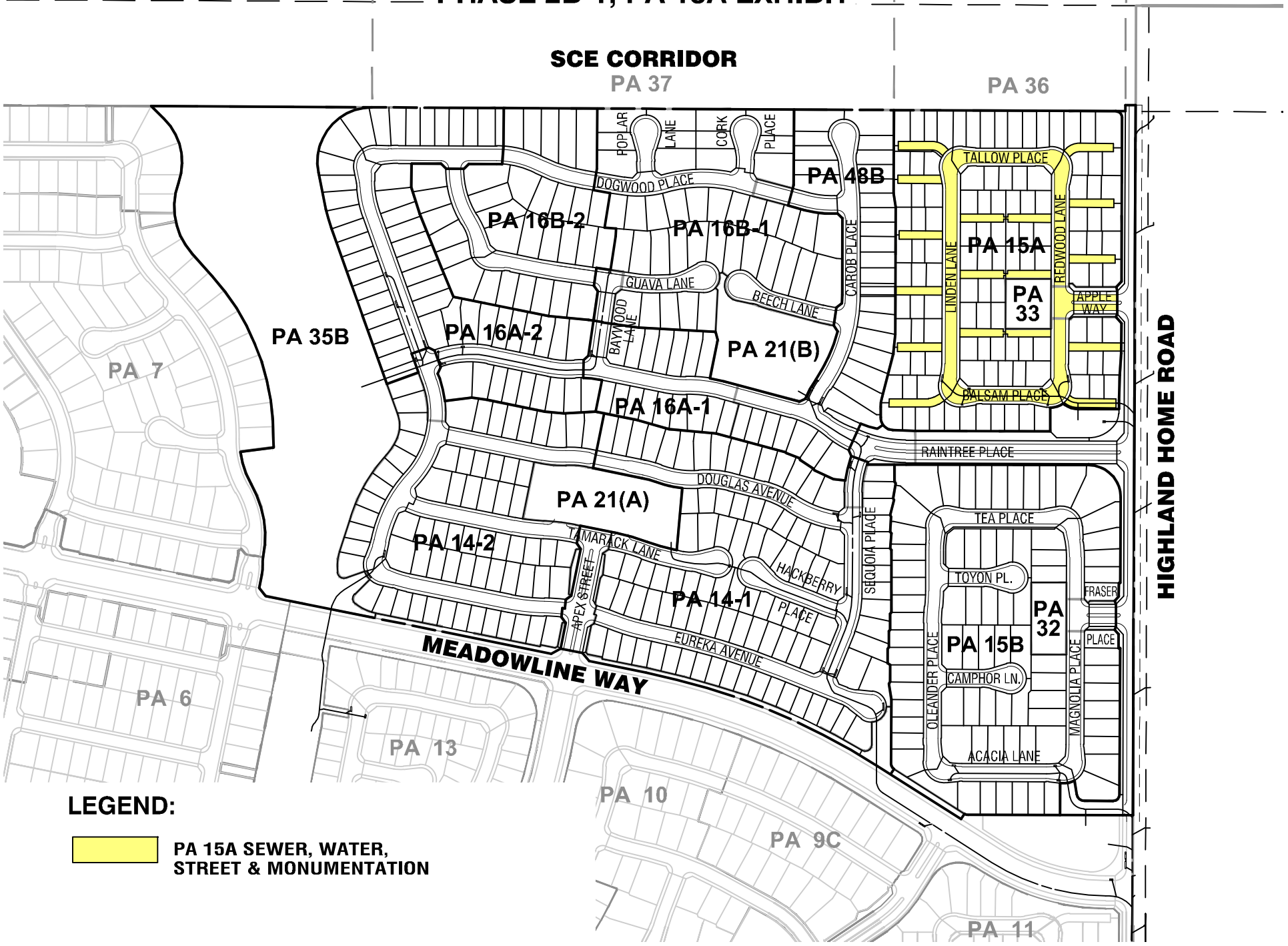
CERTIFICATE

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15TH day of MAY, 2025.

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Jeffrey D Fick
Jeffrey D Fick — Corporate Secretary

PHASE 2B-1, PA 15A EXHIBIT



LEGEND:

PA 15A SEWER, WATER, STREET & MONUMENTATION

CITY OF BANNING

SUBDIVISION IMPROVEMENT AGREEMENT

* * * * * * SUBDIVISION REFERENCE DATA * * * * * *

[X] FINAL TRACT MAP NO. 37388-3 ("Final Map" herein)

[ ] PARCEL MAP NO. _____("Parcel Map" herein)

NAME OR TRACT NUMBER OF SUBDIVISION ("Subdivision" herein): ATWELL – 37388-3 PA15A

NAME AND ADDRESS OF SUBDIVIDER(S): TRI POINTE HOMES, IE-SD
1250 CORONA POINTE CT, #600

CORONA, CA 92879

CITY COUNCIL RESOLUTION OF APPROVAL NO. _____ ("Resolution of Approval" herein)

DATE(S) THAT IMPROVEMENT PLANS WERE APPROVED BY THE CITY ENGINEER: See dates below

IMPROVEMENT/PLAN NO.:
Street Imp Plans – Approved 11/2023
Water Imp Plans – Approved 11/2023
Sewer Imp Plans – Approved 11/2023

ESTIMATED TOTAL COSTS:

IMPROVEMENTS	$ 2,823,696.88
GRADING	$_____
MONUMENTATION	$ 44,722.50
TOTAL:	$ 2,868,419.38

FORM OF IMPROVEMENT SECURITY:

[X] AAA Corporate surety bonds

[ ] Deposit of money

NAME AND ADDRESS OF CORPORATE SURETY (if applicable):

The Continental Insurance Company
(Name of Corporate Entity)

2 Park Plaza, Suite 400
(Street Address)

Irvine CA 92614
(City) (State) (Zip)

SURETY BOND NUMBERS (if applicable):

Street Bond#30202734

Water Bond#30202735

Sewer Bond#30202736

Monumentation Bond#30202737

EFFECTIVE DATE OF AGREEMENT:

(to be inserted by City)

COMPLETION PERIOD: All improvements of Tract _37388-3____ ~~(including the complete water and sewer system in _____ Street) with the exception of the roadway (street) improvements on _____ Street~~, shall be completed within two years from the Effective Date of the Agreement. _____ ~~Street roadway (street) construction (so that _____ Street is a continuous route from _____ to _____) shall be constructed prior to the Certificate of Occupancy for development of lots ____ and ____ of Tract _____~~.

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SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Banning, a municipal corporation ("City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation a Final Map, identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations as such ordinances and regulations are vested under the development agreement recorded in the official records of the County of Riverside on July 17, 2012 as Document No. 2012-0332888 ("Development Agreement") relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A tentative map of the Subdivision was previously approved by City, subject to the Subdivision Laws and to the City's standard requirements as vested under the Development Agreement and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with applicable City standards, all of the improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the improvements and land development work within a period of time specified by the City.

D. In consideration of approval of the Final Map for the Subdivision by the City Council, Subdivider desires to enter into this Agreement whereby Subdivider promises to install and complete, at its sole expense, except as otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, all public improvement work required by the City as set forth on the Improvement Plans (as defined below) for the proposed Subdivision. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City. In any conflict between the terms in this Agreement and the Development Agreement, the Development Agreement shall be the controlling document.

E. Improvement Plans, and related specifications, numbered as designated above in the Subdivision Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Subdivider, approved by the City Engineer, and are on file in the office of the City Engineer. Said Improvement Plans, and related specifications, subsequently modified by the mutual written agreement of the parties, are hereby referred to as the "Improvement Plans" and are incorporated herein by this reference.

Any improvement to be constructed pursuant to the Improvement Plan is hereby referred to individually as an "**Improvement**" and collectively as the "**Improvements**".

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, Subdivider and City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, conditions of approval of the Tentative Map, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee (as set forth in Section 3) the Improvements, Grading, and Monumentation described on the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the City Engineer, the Subdivider shall acquire and dedicate, or pay the reasonable, documented cost of acquisition by City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. If the Subdivider is unable to acquire such rights-of-way, easements and other interests in real property by negotiation, then Subdivider shall, within 120 days of Final Map approval, enter into a condemnation agreement with City pursuant to Government Code Section 66462.5, by which the City will commence the process for the acquisition of the rights-of-way, easements or other real property.

C. Subject to any time extensions granted in accordance with Section 4, Subdivider shall complete all Improvements within its respective "Completion Period" specified in the Subdivision Reference Data; provided, however, that if the City Engineer reasonably determines in good faith that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, the City Engineer shall give Subdivider not less than fifteen (15) business days' prior written notice to commence or accelerate installation and construction of such Improvements, or any portion thereof. The notice shall be in writing, and shall describe the work to be done by Subdivider, the time within which the work will commence, the period within which the work will be completed and identify the reasons that such early commencement is essential in order to protect the public health, welfare and safety. All or any portions of said Improvements may be required to be constructed or completed at a specified time, providing the foregoing criteria is met. If the Subdivider objects to the commencement or acceleration of the Improvements as specified by the City Engineer, Subdivider may appeal the decision of the City Engineer to the City Council. Any such appeal shall be filed with the City Clerk within 10 days after receipt by Subdivider of the written notice from the City Engineer.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 2. As used herein,

"monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the City Engineer of tie notes for said points.

E. Subdivider shall , at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, replace or repair all public improvements, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work performed by Subdivider under this Agreement during or after the Completion Period. Any such replacement or repair shall be subject to the approval of the City Engineer.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the applicable portion of the Improvements until the latter of the following time periods: (i) the Improvements or applicable portion thereof is accepted in writing by the City; or (ii) the expiration of the required one-year guarantee and warranty period as specified herein; or (iii) the expiration of any applicable period of time requiring the care, repair and maintenance of the applicable Improvement specified in the Development Agreement (not including the term of any Development Agreement). Neither City, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements and that may result from the construction of the Improvements prior to their completion and written acceptance by the City

G. In addition to, and separate from: (1) the indemnity obligations contained in Section 7 of this Agreement, (2) the care, repair and maintenance provisions under paragraph E of this Section 1 of this Agreement; and (3) the warranty and guarantee provisions of Section 3 of this Agreement, Subdivider shall repair and correct, or be liable to the City for any cost to repair and correct, any defect in the construction of the Improvements that is identified by City within in accordance with general construction defect law ten (10) years after City's acceptance of the Improvement, provided the City provides written notice to Subdivider of the existence of the defect within that the time period under law, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of Subdivider. Nothing contained in this paragraph is intended to limit or otherwise waive any right or cause of action under applicable construction defect law that City may assert against Subdivider.

H. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all applicable fees required by City ordinance or resolution and all taxes required by law.

I. Not less than seven (7) days prior to commencement of work on the Improvements, Subdivider shall give written notice to the City Engineer of the date fixed for such commencement of work in order that the City Engineer shall have adequate time to schedule all necessary inspections.

J. SUBDIVIDER shall pay all applicable City fees and costs stipulated in the latest fee resolution as adopted by the City Council from time to time as required for the development of the SUBDIVISION including but not limited to the following:

1. Building Permit Fees --- to be paid at the time of building permit issuance;

2. Final Map Plan Check Fees --- to be paid at time of submittal of final map for plan check and resubmittal of revised final map for plan check;

3. Final Map Moratorium Fees --- to be paid from cash deposit established at time of filing final map;

4. Plan Check and Review Fees --- to be paid from cash deposit established at time of filing improvement plans for plan check;

5. Encroachment Permit Fees --- to be paid at time of application for encroachment permit;

6. Inspection Fees --- to be paid from cash deposit established at time of construction permit issuance; and

7. Grading Permit Fee --- to be paid from cash deposit established at time of grading permit issuance.

K. Subdivider shall provide City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Tentative Tract Map Conditions of Approval, and shall provide electronic image files of those final Record Drawings consistent with electronic image file size and type specifications of the City prior to the acceptance of improvements and release of bonds or other security.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the City Engineer and other City personnel and inspection consultants.

B. Upon completion of the work on all or any category of the Improvements, the Subdivider may request a final inspection by the City Engineer. Within forty-five (45) days of receipt of the written letter request, the City Engineer shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the City Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the City Engineer shall acknowledge that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City (Improvements within City right of way and property for public use), the City Engineer's determination shall be

submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and determination of completeness in accordance with City's formally adopted and applicable fees and rates.

C. Acceptance of all or any specified category of the Improvements by the City Council shall be made upon recommendation and certification of the City Engineer following inspection of said Improvements pursuant to subparagraph B above. The City Council shall act upon the City Engineer's recommendation that such public Improvements have been completed unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. Acceptance by the City or by the governing body of the entity that is to accept dedication or ownership of the public improvements shall not constitute a waiver by the City or such other public entity of any defects in the public Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following acceptance by the City of the applicable Improvements specified in Schedule A, any Improvements or part of any Improvements specified in Section A furnished, installed or constructed by the Subdivider, or any of the work performed under this Agreement by Subdivider, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans and related specifications, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Subdivider's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one year.

B. Should the Subdivider fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction and draw upon the Subdivider's improvement security to reimburse itself for the costs incurred. If the Subdivider's improvement security does not cover the total cost of such repair, replacement, or reconstruction, the Subdivider shall reimburse the City for any excess costs incurred.

C. The security furnished for the faithful performance of the Subdivider's obligation to construct and install the Improvements described herein shall include the Subdivider's liability and obligation hereunder to provide the one-year guarantee and warranty of the Improvements.

4. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause therefor, the duration of the Completion Period for the Improvements (or any of them) may be extended by the City Engineer in writing. As used herein, "good cause" may include, without limitation, delay resulting from, arising out of or relating to an act of the City; acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance or requires further permitting and approval; and/or actions or failure to act of native American monitor(s); and, the order of any court.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the City Engineer, may require the Subdivider to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the City Engineer.

5. IMPROVEMENT SECURITY

A. Prior to City's execution of this Agreement, Subdivider shall provide as security to the City:

1. For Performance and Guarantee: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider assures faithful performance under this Agreement and guarantees the Improvements for one year after the completion and acceptance of the applicable portion of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 3 hereof.

2. For Payment: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider guarantees payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

B. If the improvement security is a corporate surety bond and, in the opinion of the City, any surety or sureties thereon become insufficient, because (i) the surety becomes

insolvent; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, or (v) the form of the surety or the amount is found by City to be in error or materially insufficient, the Subdivider shall renew or replace any such surety bond with good and sufficient surety or sureties within thirty (30) days after receiving from City written demand therefor.

C. The amount of security for performance, payment and warranty obligations provided by this section shall not include the cost of monumentation, as required by Government Code Section 66497 so long as a separate cash deposit or security acceptable to the City Engineer for the estimated cost of monumentation has been submitted to the City.

D. Improvement security consisting of corporate surety bonds, in a form accepted by the City Attorney, shall be filed with the City Engineer and then kept on file with the City Clerk. If a corporate surety bond is replaced by another approved bond, the replacement shall be submitted to the City Engineer and, upon filing with the City Clerk, shall be deemed to have been made a part of and incorporated into this Agreement. Upon submission to the City Engineer and then filing with the City Clerk of a replacement bond, the former improvement security shall be released following written approval of the City Engineer.

E. Modifications of the Improvement Plans and related specifications, and modifications of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of the Improvements, shall not relieve or release any improvement security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Subdivider shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements.

F. Subject to any time extensions granted in accordance with Section 4 herein, the Subdivider shall be in default if the Subdivider has not completed all improvements within two years from the Execution Date of the Agreement and has not repaired any defects in the completed Improvements within the one-year guarantee and warranty period.

Alternatively, in the event of a default by the Subdivider pursuant to Section 10, and after written notice to Subdivider and reasonable opportunity to cure, City, at its sole option, shall have the right, without limiting any other rights and/or remedies available to City at law or in equity, to draw upon or utilize the improvement security furnished herewith to construct and install the Improvements itself. If City exercises this right, the release of any unused portion of such improvement security shall be in accordance with the procedures outlined in Section 6 herein, including any retention necessary for the one-year guarantee period.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. All public Improvements (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by a private community

association) shall be first completed, deemed completed by the City Engineer and then accepted as complete by the City prior to release of sureties. All private Improvements (Improvements that are to be owned by a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then accepted as complete in writing by the City Engineer.

B. Partial releases or reductions in the Subdivider's improvement (performance) security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

1. At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the City shall review and comment or approve the completion of the required work within forty-five (45) days. If the City does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed within this 45-day period.

2. Within forty-five (45) days of receipt of the list of remaining work from the local agency, the Subdivider may then provide cost estimates for all remaining work for review and approval by the City. Upon receipt of the cost estimates, the City shall then have forty-five (45) days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for multiple and phased partial releases as it otherwise deems appropriate.

3. If the City approves the cost estimate, the City shall release all performance security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of performance security shall occur when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security unless the City allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the City. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the City receives and approves that form of replacement security. A reduction in the performance security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements in and of itself, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the Subdivider until the applicable required public Improvements have been accepted by the City in writing and all other required improvements have been fully completed in accordance with the plans and specifications for the improvements.

4. The Subdivider shall complete the works of Improvement until all remaining items are accepted by the City.

5. Upon the completion of the Improvements, the Subdivider, or his or her assigns, shall be notified in writing by the City within forty-five (45) days.

6. Within sixty (60) days of the issuance of the notification by the City Engineer, any remaining performance security, except ten percent (10%) of the original amount of the security to guarantee and warrant the Improvements for the one-year guarantee and warranty period, shall be released within sixty (60) days of the issuance of the written statement of completion.

C. Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all stop notice claimants for whom stop notices have been filed with the City, and if no claims have been filed, the security shall be released in full.

D. The partial release provisions of this Section 6 shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within thirty (30) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement (performance) security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have sixty (60) days after receipt of written notice from the Subdivider of the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such improvement security shall be promptly released.

F. In the event the time periods for action by the City specified in this Section conflict with a shorter or longer time period for such actions as provided in Government Code Section 66499.7, the time periods in Government Code Section 66499.7 shall control.

7. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the defective design, construction, functionality, installation assembly or improper

maintenance including, without limitation, the use of defective methods, materials or workmanship (collectively "Subdivider's Faults") of the Improvements by Subdivider, its officers, employees and agents. Subdivider shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults.

B. Subdivider's obligations under this Section 7 are not conditioned or dependent upon whether the City, or its officers, agents and employees, prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City under this Section 7 shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's defective design or defective construction of public drainage systems, streets, and other public facilities or improvements. Except for a City Directive as defined below, the City's acceptance of the Improvements shall not constitute an assumption by the City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Subdivision or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, regardless of any act or omission by the City in approving the Improvement Plans or the Final Map, unless the particular Improvement design was required by the City over the written objection of the Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design (a "City Directive"). After City's acceptance of the Improvements, the Subdivider shall remain obligated to correct or eliminate all dangerous conditions created by defects in design, construction or Subdivider's Faults (other than those required by a City Directive); provided, however, that Subdivider shall not be responsible for routine maintenance as specified in Section 1(F) of this Agreement. Subdivider's indemnity obligations hereunder shall remain in effect for ten (10) years following acceptance of the respective Improvement(s) by the City Council. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the Subdivider's Faults with respect to the Improvements and other work done pursuant to this Agreement, unless same is due to a City Directive. City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements, unless same is due to a City Directive. The Subdivider's improvement security shall not be required to secure the Subdivider's obligations under this subparagraph C beyond the one-year guarantee and warranty period, unless the City Engineer provides notice to Subdivider prior to the expiration of the one-year period of the existence of, or continued existence of, defects in the improvements, in which case the portion of the improvement security to guarantee and warranty the improvements against defective work shall not be released and shall remain in place until the City Engineer provides written confirmation that the defects have been cured and corrected. The indemnity shall be effective retroactively to the earliest recordation date of the Final Map.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City, its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "City and City Personnel") to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided City gives Subdivider prompt written notice of such claim and allows Subdivider to undertake the defense thereof, and provided further that City cooperates in any such suit, action, or other legal proceeding, but shall retain its right to reject a settlement that the City deems, in its sole and absolute discretion, to be contrary to the interests of the City.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against City and City Personnel to the extent of the indemnity above provided.

8. INSURANCE

The following coverages will be provided by Subdivider and maintained on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the construction period, the coverages shown below as "Insurance After Construction." In addition, Subdivider may elect to obtain, for all or any portion of the Project, an "Owner-Controlled Wrap Up" insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word "Subdivider" refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor.

A. Insurance During Construction. Subdivider shall provide the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider's General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to "ongoing operations" or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars ($1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

B. Insurance After Construction. Upon completion of construction of the Improvements, and for the required one-year guarantee and warranty period for Improvements and the required 10-year indemnification period, Subdivider at Subdivider's expense shall maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort by Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance may be excused, subject to City's verification of inability to obtain the required insurance. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 150% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO form CG 20 10 or equivalent if available from the insurer and reasonably acceptable to the City. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City until the warranty period specified in this Agreement expires.

3. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting

date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. Workers Compensation Insurance. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Employer's liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. Business Auto Coverage. Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

C. Provisions Pertaining to Insurance Provided by Subdivider

1. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

3. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

4. None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

5. Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

6. In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any reasonable premium paid by City will be promptly reimbursed by Subdivider.

7. Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability and umbrella liability policies using ISO Form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide copies of any endorsements modifying coverage in any way upon request from City.

8. Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage.

9. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

10. Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit $1,000,000 per occurrence), automobile liability ($1,000,000 per accident) and workers' compensation (statutory benefits). Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

11. Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all agreements with subcontractors or others with whom Subdivider contracts with on behalf of City, and all certificates of insurance

obtained in compliance with this paragraph will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

12. Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

13. Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

14. Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

15. Subdivider agrees not to attempt to avoid its defense and indemnity obligations to City, and its officers, employees, agents by using as a defense Subdivider's statutory immunity under workers' compensation and similar statutes.

16. Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

17. If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

18. Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than $15,000,000 for each occurrence, until the warranty period specified in this Agreement expires.

19. Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than $1,000,000 per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If

Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

20. To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

9. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City. The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City pursuant to Government Code Section 66477.2 and recorded with the County Recorder or by other writing.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps reasonably necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City in writing, each Improvement and Improvement area that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

10. PREPARATION AND RECORDATION OF CC&RS.

A. The Subdivider shall establish a Homeowners Association for the residential areas of the Final Map owned by Subdivider, and to pay all costs associated with the creation of the associations.

B. The Subdivider shall prepare and record Covenants, Conditions, and Restrictions (CC&Rs) which obligate each homeowners association to provide for maintenance of the shared facilities, improvements, and landscaping within the boundaries of the associations in perpetuity in accordance with the Development Agreement and conditions of approval. The CC&Rs shall describe the homeowners association and the City's responsibilities and rights, and shall be subject to the approval of the City prior to recordation.

C. The Subdivider shall implement applicable provisions of the Mitigation Monitoring and Reporting Program.

11. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to complete construction and installation of the Improvements or any of them by the completion date set forth above in the Subdivision Reference Data;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the one-year guarantee and warranty period as required by Section 3.A or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following receipt by Subdivider of written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work of the Improvements or any of them, after commencement of work on same, for a period of thirty (30) days after Subdivider's receipt of written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after receipt by Subdivider of written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after receipt by Subdivider of written notice thereof from the City.

B. City reserves to itself all remedies available to it at law or in equity for any breach of Subdivider's obligations under this Agreement. City shall have the right, without limitation of other rights or remedies, after written notice to Subdivider and a reasonable opportunity for Subdivider to cure any such alleged default, to draw upon or utilize any improvement security furnished hereunder to complete the Improvements or otherwise mitigate City's damages in the event of Subdivider's default.

C. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may serve written notice of any such default upon the surety on any corporate surety bond furnished as improvement security hereunder, and request that said surety take over and complete the Improvements herein specified. If such surety, within thirty (30) days after service of such notice of default, does not give the City

written notice of its intention to perform this Agreement, or does not commence such performance within thirty (30) days after notice to the City of such intention to perform, the City may take over the work and prosecute the same to completion, by contract or by any other method the City deems advisable, for the account and at the expense of the Subdivider and its surety.

D. Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

E. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the performance of the work. Subdivider hereby consents to such entry by the City and its representatives, including contractors, following written notice to Subdivider upon the real property in the Subdivision owned by Subdivider and necessary for City to enter or access under this Agreement, in the event the City elects to maintain or complete the work on the Improvements following Subdivider's default.

F. Subdivider acknowledges and agrees that approval of the Final Map for the Subdivision conferred substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by Subdivider.

G. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

H. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, and is the prevailing party, Subdivider agrees to pay all reasonable attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

12. RELATIONSHIP OF THE PARTIES

Neither Subdivider, nor any of Subdivider's contractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

13. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City in accordance with the Development Agreement. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Subdivider of its obligations hereunder. If Subdivider intends to sell the Subdivision, or any portion thereof (except for the sale of individual lots with homes to individual purchasers), to any other person or entity, the Subdivider may request an assignment or novation of this Agreement and a substitution of improvement security. Upon the City's approval of the assignment or novation and substitution of improvement security, the Subdivider may request a release or reduction of the improvement security furnished pursuant to this Agreement.

14. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the City:	Art Vela Director of Public Works/City Engineer City of Banning 99 E. Ramsey Drive Banning, California 92220
If to the Subdivider:	To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if mailed, three (3) days after the date of deposit in the United States Mail.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the City Engineer.

16. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

17. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data and the Recitals are incorporated into this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

19. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

[Note: All signatures must be acknowledged by a notary public and the acknowledgement must be attached. If signed by a Corporation, the signatures of two Corporate officers are required, unless a resolution of the Corporation's Board of Directors is provided indicating that the signature of the one signatory is sufficient to bind the Corporation.]

SUBDIVIDER

By: _____
Print Name: Michael C. Taylor
Title: Division President

Date: 10/30/23

CITY

CITY OF BANNING

_____
MAYOR

ATTEST:

_____ (SEAL)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

CITY CLERK

Approved as to form:

_____

CITY ATTORNEY

[This page for acknowledgments.]

Bond No. 30202734
Premium: $3,885 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell - Tract No. 37388-3 - PA 15A - Street
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Street Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of One Million Forty-Nine Thousand Nine Hundred Thirty-Six and 93/100 Dollars ($ 1,049,936.93), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On _____ before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

_____
(Title or description of attached document)

_____
(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202734
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell - Tract No. 37388-3 - PA 15A - Street
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Street Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($1,049,936.93), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

One Million Forty-Nine Thousand Nine Hundred Thirty-Six and 93/100 Dollars

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California . }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date ____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202735
Premium: $4,155 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell - Tract No. 37388-3 - PA 15A - Water and Non-Potable
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Water and Non-Potable Improvements _____; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of One Million One Hundred Twenty-Three Thousand Twenty-Three and 72/100 Dollars ($ 1,123,023.72), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202735
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell - Tract No. 37388-3 - PA 15A - Water and Non-Potable
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Water and Non-Potable Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($1,123,023.72), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

One Million One Hundred Twenty-Three Thousand Twenty-Three and 72/100 Dollars

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA SEAL SEAL

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202736
Premium: $2,408 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell - Tract No. 37388-3 - PA 15A - Sewer
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Sewer Improvements ; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Six Hundred Fifty Thousand Seven Hundred Thirty-Six and 23/100 Dollars ($ 650,736.23), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT
NOTARY PUBLIC
SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202736
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell - Tract No. 37388-3 - PA 15A - Sewer
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. , (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Sewer Improvements ; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($ 650,736.23), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

Six Hundred Fifty-Thousand Seven Hundred Thirty-Six and 23/100 Dollars

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT
NOTARY PUBLIC
SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202737
Premium: $165 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell - Tract No. 37388-3 - PA 15A - Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Monumentation ; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Forty-Four Thousand Seven Hundred Twenty-Two and 50/100 Dollars ($ 44,722.50), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jan 25, 2026

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date ____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30202737
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell - Tract No. 37388-3 - PA 15A - Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell - Tract No. 37388-3 - PA 15A - Monumentation; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($ 44,722.50), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

Forty-Four Thousand Seven Hundred Twenty-Two and 50/100 Dollars

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona, CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 10/30/23

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: October 27, 2023

APPROVED:

City Attorney

THE CONTINENTAL INSURANCE COMPANY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 10-30-23 before me, Loretta Saginario-Ballou, Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

LORETTA SAGINARIO-BALLOU
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2345890
RIVERSIDE COUNTY
My Comm. Exp. February 9, 2025

Signature Loretta Saginario Ballou (Seal)

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On OCT 27 2023 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____ (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Sarah Campbell, Sandra Corona, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of October, 2022.

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 18th day of October, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT
NOTARY PUBLIC
SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 27th day of October, 2023.

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

APPROVED BY
CITY OF BANNING
OCT 16 2023
PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	10/13/2023
Approved By:	
Date Approved:	
Tract No.:	37388-3, Street PA 15A

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
STREET IMPROVEMENTS				
4" Asphalt Concrete (80,717 SF)	Ton	1,918	$ 90.00	$ 172,620.00
6" Aggregate Base Class II (80,717 SF)	Ton	2,906	$ 80.00	$ 232,480.00
6" Curb and Gutter	LF	4,421	$ 25.00	$ 110,525.00
6" Curb Only	LF	324	$ 12.00	$ 3,888.00
Curb Ramp	Each	4	$ 3,500.00	$ 14,000.00
Concrete Cross Gutter & Spandrels	SF	780	$ 22.00	$ 17,160.00
Concrete Sidewalk (4" thick)	SF	14,059	$ 8.00	$ 112,472.00
LED Solar Street Light	Each	6	$ 4,000.00	$ 24,000.00
Adjust Water Valve Cover to Grade	Each	50	$ 250.00	$ 12,500.00
Adjust Sewer Manhole Cover to Grade	Each	15	$ 800.00	$ 12,000.00
Adjust Storm Drain Manhole Cover to Grade	Each	3	$ 800.00	$ 2,400.00
Driveway Approach (8" Thick)	SF	15,240	$ 10.00	$ 152,400.00
Under Sidewalk Drain	Each	1	$ 3,000.00	$ 3,000.00
Traffic Sign	Each	11	$ 400.00	$ 4,400.00
Traffic Markings	Each	4	$ 100.00	$ 400.00
Blue-reflective Fire Hydrant Marker	Each	9	$ 100.00	$ 900.00
Street Name Sign	Each	6	$ 300.00	$ 1,800.00
Sign Post	Each	7	$ 150.00	$ 1,050.00
12" Thermoplastic Traffic Stripe	LF	254	$ 5.07	$ 1,287.78
6" Thermoplastic Traffic Stripe	LF	293	$ 3.05	$ 893.65
Painted Median Nose	Each	2	$ 100.00	$ 200.00
SUBTOTAL				**$ 880,376.43**
CPI Adjustment				**$ 37,504.04**
15% Contingency				**$ 132,056.46**
TOTAL				**$ 1,049,936.93**
			Faithful Performance (100%)	$ 1,049,936.93
			Labor & Material (100%)	$ 1,049,936.93

APPROVED BY
CITY OF BANNING

OCT 16 2023

PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	10/13/2023
Approved By:	
Date Approved:	
Tract No.:	37388-3, Water & Non-potable PA 15A

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
WATER IMPROVEMENTS				
8" DIP Main w/ Poly Encasement & R.J.	LF	5,200	$ 60.00	$ 312,000.00
8" Fitting	Each	36	$ 250.00	$ 9,000.00
8" Gate Valve	Each	39	$ 2,000.00	$ 78,000.00
Adjust Water Valve to Grade	Each	54	$ 250.00	$ 13,500.00
Residential Fire Hydrant	Each	9	$ 5,200.00	$ 46,800.00
4" blow-Off Assembly	Each	7	$ 3,000.00	$ 21,000.00
1" Air Vacuum Release Valve	Each	14	$ 5,000.00	$ 70,000.00
2" Service	Each	7	$ 1,500.00	$ 10,500.00
Remove Blind Flange & Join Pipe	Each	3	$ 250.00	$ 750.00
1" Service	Each	117	$ 1,200.00	$ 140,400.00
Automatic Flushing System	Each	6	$ 35,000.00	$ 210,000.00
2" Reduced Pressure Backflow Assembly	Each	1	$ 1,500.00	$ 1,500.00
12" Steel Casing	LF	6	$ 70.00	$ 420.00
SUBTOTAL				$ 913,870.00
NON-POTABLE WATER IMPROVEMENTS				
8" DIP Main w/ Poly Encasement & R.J.	LF	209	$ 60.00	$ 12,540.00
Remove Blind Flange & Join Pipe	Each	1	$ 250.00	$ 250.00
1" Air Vacuum Release Valve	Each	1	$ 5,000.00	$ 5,000.00
8" Fitting	Each	3	$ 250.00	$ 750.00
2" Service	Each	1	$ 1,500.00	$ 1,500.00
2" Reduced Pressure Backflow Assembly	Each	1	$ 1,500.00	$ 1,500.00
4" blow-Off Assembly	Each	1	$ 3,000.00	$ 3,000.00
8" Gate Valve	Each	1	$ 2,000.00	$ 2,000.00
Adjust Water Valve to Grade	Each	2	$ 250.00	$ 500.00
Non-potable Water Signage	Each	5	$ 150.00	$ 750.00
SUBTOTAL				$ 27,790.00
SUBTOTAL				**$ 941,660.00**
CPI Adjustment				**$ 40,114.72**
15% Contingency				**$ 141,249.00**
TOTAL				**$ 1,123,023.72**
			Faithful Performance (100%)	$ 1,123,023.72
			Labor & Material (100%)	$ 1,123,023.72

APPROVED BY
CITY OF BANNING
OCT 16 2023
PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	10/13/2023
Approved By:	
Date Approved:	
Tract No.:	37388-3, Sewer PA 15A

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
SEWER IMPROVEMENTS				
8" Sewer Main	LF	4,816	$ 60.00	$ 288,960.00
Manhole	Each	32	$ 4,000.00	$ 128,000.00
Adjust Manhole to Grade	Each	32	$ 800.00	$ 25,600.00
Remove Sewer Plug & Join Pipe	Each	1	$ 250.00	$ 250.00
4" Lateral	LF	2,482	$ 40.00	$ 99,280.00
6" Lateral	Each	79	$ 45.00	$ 3,555.00
SUBTOTAL				**$ 545,645.00**
CPI Adjustment				**$ 23,244.48**
15% Contingency				**$ 81,846.75**
TOTAL				**$ 650,736.23**
			Faithful Performance (100%)	$ 650,736.23
			Labor & Material (100%)	$ 650,736.23

APPROVED BY
CITY OF BANNING
OCT 19 2023
PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	10/18/2023
Approved By:	
Date Approved:	
Tract No.:	37388-3
	PA15A

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
MONUMENTATION				
Spike and Washer or 1" Dia. Pipe	Each	375	$ 100.00	$ 37,500.00
SUBTOTAL				**$ 37,500.00**
CPI Adjustment				**$ 1,597.50**
15% Contingency				**$ 5,625.00**
TOTAL				**$ 44,722.50**
			Faithful Performance (100%)	$ 44,722.50
			Labor & Material (100%)	$ 44,722.50

MDS CONSULTING

PLANNERS | ENGINEERS | SURVEYORS

Offices located in
Irvine & Palm Desert

April 6, 2026

Mr. Nate Smith
City of Banning
Engineering Department
99 East Ramsey Street
Banning, CA 92220

Tract 37388-3
Phase 2B-1, PA 15A
Bond Release Request

Dear Mr. Smith:

Final monumentation for the above-referenced project is in place at this time and centerline tie notes are enclosed. We have been paid for our services and hereby request on behalf of Tri Pointe Homes that monumentation bonding funds be released.

Should you have any questions or concerns, please do not hesitate to call.

Sincerely,





Daryl Christian, P.L.S.
Director of Mapping

BB:jr

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CENTERLINE TIES

TRACT NO. 37388-3
DEVELOPMENT PHASE 2B-1

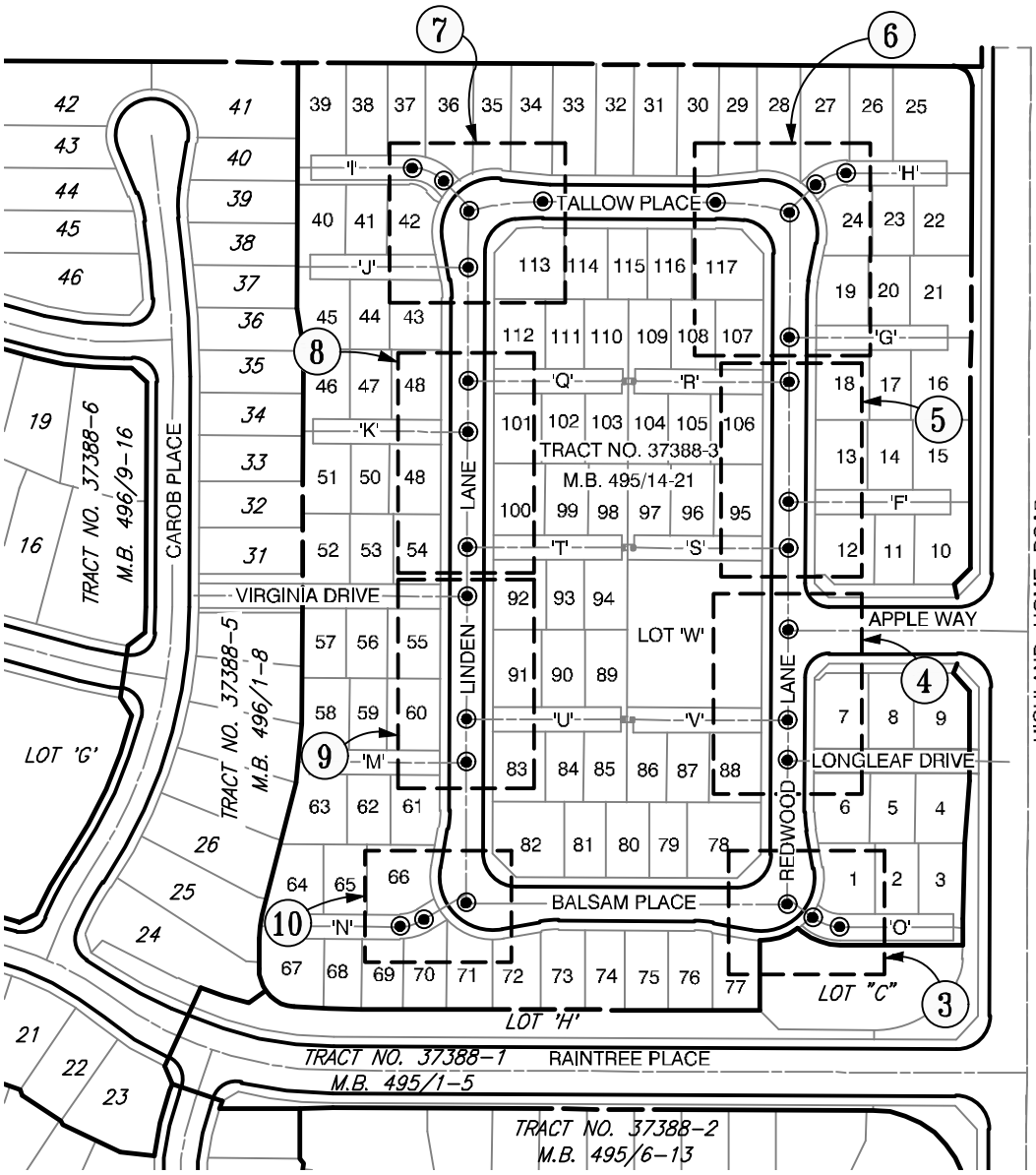
4-6-26

DARYL J. CHRISTIAN
L.S. 8554

PROFESSIONAL LAND SURVEYOR
DARYL J. CHRISTIAN
LS 8554
STATE OF CALIFORNIA

CITY OF BANNING — STREET TIE	TRACT NO. 37388-3 DEVELOPMENT PHASE 2B-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	TITLE SHEET DATE: 3-30-26 1 OF 10
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

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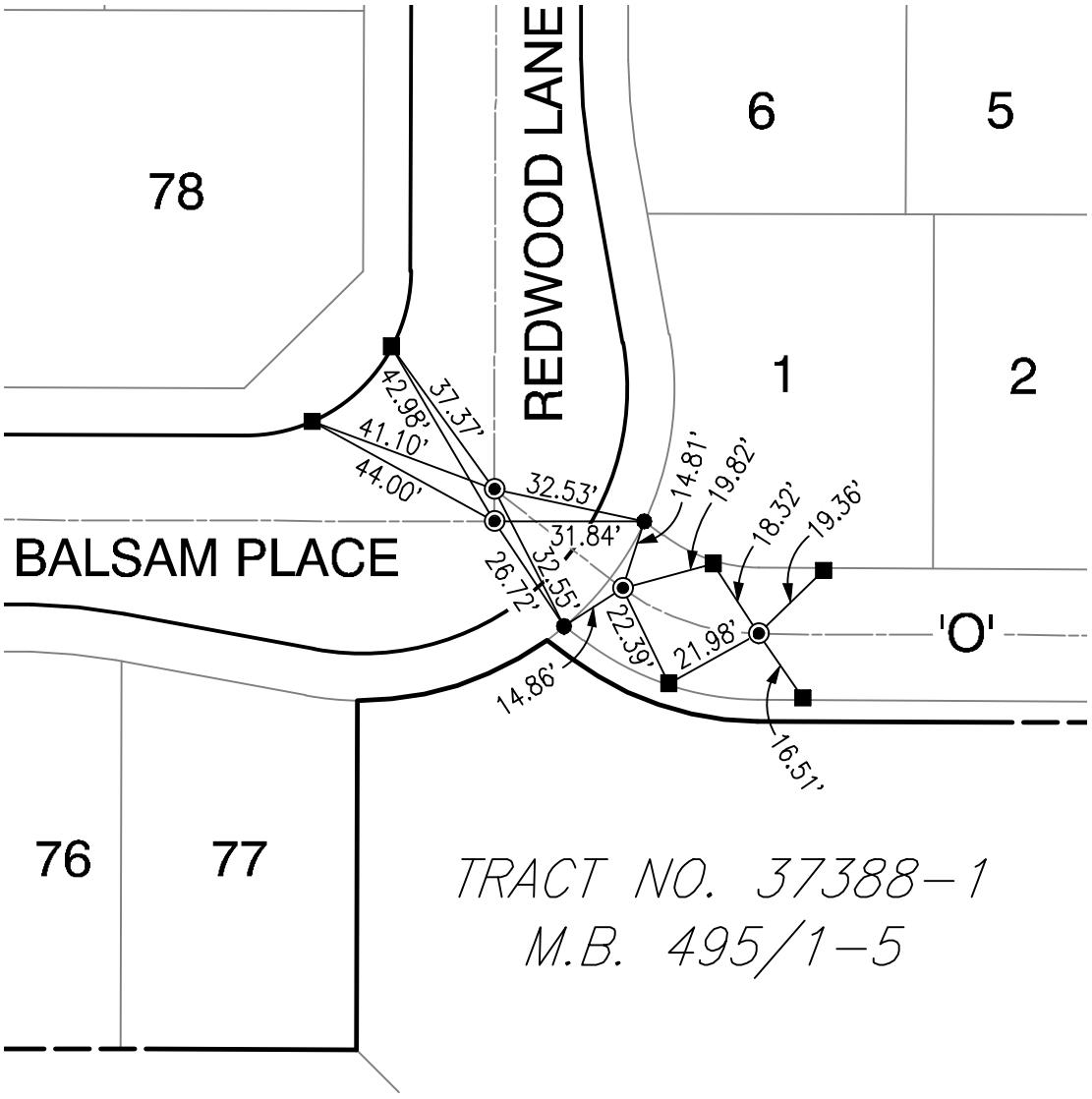


LEGEND:

(#) DENOTES SHEET NUMBERS

CITY OF BANNING — STREET TIE	TRACT NO. 37388-3 DEVELOPMENT PHASE 2B-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	# INDEX SHEET SCALE: 1"=200' DATE: 3-30-26 2 OF 10
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

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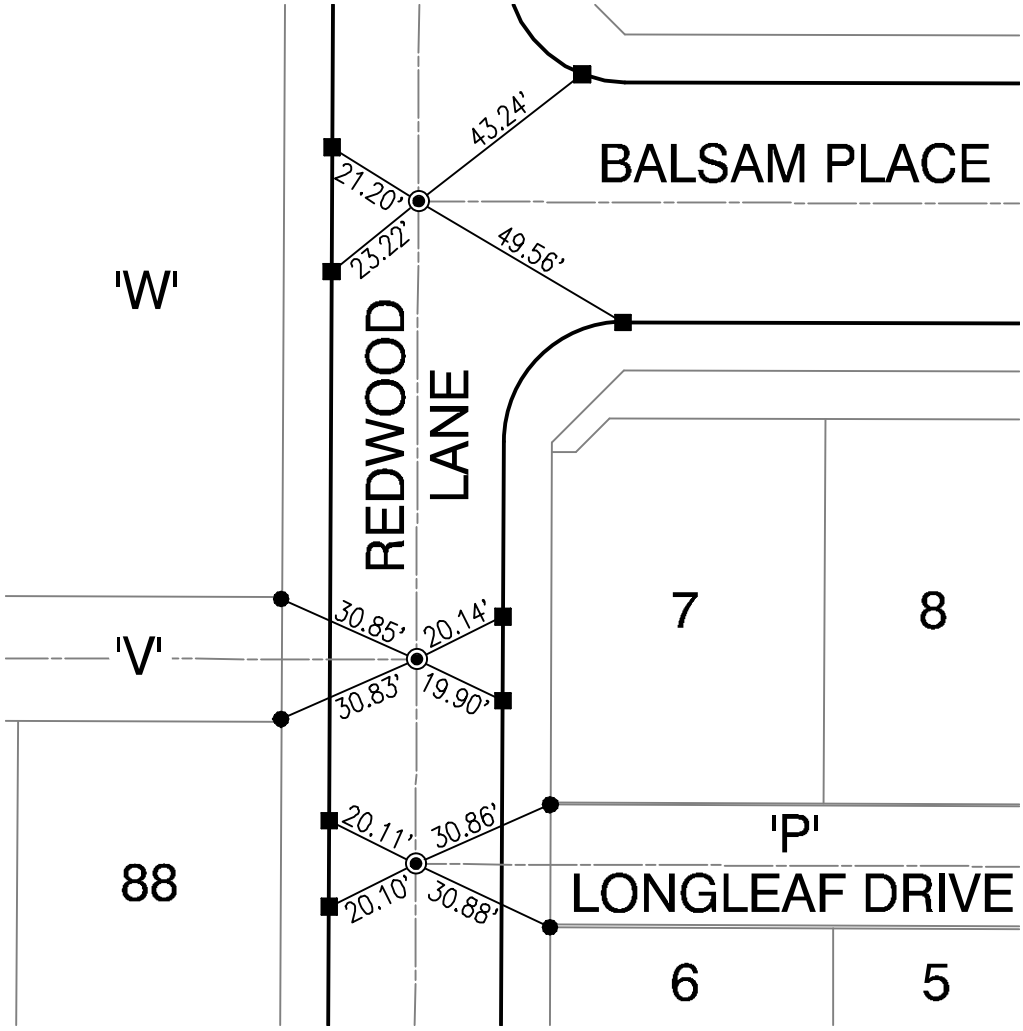


LEGEND :

- ◉ INDICATES SET SPIKE & WASHER, STAMPED "LS 8554", FLUSH
- ● INDICATES SET LEAD, TACK & TAG STAMPED "LS 8554", IN TOP OF CURB AT PL PROD
- ■ INDICATES SET LEAD & TACK, IN TOP OF CURB

CITY OF BANNING — STREET TIE	TRACT NO. 37388-3 DEVELOPMENT PHASE 2B-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	CENTERLINE TIES SCALE: 1"=40' DATE: 3-30-26 3 OF 10
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

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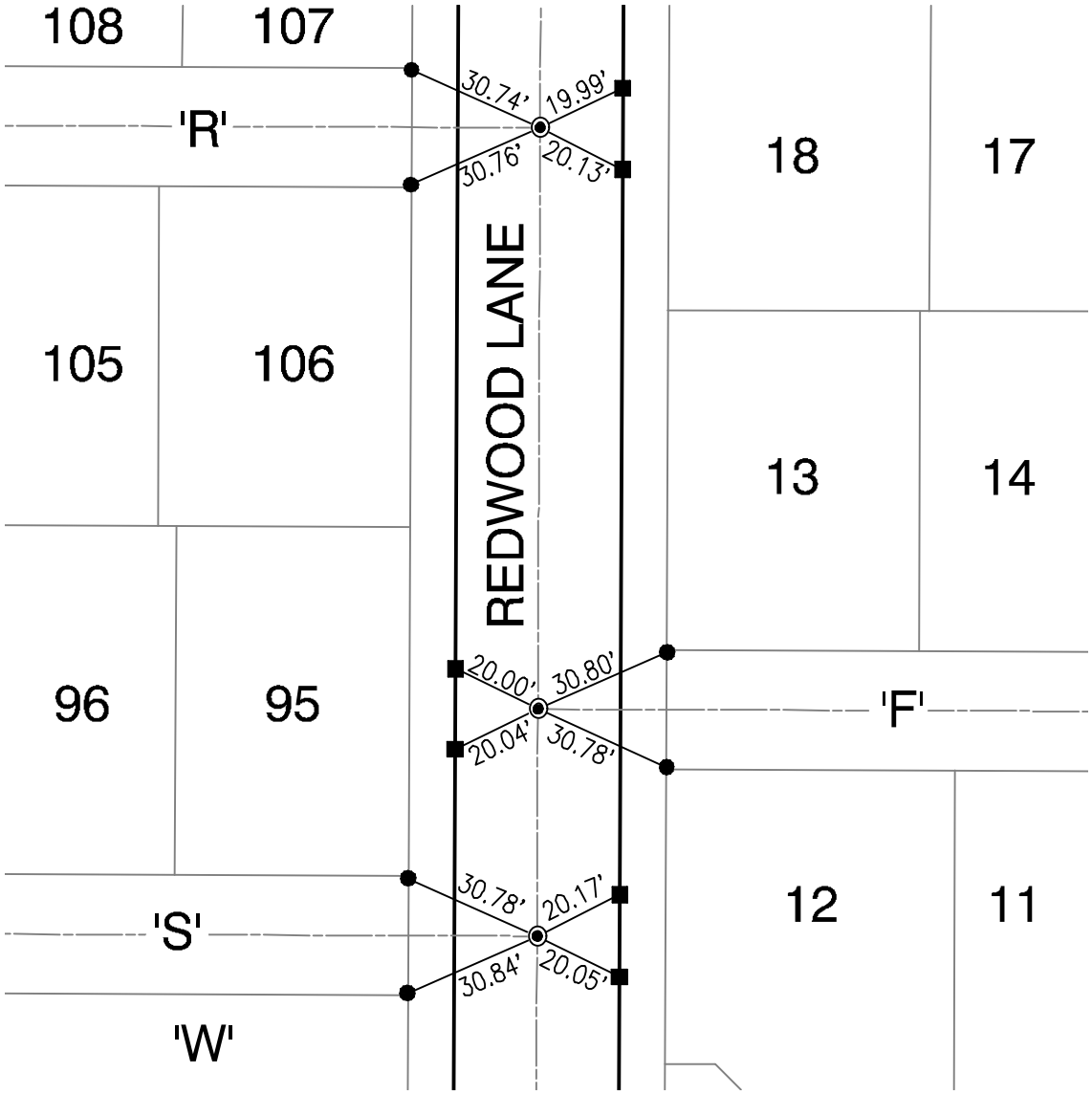


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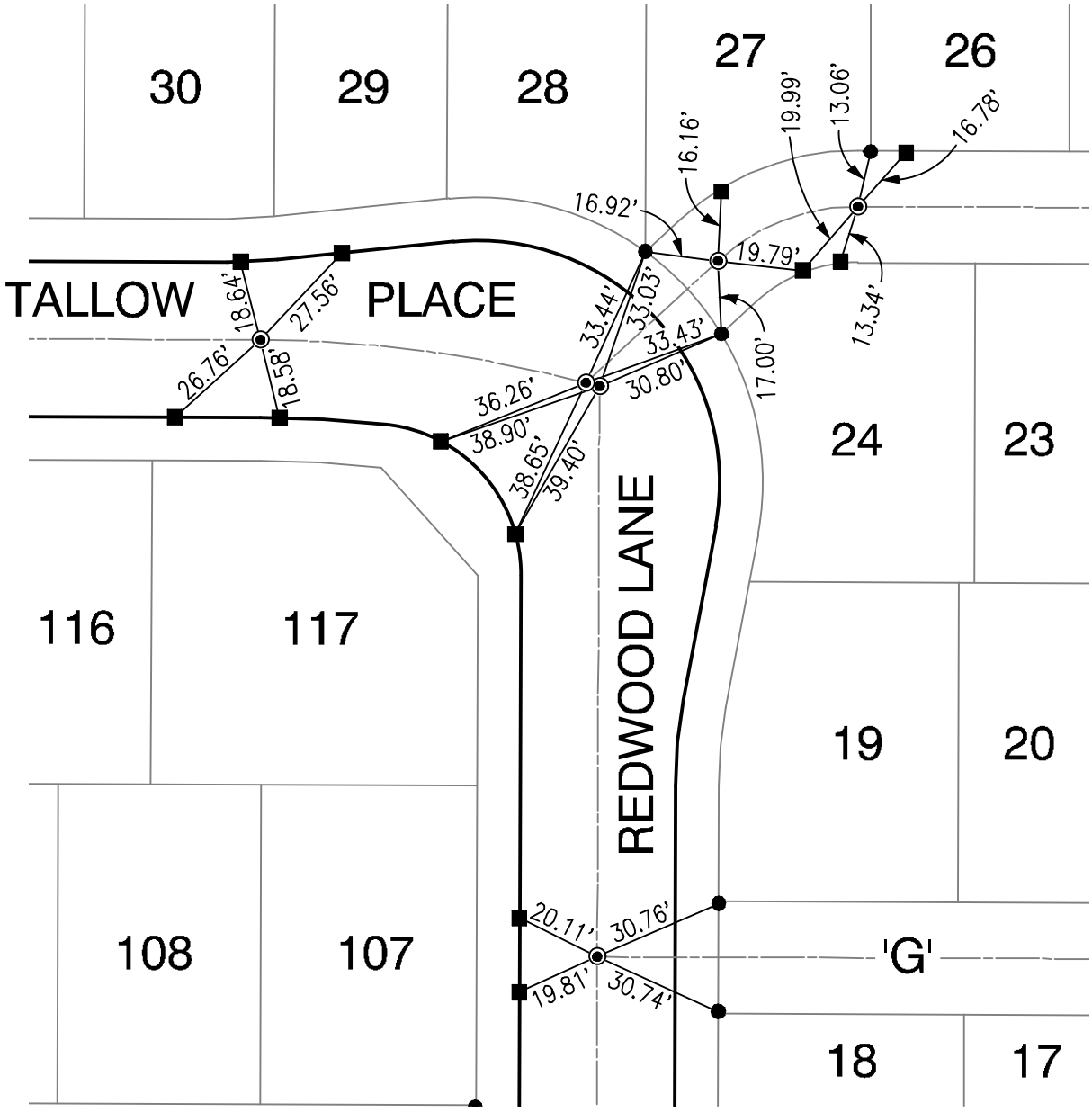


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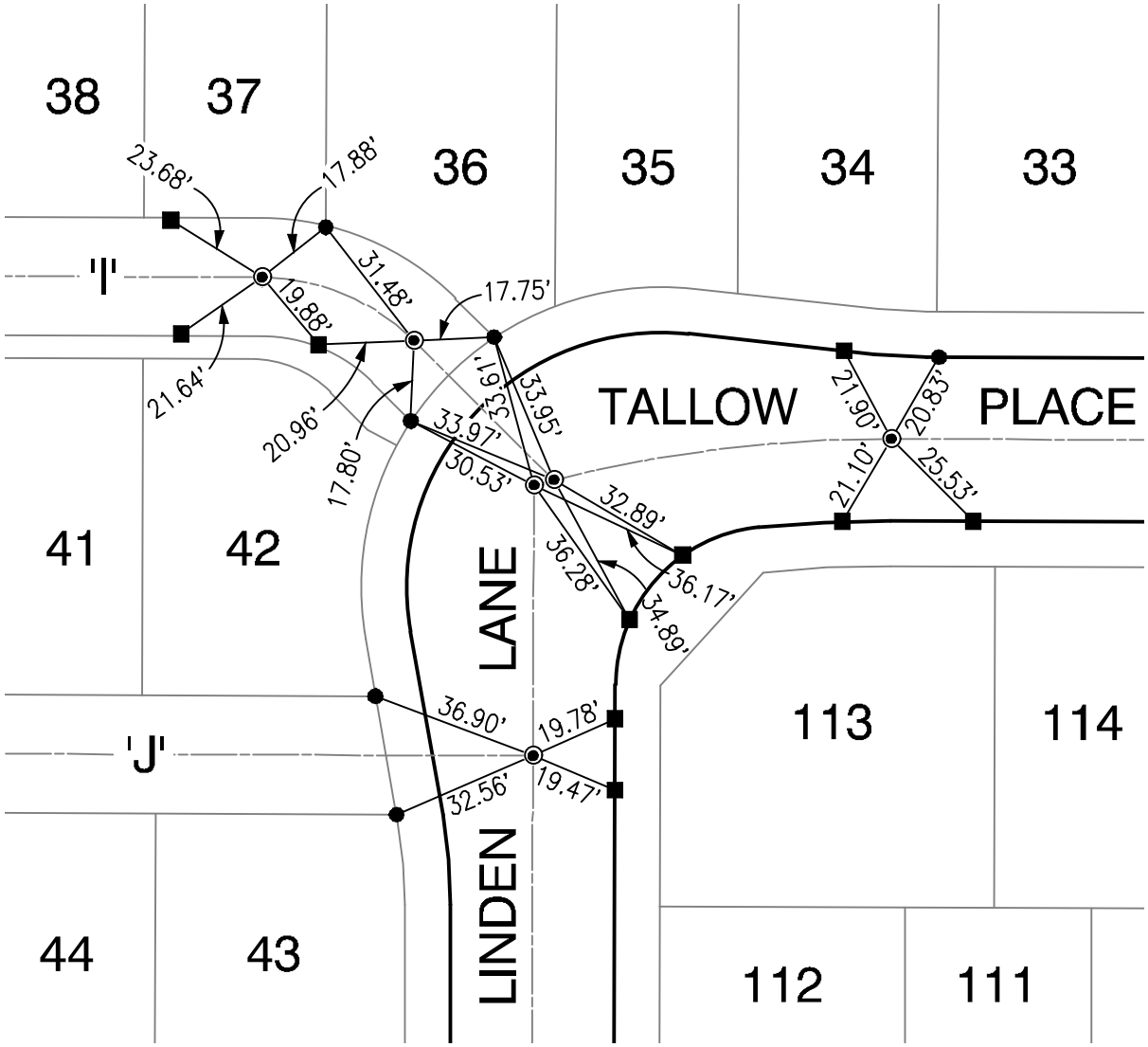


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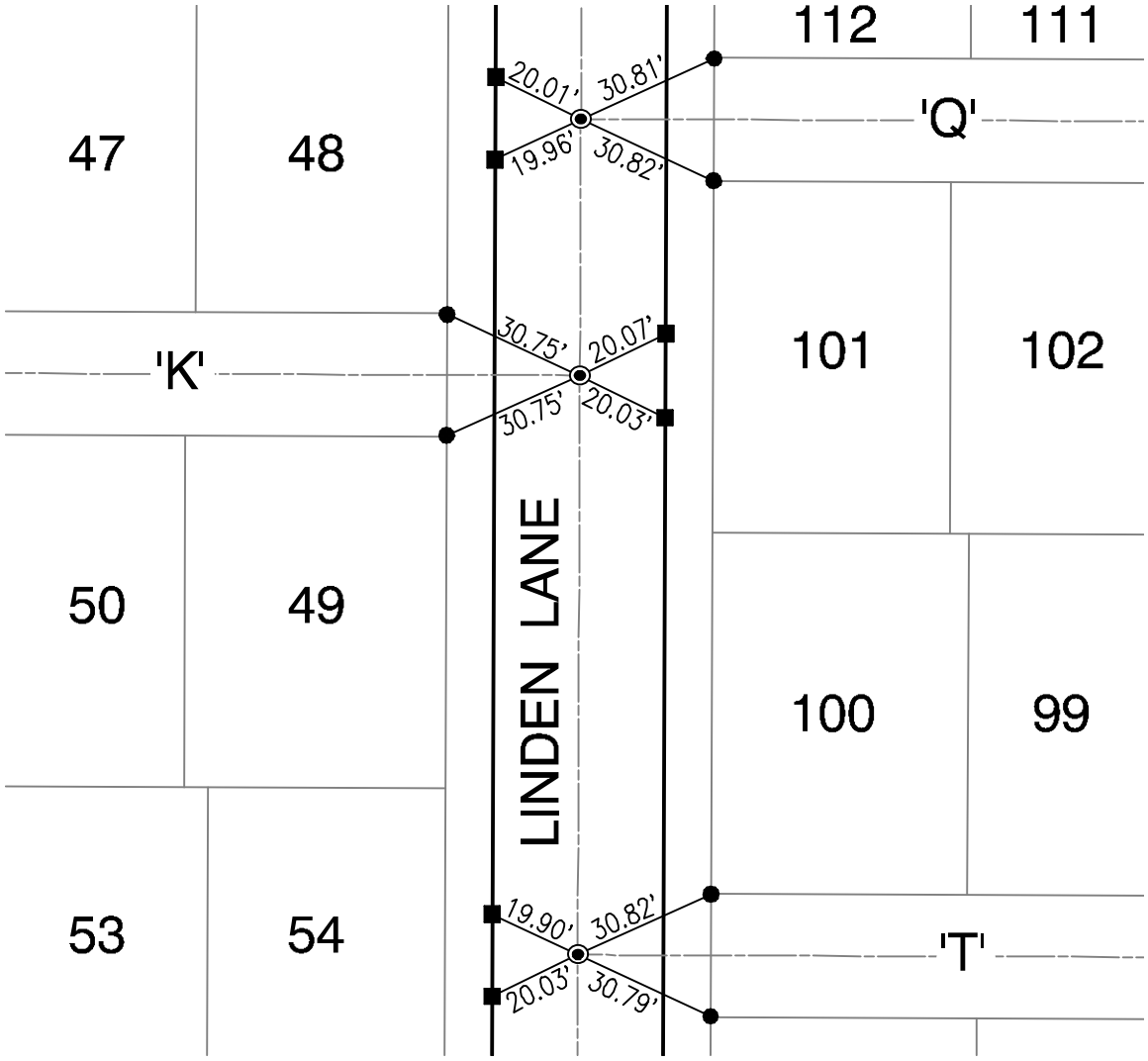


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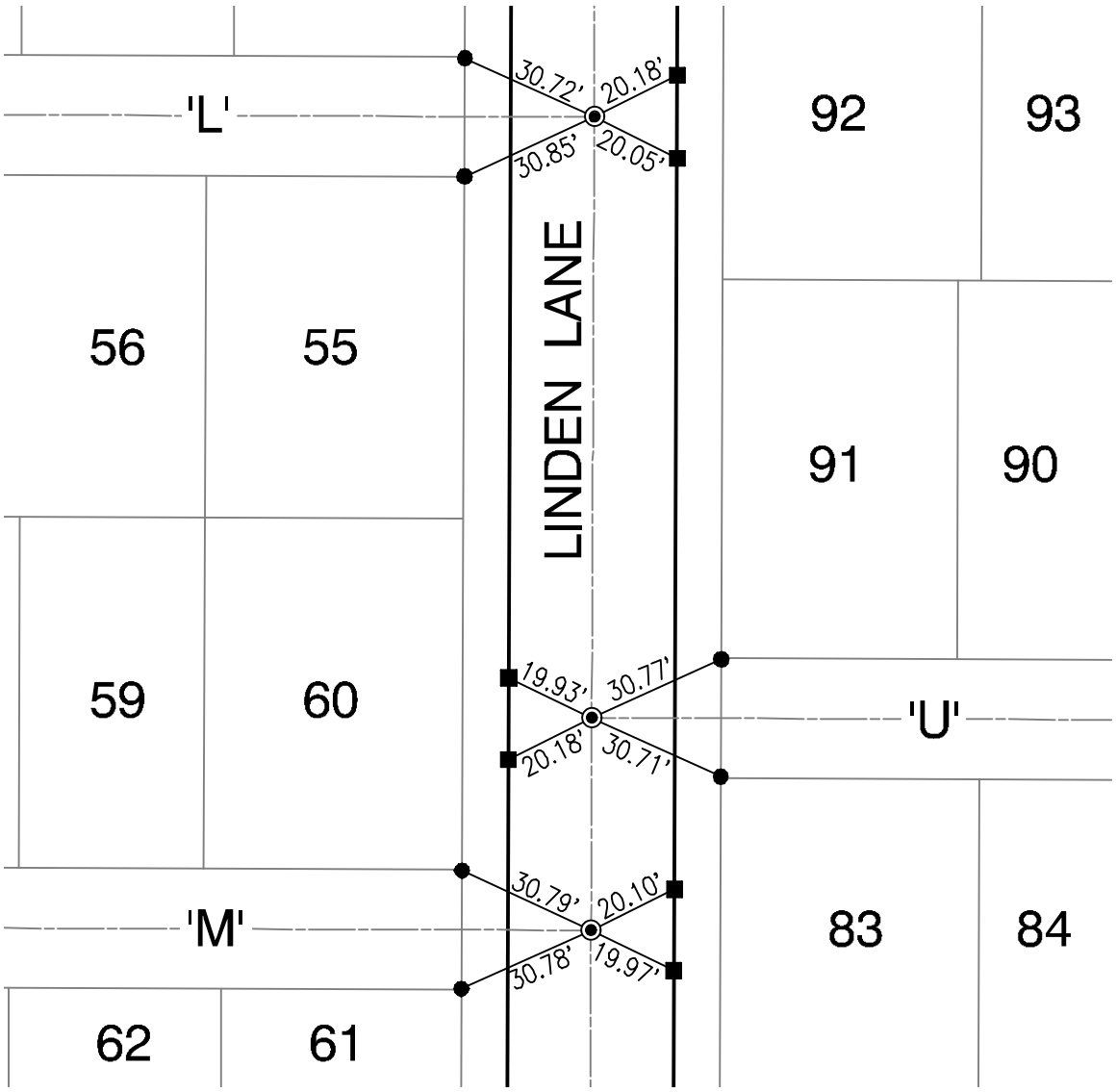


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CITY OF BANNING — STREET TIE	TRACT NO. 37388-3 DEVELOPMENT PHASE 2B-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	# CENTERLINE TIES SCALE: 1"=40' DATE: 3-30-26 8 OF 10
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
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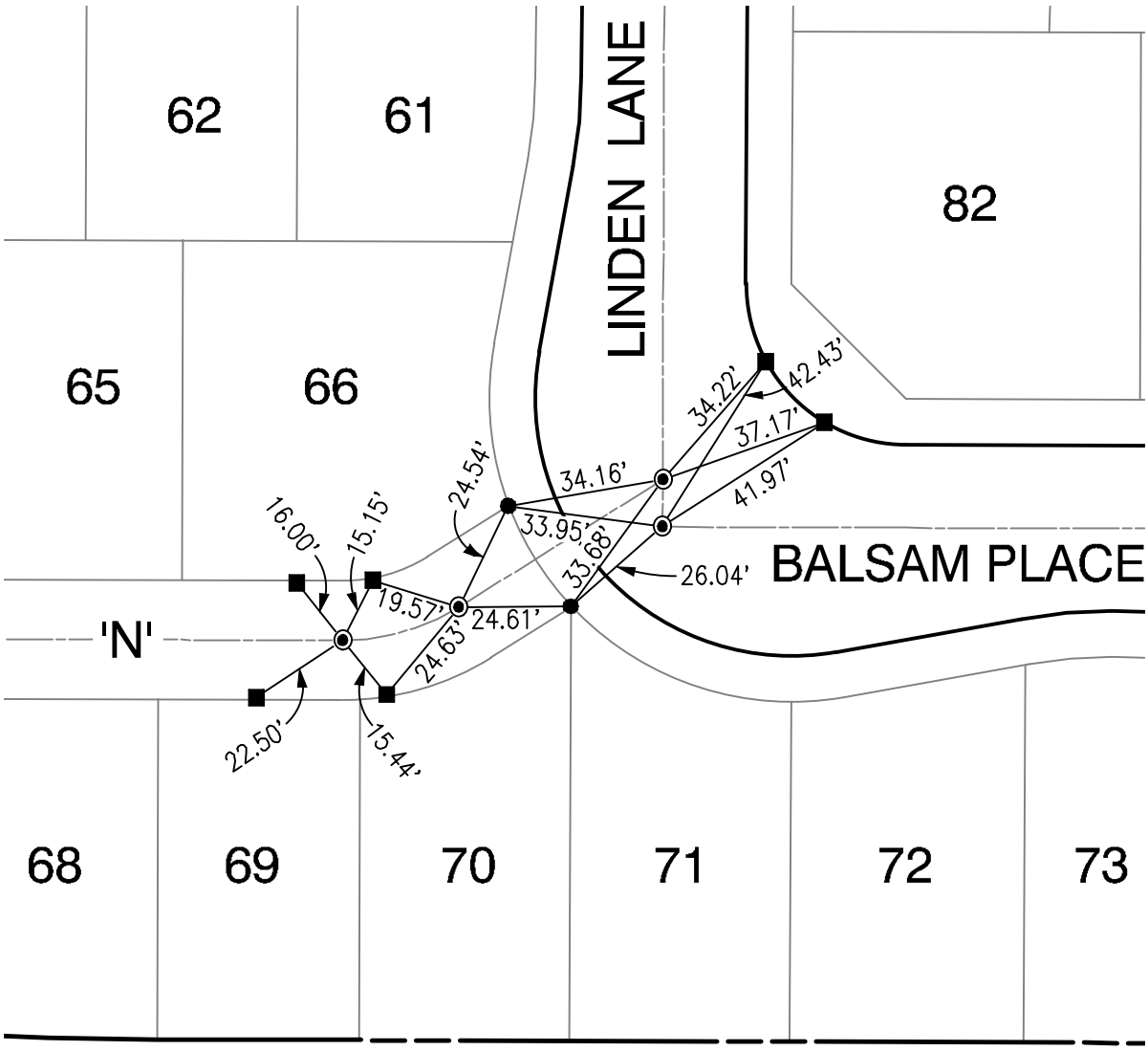


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PHASE 2A-2, STORM DRAIN EXHIBIT



CITY OF BANNING

SUBDIVISION IMPROVEMENT AGREEMENT

* * * * * * SUBDIVISION REFERENCE DATA * * * * * *

[X] FINAL TRACT MAP NO. 37389-1, 37389-4, 37389-5, 37389-6 & 37389-F ("Final Map" herein)

[ ] PARCEL MAP NO. _____("Parcel Map" herein)

NAME OR TRACT NUMBER OF SUBDIVISION ("Subdivision" herein):	ATWELL – Phase 2A-2
NAME AND ADDRESS OF SUBDIVIDER(S):	TRI POINTE HOMES, IE-SD 1250 CORONA POINTE CT, #600 CORONA, CA 92879
CITY COUNCIL RESOLUTION OF APPROVAL NO.	_____ ("Resolution of Approval" herein)

DATE(S) THAT IMPROVEMENT PLANS WERE APPROVED BY THE CITY ENGINEER: see below

IMPROVEMENT/PLAN NO.: Storm Drain Plan

ESTIMATED TOTAL COSTS:	IMPROVEMENTS	$4,159,425.80
	GRADING	$_____
	MONUMENTATION	$_____
	TOTAL:	$4,159,425.80

FORM OF IMPROVEMENT SECURITY:

[ ] AAA Corporate surety bonds

[ ] Deposit of money

NAME AND ADDRESS OF CORPORATE SURETY (if applicable):

The Continental Insurance Company
(Name of Corporate Entity)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

SURETY BOND NUMBERS (if applicable):

30240656

EFFECTIVE DATE OF AGREEMENT:

(to be inserted by City)

COMPLETION PERIOD: All improvements of Tract _____ ~~(including the complete water and sewer system in _____ Street) with the exception of the roadway (street) improvements on _____Street~~, shall be completed within two years from the Effective Date of the Agreement. _____ ~~Street roadway (street) construction (so that _____ Street is a continuous route from _____ to _____) shall be constructed prior to the Certificate of Occupancy for development of lots ____and ____of Tract _____.~~

* *

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SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Banning, a municipal corporation ("City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation a Final Map, identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations as such ordinances and regulations are vested under the development agreement recorded in the official records of the County of Riverside on July 17, 2012 as Document No. 2012-0332888 ("Development Agreement") relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A tentative map of the Subdivision was previously approved by City, subject to the Subdivision Laws and to the City's standard requirements as vested under the Development Agreement and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with applicable City standards, all of the improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the improvements and land development work within a period of time specified by the City.

D. In consideration of approval of the Final Map for the Subdivision by the City Council, Subdivider desires to enter into this Agreement whereby Subdivider promises to install and complete, at its sole expense, except as otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, all public improvement work required by the City as set forth on the Improvement Plans (as defined below) for the proposed Subdivision. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City. In any conflict between the terms in this Agreement and the Development Agreement, the Development Agreement shall be the controlling document.

E. Improvement Plans, and related specifications, numbered as designated above in the Subdivision Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Subdivider, approved by the City Engineer, and are on file in the office of the City Engineer. Said Improvement Plans, and related specifications, subsequently modified by the mutual written agreement of the parties, are hereby referred to as the "Improvement Plans" and are incorporated herein by this reference.

Any improvement to be constructed pursuant to the Improvement Plan is hereby referred to individually as an "**Improvement**" and collectively as the "**Improvements**".

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, Subdivider and City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, conditions of approval of the Tentative Map, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee (as set forth in Section 3) the Improvements, Grading, and Monumentation described on the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the City Engineer, the Subdivider shall acquire and dedicate, or pay the reasonable, documented cost of acquisition by City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. If the Subdivider is unable to acquire such rights-of-way, easements and other interests in real property by negotiation, then Subdivider shall, within 120 days of Final Map approval, enter into a condemnation agreement with City pursuant to Government Code Section 66462.5, by which the City will commence the process for the acquisition of the rights-of-way, easements or other real property.

C. Subject to any time extensions granted in accordance with Section 4, Subdivider shall complete all Improvements within its respective "Completion Period" specified in the Subdivision Reference Data; provided, however, that if the City Engineer reasonably determines in good faith that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, the City Engineer shall give Subdivider not less than fifteen (15) business days' prior written notice to commence or accelerate installation and construction of such Improvements, or any portion thereof. The notice shall be in writing, and shall describe the work to be done by Subdivider, the time within which the work will commence, the period within which the work will be completed and identify the reasons that such early commencement is essential in order to protect the public health, welfare and safety. All or any portions of said Improvements may be required to be constructed or completed at a specified time, providing the foregoing criteria is met. If the Subdivider objects to the commencement or acceleration of the Improvements as specified by the City Engineer, Subdivider may appeal the decision of the City Engineer to the City Council. Any such appeal shall be filed with the City Clerk within 10 days after receipt by Subdivider of the written notice from the City Engineer.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 2. As used herein,

"monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the City Engineer of tie notes for said points.

E. Subdivider shall , at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, replace or repair all public improvements, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work performed by Subdivider under this Agreement during or after the Completion Period. Any such replacement or repair shall be subject to the approval of the City Engineer.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the applicable portion of the Improvements until the latter of the following time periods: (i) the Improvements or applicable portion thereof is accepted in writing by the City; or (ii) the expiration of the required one-year guarantee and warranty period as specified herein; or (iii) the expiration of any applicable period of time requiring the care, repair and maintenance of the applicable Improvement specified in the Development Agreement (not including the term of any Development Agreement). Neither City, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements and that may result from the construction of the Improvements prior to their completion and written acceptance by the City

G. In addition to, and separate from: (1) the indemnity obligations contained in Section 7 of this Agreement, (2) the care, repair and maintenance provisions under paragraph E of this Section 1 of this Agreement; and (3) the warranty and guarantee provisions of Section 3 of this Agreement, Subdivider shall repair and correct, or be liable to the City for any cost to repair and correct, any defect in the construction of the Improvements that is identified by City within in accordance with general construction defect law ten (10) years after City's acceptance of the Improvement, provided the City provides written notice to Subdivider of the existence of the defect within that the time period under law, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of Subdivider. Nothing contained in this paragraph is intended to limit or otherwise waive any right or cause of action under applicable construction defect law that City may assert against Subdivider.

H. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all applicable fees required by City ordinance or resolution and all taxes required by law.

I. Not less than seven (7) days prior to commencement of work on the Improvements, Subdivider shall give written notice to the City Engineer of the date fixed for such commencement of work in order that the City Engineer shall have adequate time to schedule all necessary inspections.

J. SUBDIVIDER shall pay all applicable City fees and costs stipulated in the latest fee resolution as adopted by the City Council from time to time as required for the development of the SUBDIVISION including but not limited to the following:

1. Building Permit Fees --- to be paid at the time of building permit issuance;

2. Final Map Plan Check Fees --- to be paid at time of submittal of final map for plan check and resubmittal of revised final map for plan check;

3. Final Map Moratorium Fees --- to be paid from cash deposit established at time of filing final map;

4. Plan Check and Review Fees --- to be paid from cash deposit established at time of filing improvement plans for plan check;

5. Encroachment Permit Fees --- to be paid at time of application for encroachment permit;

6. Inspection Fees --- to be paid from cash deposit established at time of construction permit issuance; and

7. Grading Permit Fee --- to be paid from cash deposit established at time of grading permit issuance.

K. Subdivider shall provide City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Tentative Tract Map Conditions of Approval, and shall provide electronic image files of those final Record Drawings consistent with electronic image file size and type specifications of the City prior to the acceptance of improvements and release of bonds or other security.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the City Engineer and other City personnel and inspection consultants.

B. Upon completion of the work on all or any category of the Improvements, the Subdivider may request a final inspection by the City Engineer. Within forty-five (45) days of receipt of the written letter request, the City Engineer shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the City Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the City Engineer shall acknowledge that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City (Improvements within City right of way and property for public use), the City Engineer's determination shall be

submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and determination of completeness in accordance with City's formally adopted and applicable fees and rates.

C. Acceptance of all or any specified category of the Improvements by the City Council shall be made upon recommendation and certification of the City Engineer following inspection of said Improvements pursuant to subparagraph B above. The City Council shall act upon the City Engineer's recommendation that such public Improvements have been completed unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. Acceptance by the City or by the governing body of the entity that is to accept dedication or ownership of the public improvements shall not constitute a waiver by the City or such other public entity of any defects in the public Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following acceptance by the City of the applicable Improvements specified in Schedule A, any Improvements or part of any Improvements specified in Section A furnished, installed or constructed by the Subdivider, or any of the work performed under this Agreement by Subdivider, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans and related specifications, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Subdivider's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one year.

B. Should the Subdivider fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction and draw upon the Subdivider's improvement security to reimburse itself for the costs incurred. If the Subdivider's improvement security does not cover the total cost of such repair, replacement, or reconstruction, the Subdivider shall reimburse the City for any excess costs incurred.

C. The security furnished for the faithful performance of the Subdivider's obligation to construct and install the Improvements described herein shall include the Subdivider's liability and obligation hereunder to provide the one-year guarantee and warranty of the Improvements.

4. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause therefor, the duration of the Completion Period for the Improvements (or any of them) may be extended by the City Engineer in writing. As used herein, "good cause" may include, without limitation, delay resulting from, arising out of or relating to an act of the City; acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance or requires further permitting and approval; and/or actions or failure to act of native American monitor(s); and, the order of any court.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the City Engineer, may require the Subdivider to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the City Engineer.

5. IMPROVEMENT SECURITY

A. Prior to City's execution of this Agreement, Subdivider shall provide as security to the City:

1. For Performance and Guarantee: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider assures faithful performance under this Agreement and guarantees the Improvements for one year after the completion and acceptance of the applicable portion of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 3 hereof.

2. For Payment: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider guarantees payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

B. If the improvement security is a corporate surety bond and, in the opinion of the City, any surety or sureties thereon become insufficient, because (i) the surety becomes

insolvent; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, or (v) the form of the surety or the amount is found by City to be in error or materially insufficient, the Subdivider shall renew or replace any such surety bond with good and sufficient surety or sureties within thirty (30) days after receiving from City written demand therefor.

C. The amount of security for performance, payment and warranty obligations provided by this section shall not include the cost of monumentation, as required by Government Code Section 66497 so long as a separate cash deposit or security acceptable to the City Engineer for the estimated cost of monumentation has been submitted to the City.

D. Improvement security consisting of corporate surety bonds, in a form accepted by the City Attorney, shall be filed with the City Engineer and then kept on file with the City Clerk. If a corporate surety bond is replaced by another approved bond, the replacement shall be submitted to the City Engineer and, upon filing with the City Clerk, shall be deemed to have been made a part of and incorporated into this Agreement. Upon submission to the City Engineer and then filing with the City Clerk of a replacement bond, the former improvement security shall be released following written approval of the City Engineer.

E. Modifications of the Improvement Plans and related specifications, and modifications of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of the Improvements, shall not relieve or release any improvement security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Subdivider shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements.

F. Subject to any time extensions granted in accordance with Section 4 herein, the Subdivider shall be in default if the Subdivider has not completed all improvements within two years from the Execution Date of the Agreement and has not repaired any defects in the completed Improvements within the one-year guarantee and warranty period.

Alternatively, in the event of a default by the Subdivider pursuant to Section 10, and after written notice to Subdivider and reasonable opportunity to cure, City, at its sole option, shall have the right, without limiting any other rights and/or remedies available to City at law or in equity, to draw upon or utilize the improvement security furnished herewith to construct and install the Improvements itself. If City exercises this right, the release of any unused portion of such improvement security shall be in accordance with the procedures outlined in Section 6 herein, including any retention necessary for the one-year guarantee period.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. All public Improvements (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by a private community

association) shall be first completed, deemed completed by the City Engineer and then accepted as complete by the City prior to release of sureties. All private Improvements (Improvements that are to be owned by a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then accepted as complete in writing by the City Engineer.

B. Partial releases or reductions in the Subdivider's improvement (performance) security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

1. At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the City shall review and comment or approve the completion of the required work within forty-five (45) days. If the City does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed within this 45-day period.

2. Within forty-five (45) days of receipt of the list of remaining work from the local agency, the Subdivider may then provide cost estimates for all remaining work for review and approval by the City. Upon receipt of the cost estimates, the City shall then have forty-five (45) days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for multiple and phased partial releases as it otherwise deems appropriate.

3. If the City approves the cost estimate, the City shall release all performance security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of performance security shall occur when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security unless the City allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the City. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the City receives and approves that form of replacement security. A reduction in the performance security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements in and of itself, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the Subdivider until the applicable required public Improvements have been accepted by the City in writing and all other required improvements have been fully completed in accordance with the plans and specifications for the improvements.

4. The Subdivider shall complete the works of Improvement until all remaining items are accepted by the City.

5. Upon the completion of the Improvements, the Subdivider, or his or her assigns, shall be notified in writing by the City within forty-five (45) days.

6. Within sixty (60) days of the issuance of the notification by the City Engineer, any remaining performance security, except ten percent (10%) of the original amount of the security to guarantee and warrant the Improvements for the one-year guarantee and warranty period, shall be released within sixty (60) days of the issuance of the written statement of completion.

C. Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all stop notice claimants for whom stop notices have been filed with the City, and if no claims have been filed, the security shall be released in full.

D. The partial release provisions of this Section 6 shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within thirty (30) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement (performance) security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have sixty (60) days after receipt of written notice from the Subdivider of the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such improvement security shall be promptly released.

F. In the event the time periods for action by the City specified in this Section conflict with a shorter or longer time period for such actions as provided in Government Code Section 66499.7, the time periods in Government Code Section 66499.7 shall control.

7. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the defective design, construction, functionality, installation assembly or improper

maintenance including, without limitation, the use of defective methods, materials or workmanship (collectively "Subdivider's Faults") of the Improvements by Subdivider, its officers, employees and agents. Subdivider shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults.

B. Subdivider's obligations under this Section 7 are not conditioned or dependent upon whether the City, or its officers, agents and employees, prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City under this Section 7 shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's defective design or defective construction of public drainage systems, streets, and other public facilities or improvements. Except for a City Directive as defined below, the City's acceptance of the Improvements shall not constitute an assumption by the City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Subdivision or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, regardless of any act or omission by the City in approving the Improvement Plans or the Final Map, unless the particular Improvement design was required by the City over the written objection of the Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design (a "City Directive"). After City's acceptance of the Improvements, the Subdivider shall remain obligated to correct or eliminate all dangerous conditions created by defects in design, construction or Subdivider's Faults (other than those required by a City Directive); provided, however, that Subdivider shall not be responsible for routine maintenance as specified in Section 1(F) of this Agreement. Subdivider's indemnity obligations hereunder shall remain in effect for ten (10) years following acceptance of the respective Improvement(s) by the City Council. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the Subdivider's Faults with respect to the Improvements and other work done pursuant to this Agreement, unless same is due to a City Directive. City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements, unless same is due to a City Directive. The Subdivider's improvement security shall not be required to secure the Subdivider's obligations under this subparagraph C beyond the one-year guarantee and warranty period, unless the City Engineer provides notice to Subdivider prior to the expiration of the one-year period of the existence of, or continued existence of, defects in the improvements, in which case the portion of the improvement security to guarantee and warranty the improvements against defective work shall not be released and shall remain in place until the City Engineer provides written confirmation that the defects have been cured and corrected. The indemnity shall be effective retroactively to the earliest recordation date of the Final Map.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City, its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "City and City Personnel") to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided City gives Subdivider prompt written notice of such claim and allows Subdivider to undertake the defense thereof, and provided further that City cooperates in any such suit, action, or other legal proceeding, but shall retain its right to reject a settlement that the City deems, in its sole and absolute discretion, to be contrary to the interests of the City.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against City and City Personnel to the extent of the indemnity above provided.

8. INSURANCE

The following coverages will be provided by Subdivider and maintained on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the construction period, the coverages shown below as "Insurance After Construction." In addition, Subdivider may elect to obtain, for all or any portion of the Project, an "Owner-Controlled Wrap Up" insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word "Subdivider" refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor.

A. Insurance During Construction. Subdivider shall provide the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider's General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to "ongoing operations" or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars ($1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

B. Insurance After Construction. Upon completion of construction of the Improvements, and for the required one-year guarantee and warranty period for Improvements and the required 10-year indemnification period, Subdivider at Subdivider's expense shall maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort by Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance may be excused, subject to City's verification of inability to obtain the required insurance. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 150% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO form CG 20 10 or equivalent if available from the insurer and reasonably acceptable to the City. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City until the warranty period specified in this Agreement expires.

3. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting

date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. Workers Compensation Insurance. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Employer's liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. Business Auto Coverage. Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

C. Provisions Pertaining to Insurance Provided by Subdivider

1. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

3. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

4. None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

5. Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

6. In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any reasonable premium paid by City will be promptly reimbursed by Subdivider.

7. Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability and umbrella liability policies using ISO Form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide copies of any endorsements modifying coverage in any way upon request from City.

8. Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage.

9. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

10. Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit $1,000,000 per occurrence), automobile liability ($1,000,000 per accident) and workers' compensation (statutory benefits). Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

11. Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all agreements with subcontractors or others with whom Subdivider contracts with on behalf of City, and all certificates of insurance

obtained in compliance with this paragraph will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

12. Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

13. Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

14. Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

15. Subdivider agrees not to attempt to avoid its defense and indemnity obligations to City, and its officers, employees, agents by using as a defense Subdivider's statutory immunity under workers' compensation and similar statutes.

16. Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

17. If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

18. Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than $15,000,000 for each occurrence, until the warranty period specified in this Agreement expires.

19. Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than $1,000,000 per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If

Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

20. To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

9. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City. The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City pursuant to Government Code Section 66477.2 and recorded with the County Recorder or by other writing.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps reasonably necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City in writing, each Improvement and Improvement area that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

10. PREPARATION AND RECORDATION OF CC&RS.

A. The Subdivider shall establish a Homeowners Association for the residential areas of the Final Map owned by Subdivider, and to pay all costs associated with the creation of the associations.

B. The Subdivider shall prepare and record Covenants, Conditions, and Restrictions (CC&Rs) which obligate each homeowners association to provide for maintenance of the shared facilities, improvements, and landscaping within the boundaries of the associations in perpetuity in accordance with the Development Agreement and conditions of approval. The CC&Rs shall describe the homeowners association and the City's responsibilities and rights, and shall be subject to the approval of the City prior to recordation.

C. The Subdivider shall implement applicable provisions of the Mitigation Monitoring and Reporting Program.

11. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to complete construction and installation of the Improvements or any of them by the completion date set forth above in the Subdivision Reference Data;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the one-year guarantee and warranty period as required by Section 3.A or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following receipt by Subdivider of written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work of the Improvements or any of them, after commencement of work on same, for a period of thirty (30) days after Subdivider's receipt of written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after receipt by Subdivider of written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after receipt by Subdivider of written notice thereof from the City.

B. City reserves to itself all remedies available to it at law or in equity for any breach of Subdivider's obligations under this Agreement. City shall have the right, without limitation of other rights or remedies, after written notice to Subdivider and a reasonable opportunity for Subdivider to cure any such alleged default, to draw upon or utilize any improvement security furnished hereunder to complete the Improvements or otherwise mitigate City's damages in the event of Subdivider's default.

C. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may serve written notice of any such default upon the surety on any corporate surety bond furnished as improvement security hereunder, and request that said surety take over and complete the Improvements herein specified. If such surety, within thirty (30) days after service of such notice of default, does not give the City

written notice of its intention to perform this Agreement, or does not commence such performance within thirty (30) days after notice to the City of such intention to perform, the City may take over the work and prosecute the same to completion, by contract or by any other method the City deems advisable, for the account and at the expense of the Subdivider and its surety.

D. Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

E. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the performance of the work. Subdivider hereby consents to such entry by the City and its representatives, including contractors, following written notice to Subdivider upon the real property in the Subdivision owned by Subdivider and necessary for City to enter or access under this Agreement, in the event the City elects to maintain or complete the work on the Improvements following Subdivider's default.

F. Subdivider acknowledges and agrees that approval of the Final Map for the Subdivision conferred substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by Subdivider.

G. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

H. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, and is the prevailing party, Subdivider agrees to pay all reasonable attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

12. RELATIONSHIP OF THE PARTIES

Neither Subdivider, nor any of Subdivider's contractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

13. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City in accordance with the Development Agreement. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Subdivider of its obligations hereunder. If Subdivider intends to sell the Subdivision, or any portion thereof (except for the sale of individual lots with homes to individual purchasers), to any other person or entity, the Subdivider may request an assignment or novation of this Agreement and a substitution of improvement security. Upon the City's approval of the assignment or novation and substitution of improvement security, the Subdivider may request a release or reduction of the improvement security furnished pursuant to this Agreement.

14. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the City:	Art Vela Director of Public Works/City Engineer City of Banning 99 E. Ramsey Drive Banning, California 92220
If to the Subdivider:	To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if mailed, three (3) days after the date of deposit in the United States Mail.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the City Engineer.

16. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

17. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data and the Recitals are incorporated into this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

19. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

[Note: All signatures must be acknowledged by a notary public and the acknowledgement must be attached. If signed by a Corporation, the signatures of two Corporate officers are required, unless a resolution of the Corporation's Board of Directors is provided indicating that the signature of the one signatory is sufficient to bind the Corporation.]

SUBDIVIDER

By: _____

Print Name: Michael C. Taylor

Title: Division President

Date: 3·19·25

CITY

CITY OF BANNING

_____

MAYOR

ATTEST:

_____ (SEAL)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 03/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Edelmira Gonzales (Seal)

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

CITY CLERK

Approved as to form:

_____

CITY ATTORNEY

[This page for acknowledgments.]

Bond No. 30240656
Premium: $15,390.00

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell – Phase 2A-2 Storm Drain Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell – Phase 2A-2 Storm Drain Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Four Million One Hundred Fifty-Nine Thousand Four Hundred Twenty-Five and 80/100, Dollars ($4,159,425.80), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor, Division President
(Title of officer)

Date: 3/19/25

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 03/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)

Michelle Haase, Attorney-in-Fact
(Title of officer)

Date: March 18, 2025

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On MAR 1 8 2025 before me, Sarah E. Campbell, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

SARAH E. CAMPBELL
Notary Public - California
Los Angeles County
Commission # 2491647
My Comm. Expires Jun 27. 2028

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 18th day of March, 2025.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30240656
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell – Phase 2A-2 Storm Drain Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. ,
(hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell – Phase 2A-2 Storm Drain Improvements ; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of Four Million One Hundred Fifty-Nine Thousand Four Hundred Twenty-Five and 80/100 Dollars ($4,159,425.80), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court, Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor, Division President
(Title of officer)

Date: 3/19/25

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

On 03/19/2025 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)

Michelle Haase, Attorney-in-Fact
(Title of officer)

Date: March 18, 2025

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

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State of California }

County of Orange }

On MAR 18 2025 before me, Sarah E. Campbell, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SARAH E. CAMPBELL
Notary Public - California
Los Angeles County
Commission # 2491647
My Comm. Expires Jun 27, 2028

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

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- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 18th day of March, 2025.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

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CENTERLINE TIES

TRACT NO. 37389-1

DEVELOPMENT PHASE 2A-1



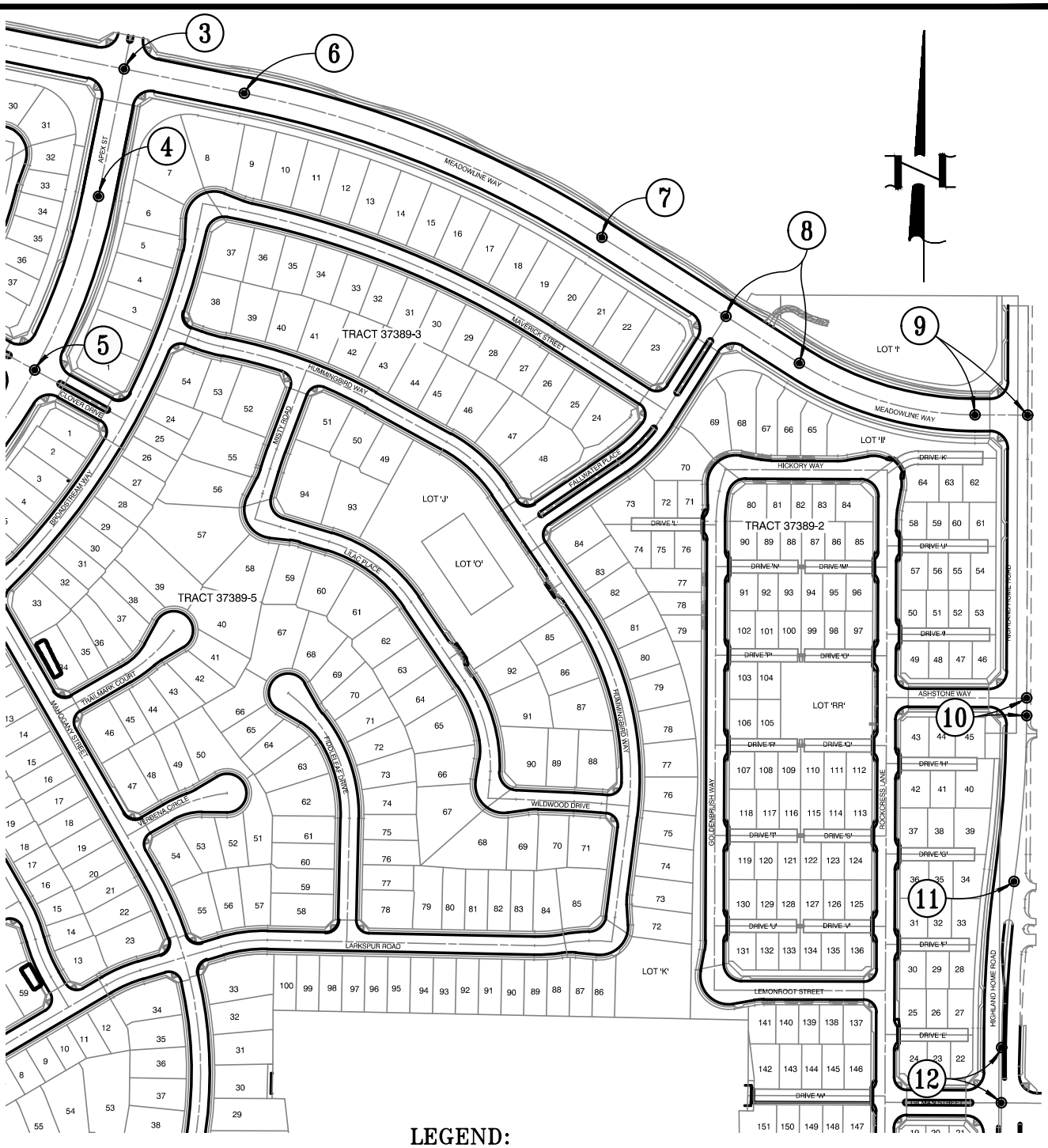
9-9-24

DARYL J. CHRISTIAN

L.S. 8554

CITY OF BANNING	STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS		TITLE SHEET DATE: 9-6-24 1 OF 12
DARYL J. CHRISTIAN		FIELD REVIEW _____ DATE _____
L.S. 8554		TIE BOOK _____ PAGE _____

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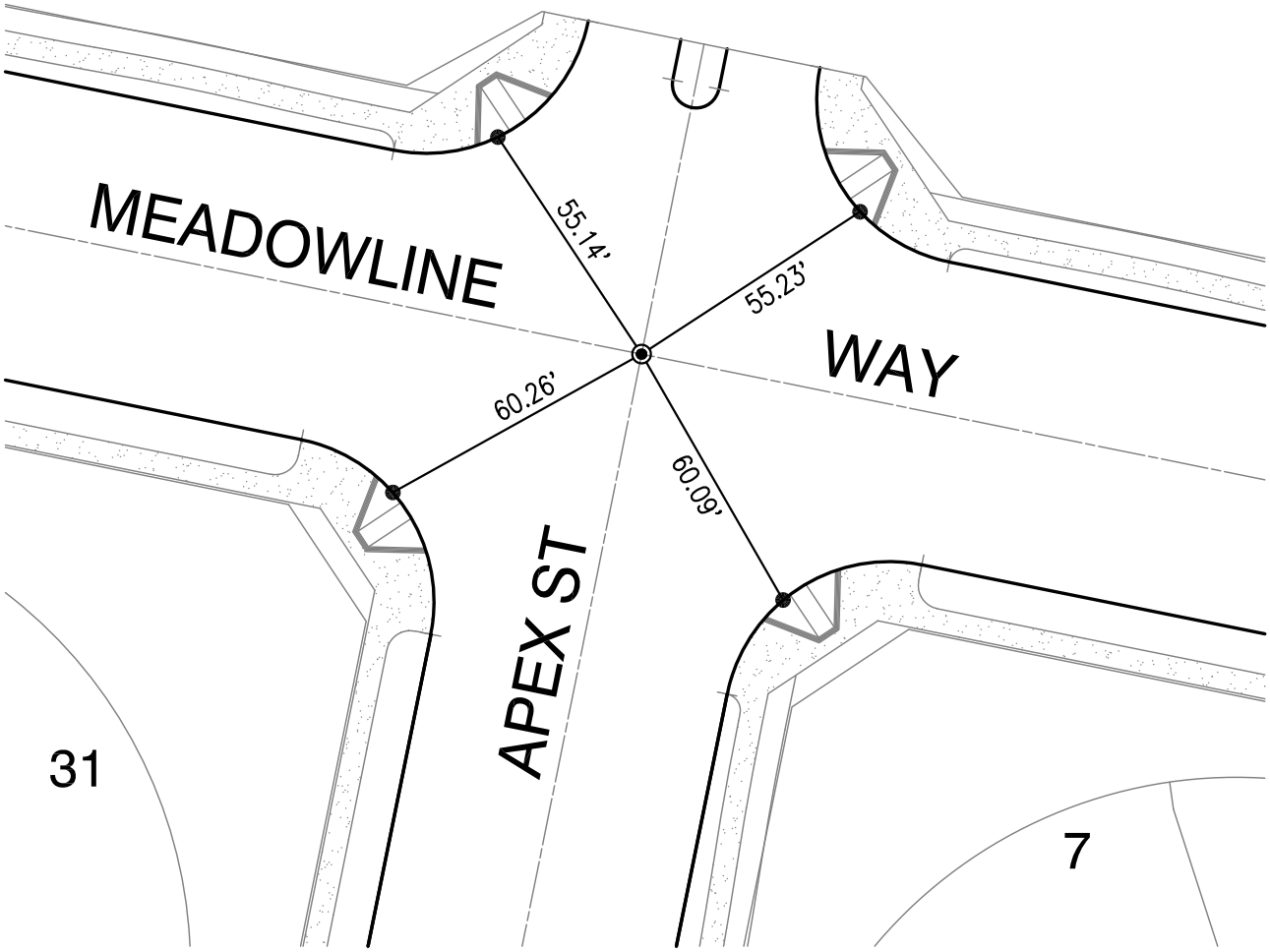


LEGEND:

(#) DENOTES SHEET NUMBERS

CITY OF BANNING	STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS		# INDEX SHEET SCALE: 1"=300' DATE: 9-6-24 2 OF 12
DARYL J. CHRISTIAN		FIELD REVIEW _____ DATE _____
L.S. 8554		TIE BOOK _____ PAGE _____

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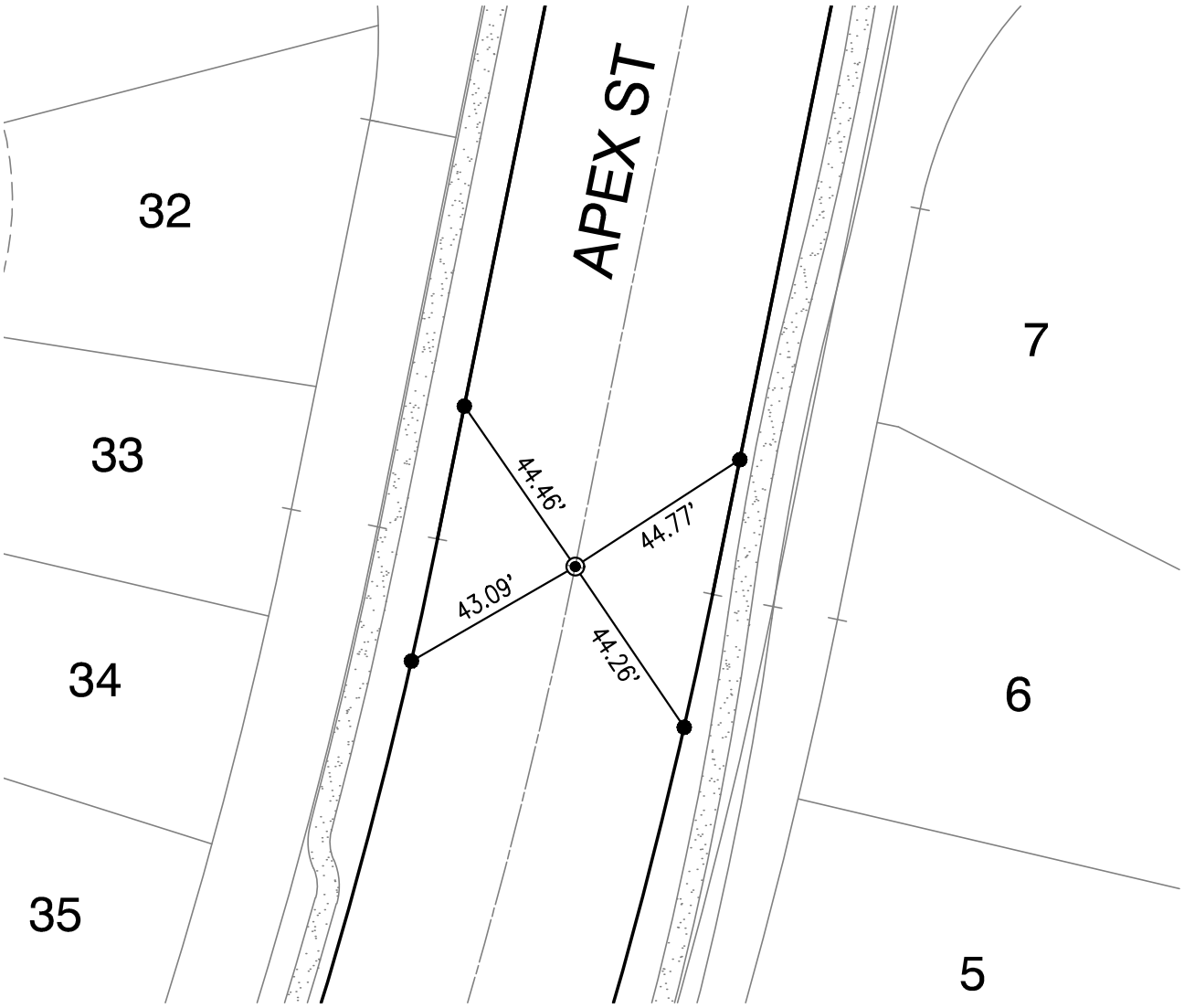
LEGEND :

◉ INDICATES SPIKE & WASHER WITH TAG STAMPED "LS 8554"

● INDICATES LEAD & TACK IN TOP OF CURB

CITY OF BANNING	STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS		CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 3 OF 12
DARYL J. CHRISTIAN		FIELD REVIEW _____ DATE _____
L.S. 8554		TIE BOOK _____ PAGE _____

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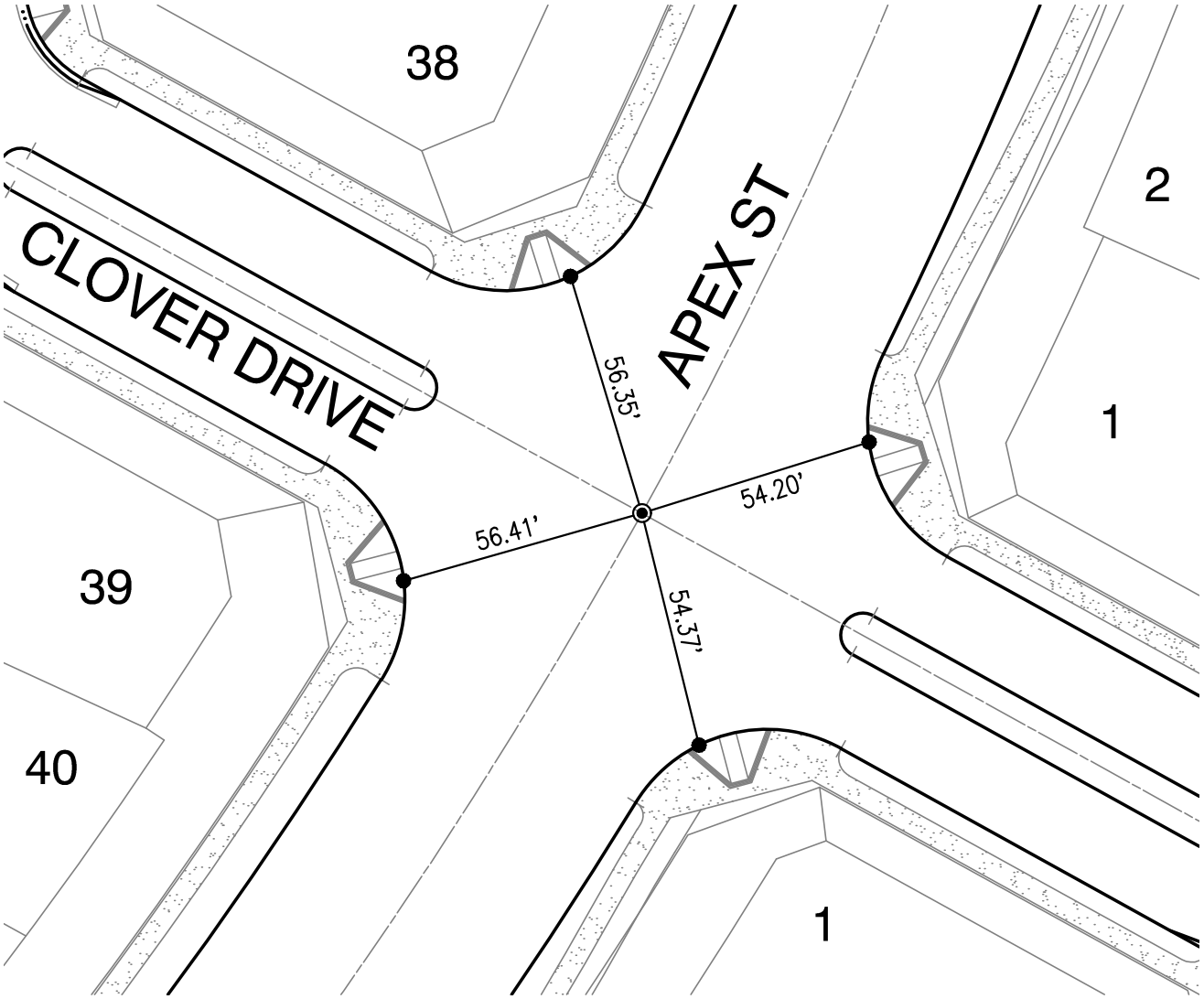
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L.S. 8554	TIE BOOK _____ PAGE _____

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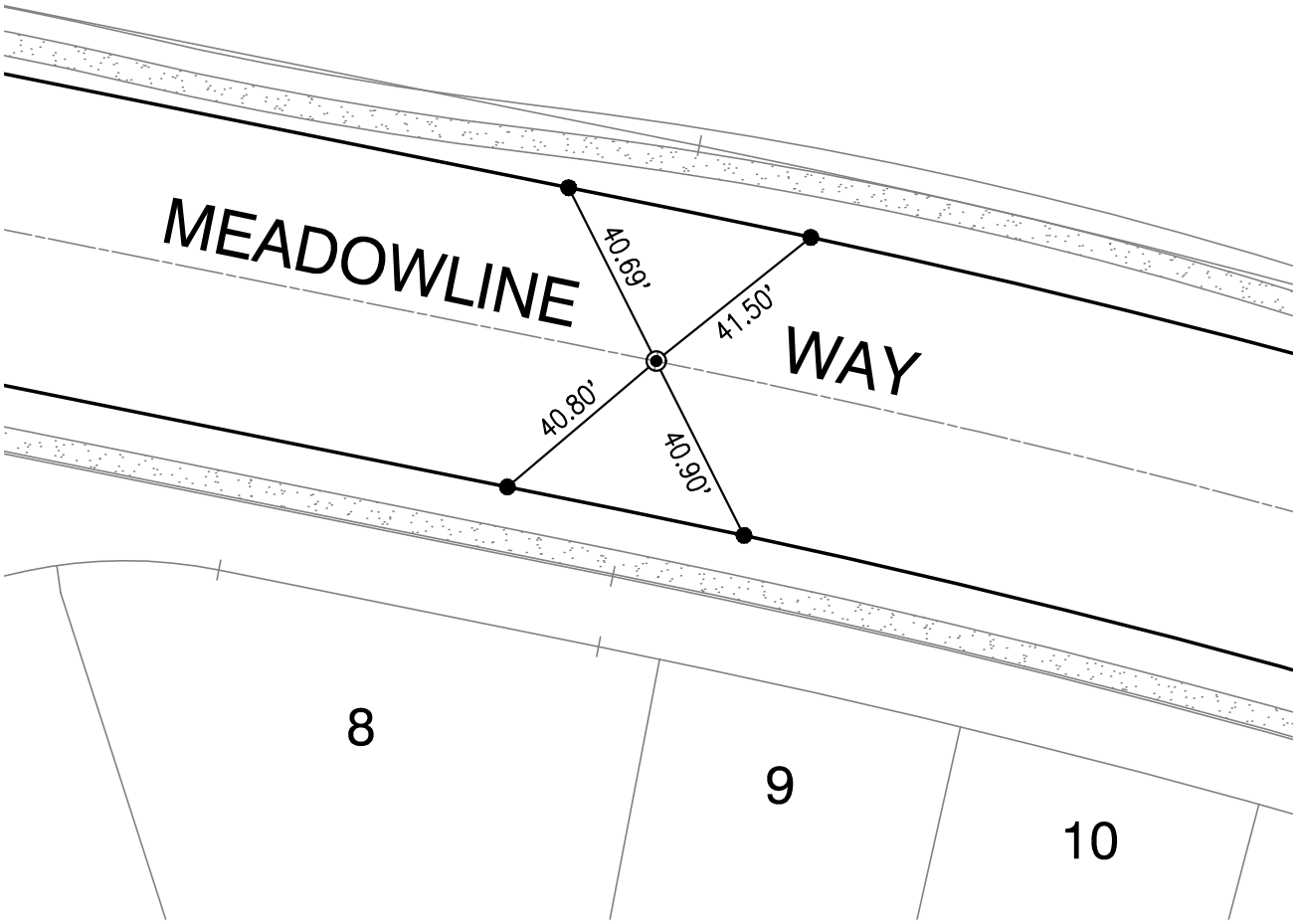


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CITY OF BANNING STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
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DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
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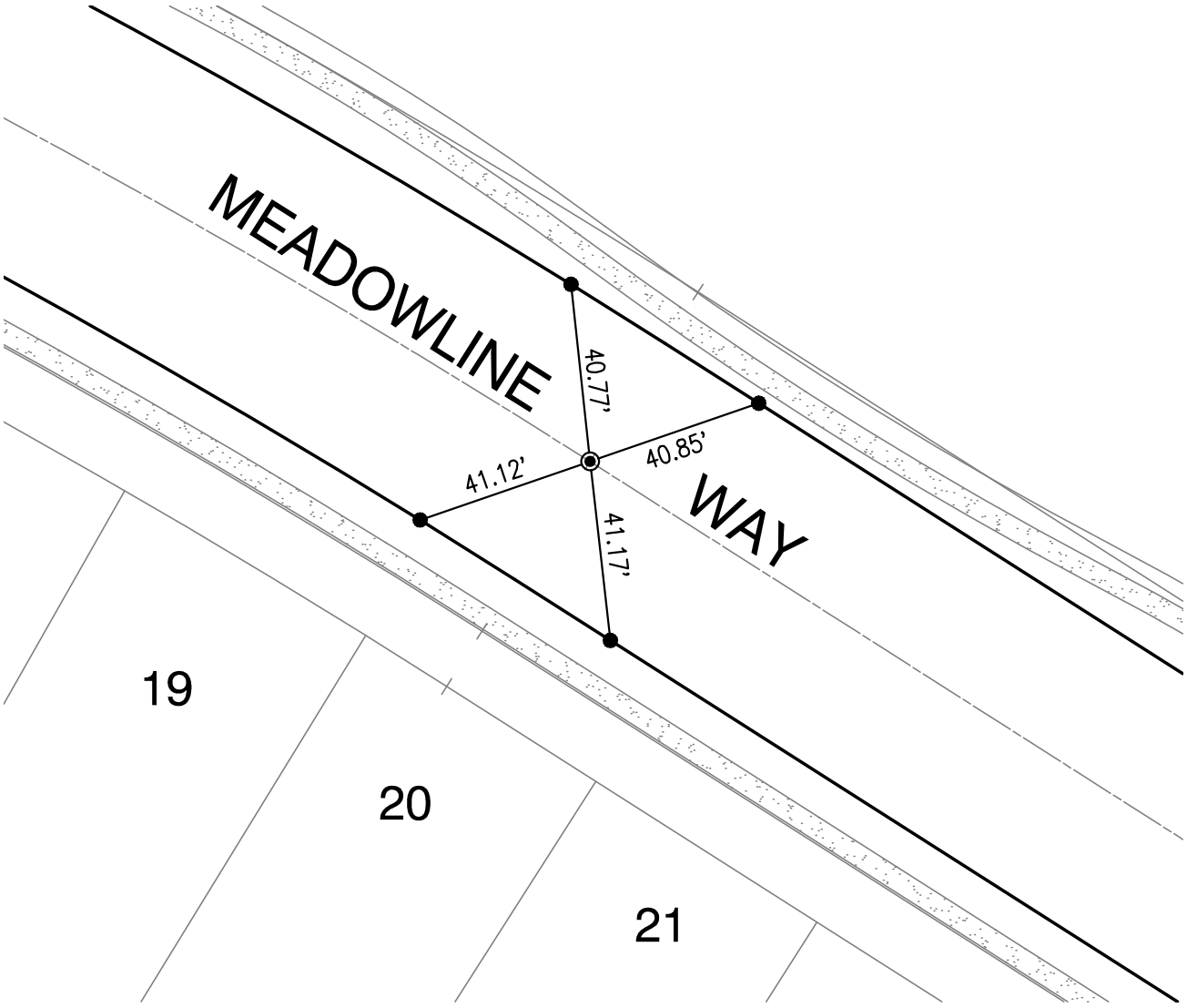
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L.S. 8554	TIE BOOK _____ PAGE _____

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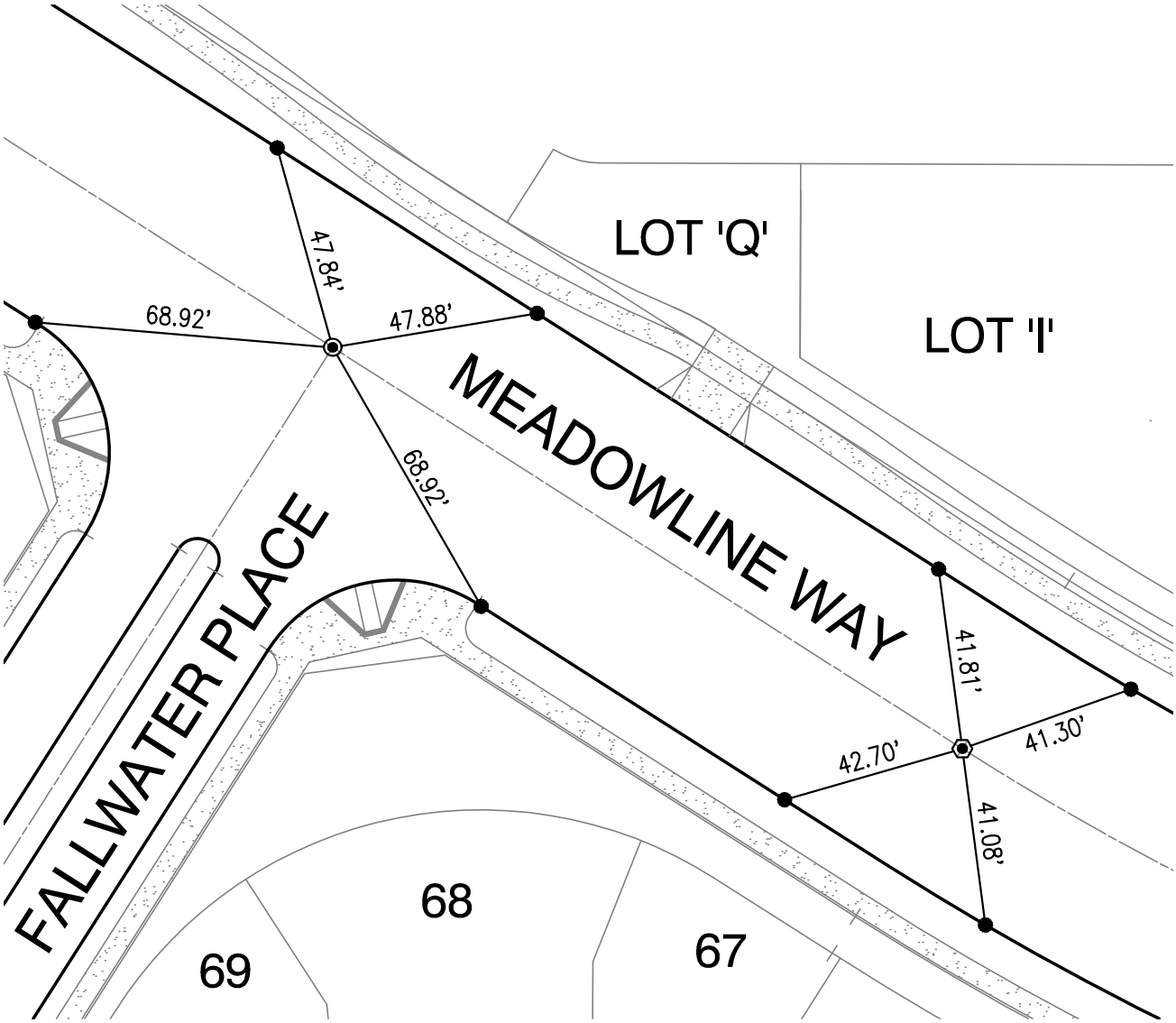


LEGEND :

- ◉ INDICATES SPIKE & WASHER WITH TAG STAMPED "LS 8554"
- ● INDICATES LEAD & TACK IN TOP OF CURB

CITY OF BANNING — STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 7 OF 12
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

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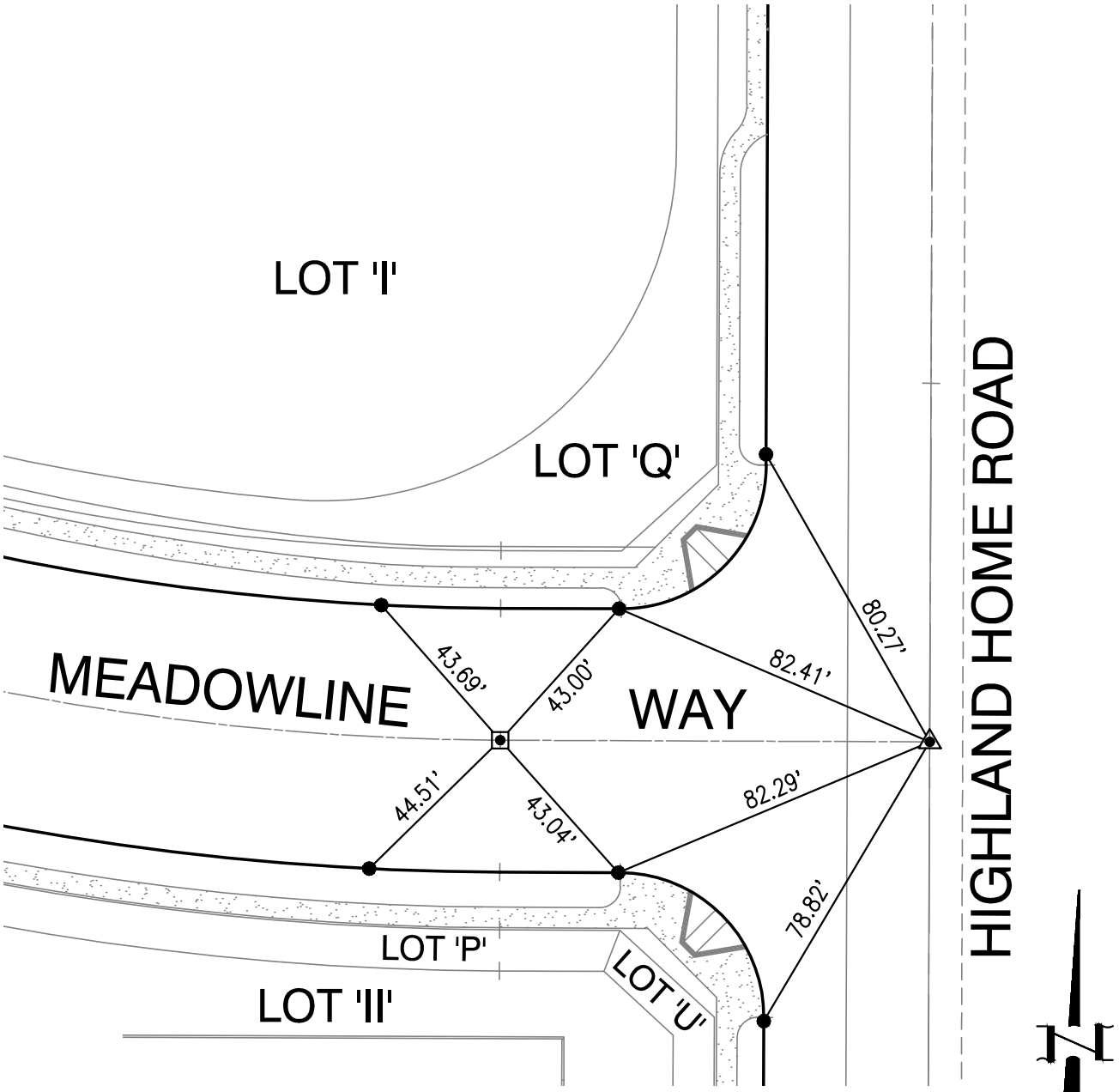


LEGEND :

- ◉ INDICATES SPIKE & WASHER WITH TAG STAMPED "LS 8554"
- ● INDICATES LEAD & TACK IN TOP OF CURB
- ◈ INDICATES PUNCH MARKS (4) ON MANHOLE RIM

CITY OF BANNING — STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	# CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 8 OF 12
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

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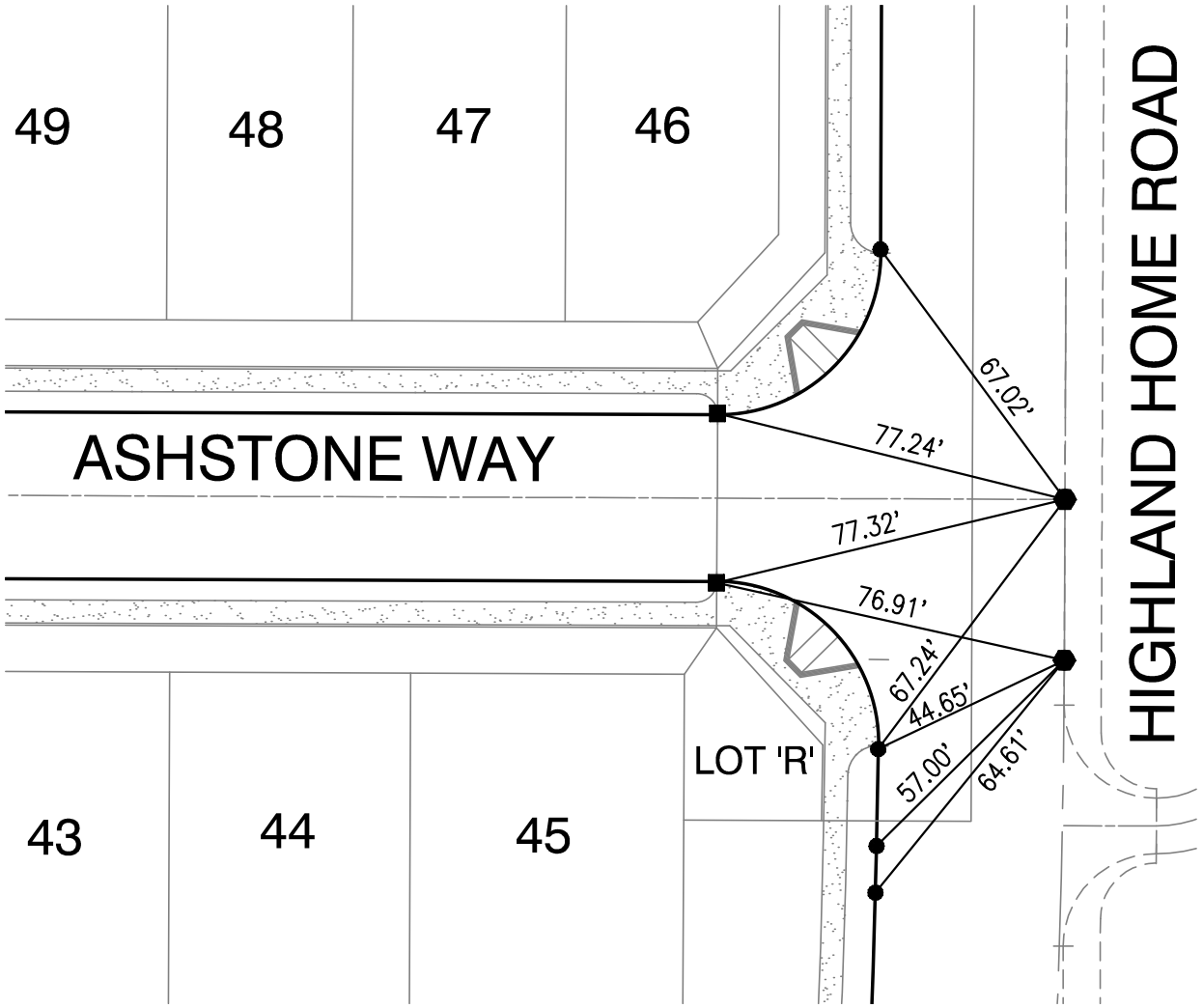


LEGEND :

- ⊡ INDICATES LEAD & TAG STAMPED "LS 8554" IN CONCRETE MANHOLE
- ⧋ INDICATES NAIL & TAG STAMPED "LS 8554" IN A.C. BERM
- ⬢ INDICATES 1" IRON PIPE W/ PLASTIC PLUG, "LS 8554", DOWN 0.5' AT EDGE OF PAVEMENT
- ● INDICATES LEAD & TACK IN TOP OF CURB

CITY OF BANNING — STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	# CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 9 OF 12
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

I:\89408\SURVEY\Docs\Ties\37389-1\EXHIBIT DWG\37389-1 TIE EXH.dwg 9

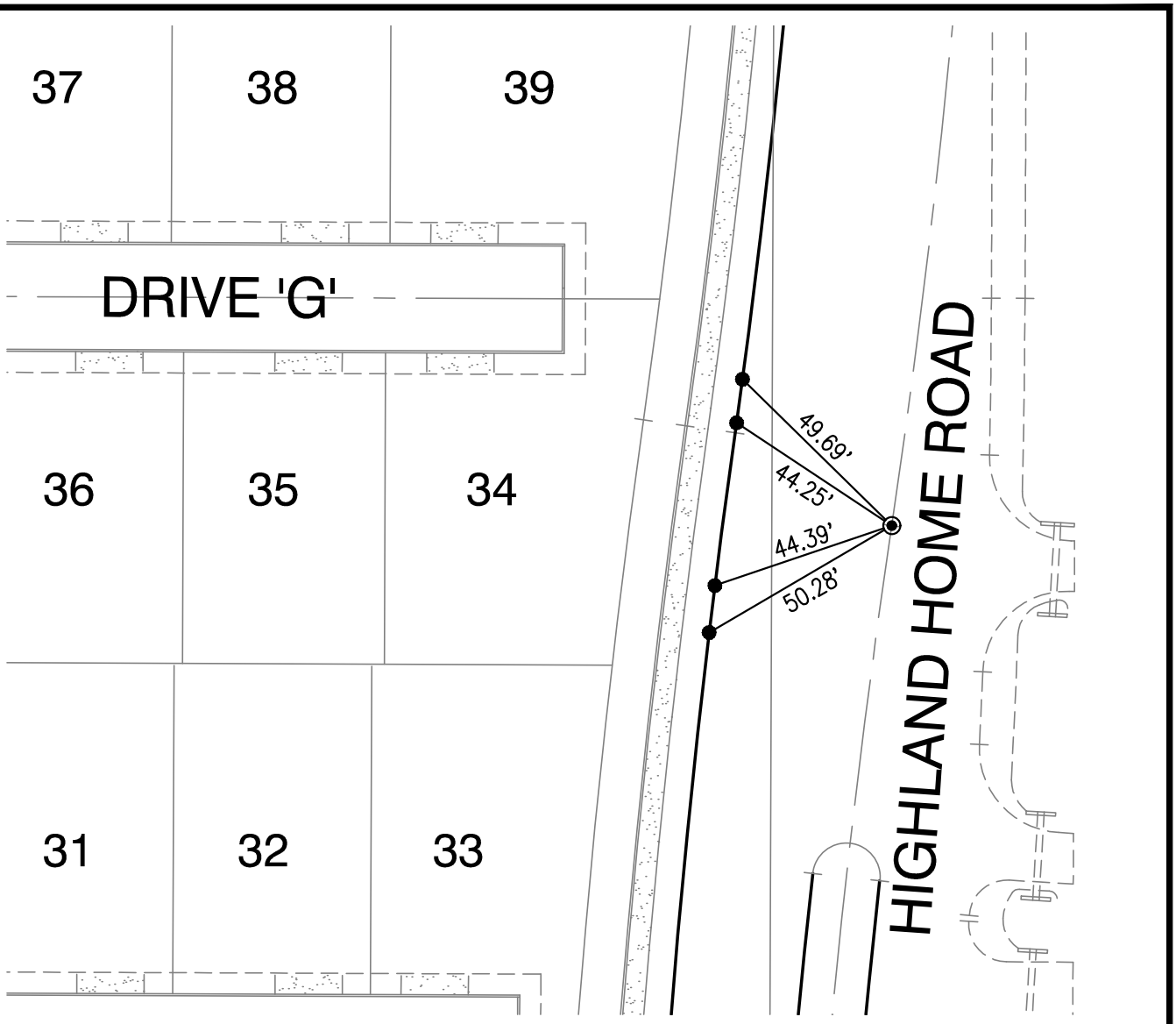


LEGEND :

- ● INDICATES LEAD & TACK IN TOP OF CURB
- ■ INDICATES LEAD, TACK & TAG STAMPED "LS 8554" IN TOP OF CURB (PL PROD)
- ⬢ INDICATES 1" IRON PIPE W/ PLASTIC PLUG, "LS 8554", DOWN 0.5' AT EDGE OF PAVEMENT

CITY OF BANNING	STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS		CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 10 OF 12
DARYL J. CHRISTIAN		FIELD REVIEW _____ DATE _____
L.S. 8554		TIE BOOK _____ PAGE _____

I:\89408\SURVEY\Docs\Ties\37389-1\EXHIBIT DWG\37389-1 TIE EXH.dwg 9

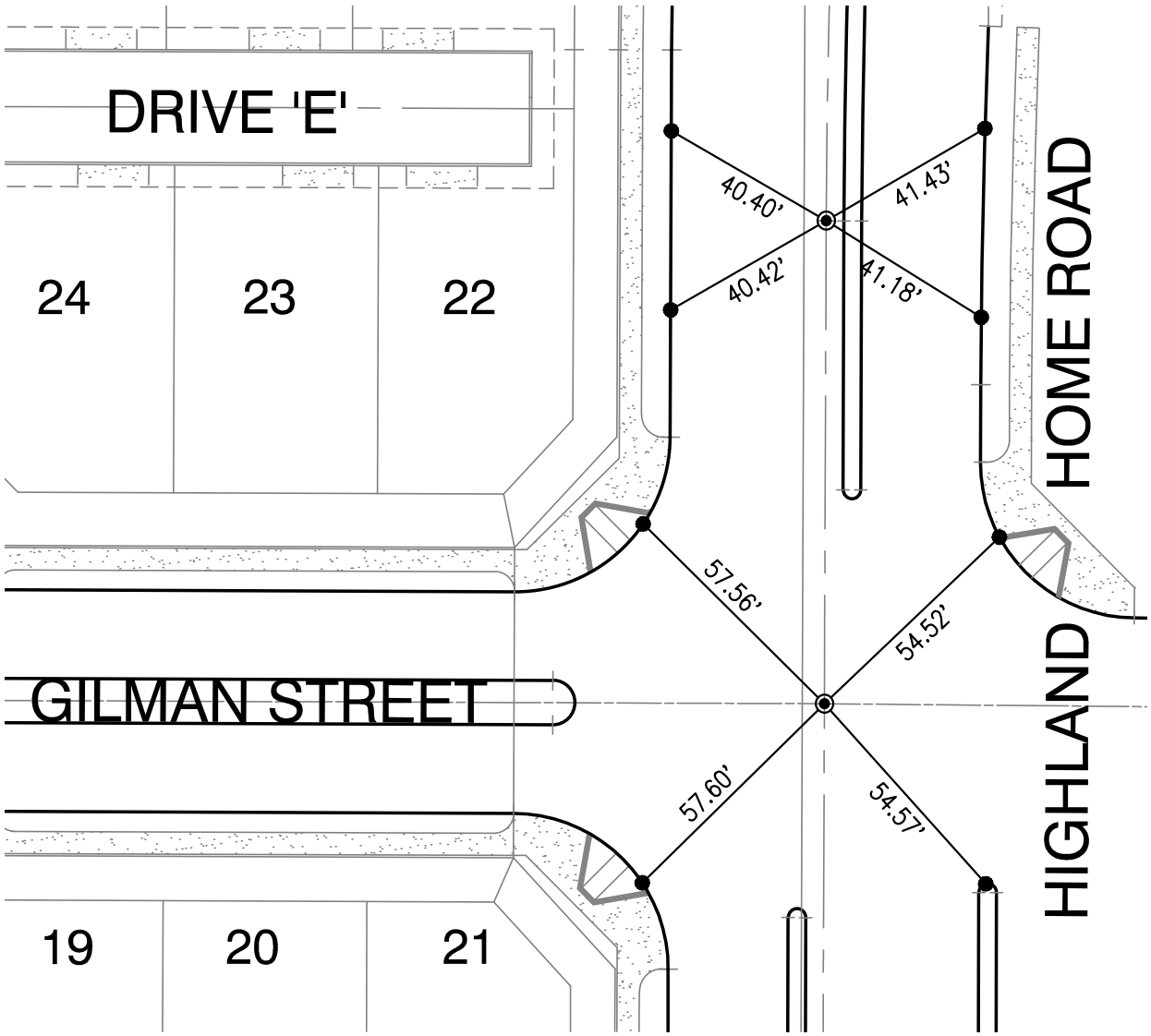


LEGEND :

- ◉ INDICATES SPIKE & WASHER WITH TAG STAMPED "LS 8554"
- ● INDICATES LEAD & TACK IN TOP OF CURB

CITY OF BANNING — STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 11 OF 12
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

I:\89408\SURVEY\Docs\Ties\37389-1\EXHIBIT DWG\37389-1 TIE EXH.dwg 9



LEGEND :

- ◉ INDICATES SPIKE & WASHER WITH TAG STAMPED "LS 8554"
- ● INDICATES LEAD & TACK IN TOP OF CURB

CITY OF BANNING — STREET TIE	TRACT NO. 37389-1 DEVELOPMENT PHASE 2A-1
MDS CONSULTING 5 PETERS CANYON ROAD SUITE 305 IRVINE, CA 92606 (949) 251-8821 WWW.MDSCONSULTING.NET PLANNERS ENGINEERS SURVEYORS	CENTERLINE TIES SCALE: 1"=40' DATE: 9-6-24 12 OF 12
DARYL J. CHRISTIAN	FIELD REVIEW _____ DATE _____
L.S. 8554	TIE BOOK _____ PAGE _____

I:\89408\SURVEY\Docs\Ties\37389-1\EXHIBIT DWG\37389-1 TIE EXH.dwg 9

Bond No. 30164665
Premium: $55 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell - 37389-1 Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: Atwell - 37389-1 Monumentation; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Fourteen Thousand Eight Hundred Thirty-Five and no/100 Dollars ($14,835.00), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc
(Type name of Principal)

1250 Corona Pointe Court, Ste 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor, Division President
(Title of officer)

Date: 6/16/22

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)

Michelle Haase, Attorney-in-Fact
(Title of officer)

Date: June 15, 2022

APPROVED:

City Attorney

California All-Purpose Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside } s.s.

On June 16, 2022 before me, Ana E. Chavez Perez, Notary Public,
Name of Notary Public, Title

personally appeared Michael C. Taylor
Name of Signer (1)

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

ANA E. CHAVEZ PEREZ
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2286015
RIVERSIDE COUNTY
My Comm. Exp. April 22, 2023

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
- ☐ Attorney-in-fact
- ☐ Corporate Officer(s) _____
  Title(s)
- ☐ Guardian/Conservator
- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other: _____

representing: _____
Name(s) of Person(s) Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
☐ form(s) of identification ☐ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer ☐ Signer(s) Thumbprints(s)

☐ _____

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ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On JUN 1 5 2022 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS ~~my hand~~ and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2244611
My Comm. Expires Jun 25, 2022

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Adriana Valenzuela, Lisa Marie Saumur, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 15th day of February, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 15th day of February, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT
SEAL NOTARY PUBLIC SOUTH DAKOTA SEAL

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 15TH day of JUNE, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

Bond No. 30164665
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell - 37389-1 Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc, (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: Atwell - 37389-1 Monumentation; and

WHEREAS, said Agreement is dated June 16, 2022 and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of *** Dollars ($14,835.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

Fourteen Thousand Eight Hundred Thirty-Five Thousand and no/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc
(Type name of Principal)

1250 Corona Pointe Court, Ste 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor, Division President
(Title of officer)

Date: 6/16/22

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

(Street Address)

Irvine CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)

Michelle Haase, Attorney-in-Fact
(Title of officer)

Date: June 15, 2022

APPROVED:

City Attorney

California All-Purpose Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside } s.s.

On June 16, 2022 before me, Ana E. Chavez Perez, Notary Public,
Name of Notary Public, Title

personally appeared Michael C. Taylor
Name of Signer (1)

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
- ☐ Attorney-in-fact
- ☐ Corporate Officer(s) _____
  Title(s)
- ☐ Guardian/Conservator
- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other: _____

representing: _____
Name(s) of Person(s) Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

☐ form(s) of identification ☐ credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer ☐ Signer(s) Thumbprints(s)

☐ _____

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ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On JUN 15 2022 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2244611
My Comm. Expires Jun 25, 2022

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Janina Monroe, Tom McCall, Jennifer Ochs, Martha Barreras, Michelle Haase, Adriana Valenzuela, Lisa Marie Saumur, Charles R Teter III, K D Wapato, Marina Tapia, Edward C Spector, Ethan Spector, B Aleman, Aidan Smock, Simone Gerhard, Erin Brown, D Garcia, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 15th day of February, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

Paul T. Bruflat — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 15th day of February, 2022, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA (SEAL)

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, D. Johnson, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance company printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance company this 15TH day of JUNE, 2022.

THE CONTINENTAL INSURANCE COMPANY

The Continental Insurance Company

D. Johnson — Assistant Secretary

Form F6850-4/2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

> "RESOLVED: That any Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execution power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

> "Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and
>
> Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

CNA SURETY

Digital Seal Authority and Enforceability

This communication is being provided on behalf of all CNA Surety companies, including **Western Surety Company, Continental Casualty Company, The Continental Insurance Company, American Casualty Company of Reading, Pennsylvania,** and **National Fire Insurance Company of Hartford** (collectively and individually referred to as "CNA Surety").

The use of an electronic image of the corporate seal of any CNA Surety company (the "Digital Seal") and the attachment of the Digital Seal to any surety bond issued by a CNA Surety company is authorized. Each CNA Surety company acknowledges and agrees that the Digital Seal may be affixed to any CNA Surety bond and relied upon to the same extent as if a raised corporate seal were physically attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability notice, executed electronically, to an Obligee or Obligee's representative shall constitute effective execution and delivery of this notice and shall have the same legal effect as delivery of a tangible original of the notice with my original "wet" signature.

In Witness Whereof, this has been executed by the Vice President and Surety General Counsel for each of the CNA Surety companies.

Dated this 31st day of March, 2020.

Rosemary Quinn
Vice President and Surety General Counsel on behalf of

Western Surety Company

The Continental Insurance Company

Continental Casualty Company

National Fire Insurance Company of Hartford

American Casualty Company of Reading, Pennsylvania

APPROVED BY
CITY OF BANNING
MAY 24 2022
PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	5/20/2022
Approved By:	
Date Approved:	
Tract No.:	37389-1 Monumentation

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
MONUMENTATION				
1" Dia. Pipe (Tract Boundary)	Each	9	$ 100.00	$ 900.00
1" Dia. Pipe (Lot Corners)	Each	120	$ 100.00	$ 12,000.00
SUBTOTAL				**$ 12,900.00**
15% Contingency				**$ 1,935.00**
TOTAL				**$ 14,835.00**
			Faithful Performance (100%)	$ 14,835.00
			Labor & Material (100%)	$ 14,835.00

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Ralph Wright, Parks and Recreation Director**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Parks and Recreation Report of Monthly Activities through the 3rd Quarter of Fiscal Year 2025/2026 - March 2026**

RECOMMENDATION:

Receive and file.

BACKGROUND:

To better track the participation levels of parks and recreation program offerings and the facilities usage for parks and recreation programs and services, staff developed a monthly report that is used to compile and present our numbers, help tell our story and allow for easy year over year comparison.

The ten-page report includes parks staff activities, park and facility usage, sports and classes participation, Senior activities, Banning Connect ridership and passes sold, aquatics programming, special events and the last page is a tracking page for trips and activities associated with the Outdoor Equity Program grant. The report is aligned with the fiscal year, July through June of each year and compiled each month.

Staff brings the report to the Council after each quarter of the Fiscal Year. Attached in this item, is the March 2026 report that contains participation information through the end of the 3rd quarter of FY 2025-26 and includes participation data for the first nine months of this Fiscal year.

The 3rd quarter report shows continued ongoing park and facility usage as well as strong growth in overall programming and participation. Many of our regular ongoing programs continue to be at capacity or nearing capacity.

The March report continues to show great participation throughout all programming and services offered in the Senior Center. The daily meal program has grown to nearly 70 daily meals. The report shows that we successfully ran a large youth basketball program as well as an adult basketball program with 3 additional teams from the initial return in 2025.

Graffiti and vandalism continue to be a significant drain on the staffing of our Park's division impacting ongoing park’s maintenance and the general public’s ability to use the park.

JUSTIFICATION:

This report provides quantitative information pertinent to parks and recreation services offered for the City of Banning's residents.

FISCAL IMPACT:

There is no fiscal impact with this report

ATTACHMENTS:

1. Parks and Recreation MRA - March 2026.pdf

PARK and REC Stats

March 2026

*Fiscal Year *
25-26



March is for good times, sports, and community celebrations! We have had a lot of fun within every spot of Parks and Rec, from the parks to facilities, and as always, our senior center.



Parks Maintenance	P1
Parks Usage	P2
Facility Usage	P3
Sports/Volunteers	P4
Senior Center	P5
Classes / Programs	P6
Transit	P7
Aquatics	P8
Special Events	P9
Outdoor Equity	P10





Park Maintenance

Six parks with approximately 58 developed acres maintained

	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
# of trees PLANTED	0	0	0	0
# of trees REMOVED	0	0	5	2
# of trees TRIMMED	26	4	55	22
Service requests completed by Parks	7	8	64	95
Vandalism incidents repaired	7	15	75	115
Graffiti incidents repaired	15	18	148	134

The Monthly Reports are based on a fiscal year
July 1, 2025- June 30, 2026

Dysart Park



Roosevelt Williams



Repplier Park



Richard Sanchez



Sylvan Park





Friday Night Lights at Dysart Park was full of fun and barrel racing!

Picnic Area Usage (scheduled) # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Lion's Park	0	0	2	0
Repplier Park	1	0	38	28
Roosevelt Williams Small	0	0	1	0
Roosevelt Williams Large	4	2	8	11
Sylvan Park	1	3	34	31
TOTAL	6	5	83	70

Park/Field Usage # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Dysart Park	3	2	25	24
Lion's Park	75	75	202	183
Repplier Park	31	26	187	192
Richard Sanchez	0	0	0	0
Roosevelt Williams	0	0	3	3
Sylvan Park	21	21	58	40
East Ramsey Lot	11	0	11	3
Carpenter Hamilton Park	0	0	0	0
TOTAL	141	124	487	445



We were able to host the Council Member Leroy Miller's town hall at the Senior Center that included our City Manager as a special guest.

Community Center # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Small Meeting Room	21	0	129	101
Large Dance Room	17	31	137	188
Gymnasium	83	92	792	696
Kitchen	2	1	21	25
Parking Lot	1	2	19	19
TOTAL	124	126	1098	1029

Senior Center # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Nutrition Site	33	27	236	221
Multi-purpose Room	38	46	257	377
TOTAL	71	73	493	598

Playhouse Bowl # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Meeting Room	11	1	90	81
Amphitheater	4	1	16	8
TOTAL	15	2	106	89

Roosevelt Williams and Armory # of uses	Monthly		Year-to-Date	
	2024-2025	2025-2026	2024-2025	2025-2026
Roosevelt Will. Meeting Room	9	0	51	25
Armory	10	3	53	20
TOTAL	19	3	104	45

n/a - Figures not available

March 2026







We have our Adult Basketball League is rolling successfully and full of fun!

Youth Sports	# of Participants Monthly 2025-2026	# of Participants Year to Date 2025-2026	# of Teams Year-to-Date 2025-2026	Facility Visits Year To Date 2025-2026
Youth Basketball	322	322	24	6756
Youth Flag Football	84	84	7	84
Youth Soccer	0	174	11	1960
Smart Start	30	30	0	60
TOTAL	436	610	42	8860

Adult Sports	# of Participants Monthly 2025-2026	# of Participants Year to Date 2025-2026	# of Teams Year-to-Date 2025-2026	Facility Visits Year To Date 2025-2026
Adult Softball	NO	NO	NO	NO
Adult Basketball	119	119	12	1134
TOTAL	119	119	12	1134

Volunteers	# of Volunteers Monthly 2025-2026	Hours volunteered Monthly 2025-2026	# of Volunteers Year to Date 2025-2026	Hours volunteered Year To Date 2025-2026
Coaches	24	168	39	738
Events	0	0	19	94
Senior Center	19	238	153	2422.5
TOTAL	43	406	211	3254.5

n/a - Figures not applicable min - Minimum participation not met NO - Not offered



At the senior center, they take St. Patrick's Day seriously! Especially, when it comes to the arts and celebration. The seniors also enjoyed a trip to the Gilman Ranch on a beautiful spring day.

Classes/Programs	# of Participants Monthly 2025-2026	# of Participants Year to Date 2025-2026
Games & Puzzles	62	302
Bingo & Loteria	155	932
Health & Wellness Classes	472	1904
Crafts & Activities	139	553
Pool Table	5	88
Education Classes	37	345
Movies	15	121
Events	164	848
Sponsored Social Programs	110	609
Presentations	7	545
TOTAL	1166	6246

Services	# of Participants Monthly 2025-2026	# of Participants Year to Date 2025-2026
Fill the Cupboard	21	278
Computer Lab	13	289
Daily Meals	926	7144
Paralegal	0	2
Phone / Walk-in Referrals	135	1192
Morning Greeters	64	721
Food Vouchers / Salvation Army/Other Services/Library	2	200
Happiness Campaign	52	564
Boutique	117	905
Cool/Warm Center	0	31
Morongo Moravian Gifts	0	103
Total	1330	11419

March 2026





The Lego-Neers explored the Winter Olympics for the month of February by making their own snowboards and luge tracks.

Classes/Programs	# of Participants Monthly 2025-2026	# of Participants Year to Date 2025-2026	Facility Visits Year To Date 2025-2026
Adult Programs/Classes	140	1435	2057
Youth Programs/Classes	42	497	1754
Special Needs Programs/Classes	28	564	1013
Day Camp	0	298	1370
Open Gym Basketball	21	314	314
Open Gym Pickleball	94	579	579
Open Gym Volleyball	0	0	0
TOTAL	325	3687	7087



n/a - Figures not applicable min - Minimum participation not met NO - Not offered

Transit Passes

We have come to know and bond with our bus riders either through phone call, from when they check in on the schedule, or in person, when they come to purchase their pass. We are grateful to be of service to them and to notify them that bus rides will be free for all Banning residents.



Bus Passes Purchased	# of Passes Monthly	# of Passes Year to Date
	2025-2026	2025-2026
Day Pass	n/a	n/a
Disabled Bus Pass	0	1
General Bus Pass	0	0
Senior Bus Pass	0	2
Youth Bus Pass	n/a	n/a
Banning Student Bus Pass	0	0
General Ticket Book	0	8
Senior Disabled Ticket Book	0	0
Dial-A-Ride 10 ticket Pass	n/a	n/a
TOTAL	0	11

Ridership Numbers	# of Passengers Monthly	# of Passengers Year to Date
	2025-2026	2025-2026
Senior/Disabled Passengers	2587	20487
General Passengers	6246	50506
Non Resident Riders	167	6042
Cabazon Zone Passengers	668	6963
Youth Passengers	146	4052
Student Passengers	830	7920
Veteran Passengers	26	324
Dial-A-Ride Passengers	415	3045
TOTAL	11075	99687





n/a - Figures not applicable min - Minimum participation not met NO - Not offered

Aquatics

8

March 2026

March	Monthly	Monthly Visits	Yearly Visits
	2024-2025	2024-2025	2024-2025
Child Admission	0	0	2929
Adult Admission	0	0	1929
Senior Admission	0	0	228
Lap Swim Adult	0	0	6
Lap Swim Senior	0	0	53
Adult Swim Lessons	0	0	8
Children's Lessons	0	0	2892
Senior Water Exercise	0	0	44
Aqua Zumba	0	0	272
Pool Rentals:	0	0	1800
Dive-In Movie Admission	0	0	1017
Cabana Rentals	0	0	350
TOTAL	0	0	11529

We look forward to seeing everyone next summer for more pool fun!







n/a - Figures not applicable min - Minimum participation not met NO - Not offered

We look forward to our Lego Builder's Bonanza in April!

Special Events	Year-to-Date	
# Participants/Attendees	2025-2026 Monthly	2025-2026
July 4th Celebration	0	2500
Evening Concert Series	0	5000
Hispanic Heritage	0	1200
Glow Party	0	180
Lego Party	0	0
Halloween Trunk or Treat	0	1300
Family Color Run	0	0
Beary Party	0	21
Santa Shoppe & Pancake Breakfast	0	450
Christmas Pajama Party	0	13
Downtown Christmas	0	2500
Christmas at the Ranch	0	500
Paint Party	0	21
Disaster Expo	0	0
Downtown Black History Month Event	0	200
Total:	0	13885



n/a - Figures not applicable min - Minimum participation not met NO - Not offered

Outdoor Equity Program

10

March

March 2026

The Outdoor Equity Program seeks to provide outdoor experiences and opportunities to the Banning community. Combining education and the outdoors, the Outdoor Equity Program allows participants to seek enriching outdoor experiences through trips, programs and activities focusing on the surrounding outdoors and community. It has been wonderful to offer these opportunities to our community to explore nature like at the Palm Springs Tram Way and our Agents of Discovery Missions.

This program funded by the Outdoor Equity Grants Program, created through AB 209 and administered by California State Parks, Office of Grants and Local Services.

March	Monthly Events/ Activities 2025-2026	Monthly Participants 2025-2026	Yearly Participants 2025-2026
Community Clean Ups	0	0	10
Teen Development	1	8	112
Events	1	10	60
Programs	0	0	0
Trips	1	56	285
TOTALS	3	74	467









n/a - Figures not applicable min - Minimum participation not met NO - Not offered

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Brandon Robinson, Electrical Engineering Supervisor** **Art Vela, Public Works Director**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Consideration of Resolution 2026-15, Approving and Adopting the City of Banning Electric Utility's Electric System Master Plan**

RECOMMENDATION:

Adopt Resolution 2026-15

BACKGROUND:

The last comprehensive electrical system study the City had performed was a Ten-Year Electric System Master Plan (FY 2004-2014), which was completed by R.W. Beck in 2004. The City of Banning Electric Utility's (BEU's) overall electricity consumption has increased by approximately 10 percent over the past three years, and the City must ensure that BEU's electric transmission and distribution facilities are adequate in order to accommodate future load growth and address aging infrastructure.

The Electric System Master Plan ("ESMP") started with an initial system assessment conducted by Finley Engineering Company ("Finley") in late 2024. It focused on reviewing BEU's practices and performance, regulatory impacts, condition of the electric infrastructure, and assessing our system distribution model and planning criteria. After completing this initial assessment, Finley was tasked with performing a load forecast that considered multiple growth cases, a load flow analysis of the electric system in regards to overall system voltage profile and reliability, developing a capital improvement plan to address findings of the assessments and analysis, and addressing aging infrastructure.

JUSTIFICATION:

The findings from the Electric System Master Plan ("ESMP") outline several recommendations for system improvements. Some of the highlights include: rebalancing overloaded primary circuits in some residential areas, addressing low voltage conditions during system peak conditions, need for improvement of inspection and monitoring of aging infrastructure, and buildout of distribution and transmission infrastructure to increase redundancy.

The ESMP provides a high-level guide for planning, operating, and maintaining the electric distribution system for the BEU over the next two decades. The plan also identifies the long-term outlook of the electric utility, assesses its current conditions, and provides both a 5-year and a 15-year long-term capital improvement plan to address current and future challenges all designed to increase reliability, safety, and address future load growth. The long-term approach of the 20-year timeline will allow BEU to plan how to address these issues in a way as to allow for flexibility in budget while concurrently maintaining reliability in a steady fashion.

The capital improvement projects identified in the ESMP that have been recommended as result of this

study will guide the City toward ensuring adequate and reliable service to the BEU's customers and prepare for projected load growth. As the need for power delivery continues to evolve and BEU's electric distribution system continues to age, BEU will need to meet the challenges brought on from the influx of distributed energy resources such as solar photovoltaic and battery storage flowing into the grid and adapt to growing risks from extreme natural conditions such as wildfires, heatwaves, and windstorms.

City Strategic Plan: Approval of the ESMP aligns with Goal 4 - Maintain Effective and Efficient Services (3rd Tier Initiatives):
• 4q. Complete a Facility Condition Assessment
• 4r. Address Facility Deferred Maintenance Issues

FISCAL IMPACT:

The recommended actions to approve and adopt the ESMP as a planning document will have no immediate fiscal impact. The total estimated expenditures projected in the ESMP is approximately $71.5 million over the next 20 years.

ATTACHMENTS:

1. Resolution 2026-15.docx
2. City of Banning '26-'45 ESMP Final.pdf

RESOLUTION 2026-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING AND ADOPTING THE CITY OF BANNING ELECTRIC UTILITY'S ELECTRIC SYSTEM MASTER PLAN

WHEREAS, the City of Banning owns and operates its own Municipal Electric Utility that currently has approximately 14,000 customers, has experienced recent dynamic growth in the residential and commercial sectors, and overall electricity consumption has increased by approximately 10 percent over the past three years; and

WHEREAS, the last comprehensive electric system study the City performed was a Ten-Year Electric System Master Plan ("ESMP") (FY 2004-2014), which was completed in 2004 by R.W. Beck; and

WHEREAS, it is essential that the City analyze its present electric transmission and distribution system to determine the requirements for improving and expanding the system in a coordinated and economical manner, to ensure adequate and reliable service to the Electric Utility's customers, while providing for projected load growth; and

WHEREAS, Finley Engineering Company, Inc. had executed a Professional Services Agreement to complete the ESMP; and

WHEREAS, Finley Engineering Company, Inc. was tasked with performing a load forecast that considered multiple growth cases, a load flow analysis of the system with regard to overall system voltage profile and reliability, developing a capital improvement plan to address findings of the assessments and analyses, addressing aging infrastructure, and other analysis related to the electric transmission and distribution system; and

WHEREAS, the plan provides both an initial 5-year and long-term capital improvement plan to address current and future challenges all designed to increase reliability, safety, and address future load growth; and

WHEREAS, the total estimated expenditure projected in the ESMP is approximately $71.5 million over 20 years, however the recommended action to adopt and approve the plan does not include any immediate fiscal impacts.

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

SECTION 1. The City Council approves and adopts the Electric System Master Plan as presented, whereas implementation and completion of capital improvements provided in the plan will be carried out thru approval of the Electric Utility's capital improvement budget on an annual basis.

SECTION 2. The City Council authorizes the City Manager, or designee, to make necessary budget adjustments, appropriations, and transfers related to this resolution.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 12th day of May 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy, & Pinkney LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-15, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of May 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

EXHIBIT A
Electric System Master Plan 2026-2045

CITY OF BANNING, CALIFORNIA

2026-2045 ELECTRIC SERVICE MASTER PLAN

APRIL 2026

Prepared by:

Finley Engineering Company, Inc.

On behalf of:

Banning Electric Utility

BANNING ELECTRIC UTILITY

PROVIDING POWER TO THE COMMUNITY OF BANNING SINCE 1922

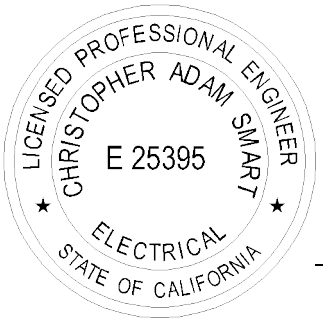
Contact Information:

Finley Engineering Company, Inc.
PO Box 148, 104 E. 11th Street
Lamar, MO 64795
(417) 682-5531
www.finleyusa.com

City of Banning
99 E. Ramsey Street
Banning, CA 92220
951.922.3100
www.banningca.gov

ENGINEERS CERTIFICATION

I, Christopher Adam Smart, P.E., herby certify that this *2026-2045 Electric Service Master Plan* was prepared by me or under my direct Supervision and that I am a duly Licensed Professional Engineer under the laws of the state of California, license number E 25395.



Christopher A. Smart, P.E.

Digitally signed by Christopher A. Smart, P.E.
Date: 2026.04.29 14:47:47 -05'00'

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1.0 - EXECUTIVE SUMMARY

1.1 - Introduction

The City of Banning owns the utility that provides electric service to Banning, California and the electric utility is maintained by Banning Electric Utility (BEU). Originally established in 1913 as a private utility, the City of Banning purchased the electric utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet the system peak demand.

Through an agreement with Southern California Edison Company (SCE), the BEU system utilizes SCE's transmission system in bringing power from the California Independent System Operator ("CAISO") controlled high voltage transmission grid to the BEU distribution system at the Banning Substation.

The City of Banning supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. BEU has met and/or exceeded the renewable energy requirements of Compliance Period #1, Compliance Period #2, and Compliance Period #3 of the State's Renewable Portfolio Standard (RPS) program. The Utility was 81 percent renewable in 2022, already exceeding the current State mandate of 60 percent by 2030.

BEU is a member of the Southern California Public Power Authority (SCPPA) enjoying the benefits of joint action through cost effective planning, construction, management, and operations of electrical energy resources.

1.2 - Purpose of Study

This Electric Service Master Plan (ESMP) is a report prepared by Finley Engineering Company, Inc. (FEC) based on an analysis and review of the historical system growth and operation to determine projections of future growth, recommendations for capital improvements, and scheduled system maintenance that will insure the continued economical and reliable operation of the system over the ensuing 20-year period.

The analysis was completed in two parts. The first 5-year analysis was completed as the Capital Improvement Plan (CIP) and includes projects and recommendations determined from the analysis, Capital Improvements specified by BEU, and Capital Maintenance also specified by BEU. This CIP will be presented to the City Council as the actual construction plan for the next 5 years. The 15 year ESMP analysis was completed as a guideline for determining the future system performance and improving system capacity for expansion.

1.3 – Existing System Review

BEU maintains three, 34.5 kV sub-transmission circuits totaling approximately eighteen miles which feed six distribution substations.

These six distribution substations have approximately 27 circuits feeding 147 miles of overhead and underground distribution line with an operating voltage of 7.2/12.5 kV. An estimated 47% of the total distribution line is underground.

Along these distribution lines, BEU serves approximately 15,570 consumer meters. In 2024, the BEU system experienced a coincident summer peak demand of 55.1 MW and a winter peak demand of 22.3 MW. Historically, the BEU system is a summer peaking system with the summer peak more than double the winter peak. Also in 2024, BEU purchased approximately 157,000 MWH's through its portfolio of long-term power purchase agreements as well as purchases from the CAISO wholesale markets, distributed among the membership of Residential, Small Commercial, Medium Commercial, Industrial, Security Lighting, Street Lighting, and Well Service customers.

1.4 – Total ESMP Cost Estimate

Table 1.4-1 – Total ESMP Cost Estimate

2026-2045 Electric Service Master Plan

	5-year CIP	15-Year ESMP	Totals
OH Maintenance Program			
Total Cost	$4,058,438	$23,968,742	$28,027,180
CIAC	$0	$0	$0
BEU Funding Cost	$4,058,438	$23,968,742	$28,027,180
Capital-Maintenance Projects			
Total Cost	$20,784,500	$8,350,000	$29,134,500
CIAC	$9,293,750	$3,000,000	$12,293,750
BEU Funding Cost	$11,490,750	$5,350,000	$16,840,750
System Improvement Projects			
Total Cost	$2,805,700	$11,539,300	$14,345,000
CIAC	$0	$0	$0
BEU Funding Cost	$2,805,700	$11,539,300	$14,345,000
Total ESMP Cost			
Total Cost	$27,648,638	$43,858,042	$71,506,680
CIAC	$9,293,750	$3,000,000	$12,293,750
BEU Funding Cost	$18,354,888	$40,858,042	$59,212,930

Of the total cost, 47% is for the OH Maintenance Program, 28% is for Capital Maintenance Projects, and 24% is for System Improvement Projects.

2.0 – SYSTEM PLANNING CRITERIA

2.1 - Distribution System Planning Criteria

The distribution projects contained in this ESMP are recommended based upon the following planning criteria.

a. With an assumed delivered voltage of 125 volts (1.041 per unit on a 120 volt base) during peak load conditions, the design minimum allowable voltage at the primary terminals of any distribution transformer shall be 118 volts (0.98 per unit on a 120 volt base).

b. Voltage regulators and step transformers will be upgraded when projected peak loads exceed 85% of the device's rating.

c. Sectionalizing devices will be upgraded when projected peak loads exceed 70% of the device's continuous current rating.

d. Primary conductors on the 7.2/12.5 kV and below distribution system will be upgraded when projected peak loads exceed 60% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 60% of the conductor's thermal rating

e. Primary conductors on the 34.5 kV sub-transmission system will be upgraded when projected peak loads exceed 90% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 90% of the conductor's thermal rating

f. Single-phase primary voltage lines will be limited to 35 amps maximum loading.

g. The power factor at the delivery point under peak loading conditions is desired to be no less than 95%. The off-peak power factor should preferably be maintained between 95% lagging and 95% leading. This criterion is subject to the cost of the installation of capacitors, switches, and controls vs. the cost of kilowatt (kW) loss reduction.

2.1.1 - Distribution System Design Criteria

The following design criteria was considered when determining projects contained in this ESMP.

a. Feeder current balance will be maintained at plus or minus 20% of the average per phase loading during peak conditions. This criterion may be relaxed in areas where it could impose unnecessary or premature costs.

b. Conductor sizes will be economically sized but may be modified to conform to BEU's standard conductor sizes.

c. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any load voltage or high conductor loading.

d. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any high single-phase loading. For areas where there is no backfeed or load switch solution, additional conductors will be added to allow for phase balancing.

e. Relocation of existing line sections will be considered where inaccessibility impedes the maintenance of line sections or jeopardizes the service or reliability of line sections.

2.2 – Substation Planning Criteria

The substation projects contained in this ESMP are recommended based upon the following planning criteria.

a. Substation transformers will limited to 95% of the max kVA rating of the transformer. The following improvements will be considered in the event the load exceeds 95% of the max kVA rating:

a. Load switching to adjacent substations
b. Upgrade of existing transformer
c. Installation of an additional transformer in the existing substation
d. Construction of a new substation

2.3 – Basis of Cost Estimates

The following tables for material and labor costs were used to determine system improvement project costs. The costs were taken from actual prices provided by BEU as well as prices received by FEC from other sources.

Table 2.3-1 Conductor Material Cost

Conductor (price per foot)				
OH Conductor			**UG Conductor**	
#2 Copper	$1.31		1/0 AL, 15 kV	$2.03
#2 ACSR	$0.26		1/0 CU, 15 kV	$10.98
#4 ACSR	$0.15		1/0 CU, 35 kV	$8.47
1/0 ACSR	$0.30		4/0 CU	$6.95
4/0 Copper	$3.11		4/0 AL	$4.97
4/0 ACSR	$0.80		350 CU	$7.53
336 ACSR	$1.62		750 AL	$13.38

Table 2.3-2 Pole Material Cost

Pole	Price per unit	Pole	Price per unit
35' Douglas Fir, H2	$1,269.30	35’ Wood, Class 2	$1,067.38
		40’ Wood, Class 2	$766.35
45' Douglas Fir, H2	$1,771.08	45’ Wood, Class 2	$953.80
		50’ Wood, Class 2	$1,135.73
55' Douglas Fir, H2	$2,889.48	55’ Wood, Class 2	$918.72
60' Douglas Fir, H2	$2,945.89	60’ Wood, Class 2	$1,362.29

Table 2.3-3 Transformer Material Cost

Transformer	Price per unit
10 kVA O.H. Transformer S-Type 7,200	$500.00
15 kVA 7,200, 120/240 DV S-Type	$645.42
25 kVA 7,200, 120/240 DV S-Type	$919.16
37 kVA 7,200, 120/240 DV S-Type	$1,496.65
50 kVA 7,200 120/240	$3,992.05
75 kVA 3Ø 12,470/7,200 120/208	$6,023.22
300 kVA DV	$8,583.61
750 kVA 3Ø 12,470/7,200	$14,626.30
1,000 kVA 3Ø 12,470/7,200 DV	$10,809.48
2,500 kVA 3Ø 12,470/7,200 277/480	$34,539.92
25 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$3,685.34
37.5 kVA 1Ø 12,400/7,200 DV Pdmnt	$1,988.01
75 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$7,110.42
300 kVA 3Ø 12,470/4,160 DV Pdmnt 208/120	$13,547.15
500 kVA 3Ø Pdmnt	$10,442.65
1,500 kVA DV 3Ø Pdmnt 277/480	$31,037.04

Table 2.3-4 Framing Units Material Cost

Framing Unit	Price per unit
A1.3P	$75.32
A1.11P	$493.46
A5.2G	$286.41
A3.1	$78.74
A6.21	$1,080.29
G1.2	$317.41
G1.2	$1,318.96
A5.1	$195.12
A5.21	$888.35
(A4.1)	$255.90
G1.3	$433.79
G1.3	$1,127.02
C1.11	$628.33
C1.81G	$1,592.53
C1.11,A5.21	$1,516.68
C5.82G	$3,472.80
C3.1	$208.96
C3.1,A5.1	$404.08
C3.1,A5.21	$1,097.31
C3.1, C5.1	$376.78
C5.1	$167.82
C5.1,A5.1	$362.94
C5.1,A5.21	$1,056.17

Table 2.3-5 Underground Material Cost

Material	Price per unit
Light Duty Secondary Box	$78.42
Light Duty Secondary Lid	$83.43
4" PVC SCH 40 (per foot)	$1.69
1/0 AL U/G (per foot)	$4.75
Service Entrance Sleeve	$0.45
Deadend Shoe Small	$8.58
Power Solve (Pulling Lube)	$58.98

Table 2.3-6 Overhead Construction Labor and Fleet Cost

	Units (hr.)	Unit Cost (per hr.)
Utility Bed P/U 1 ton (Foreman) (2 hrs. per connection)	4	$27.78
2 Person Lift (Bucket Truck) 55' (2 hrs. per connection)	2	$51.68
4 Person Crew	4	$466.73
3 Person Crew (2 hours per connection)	4	$352.02
2 Person Crew	2	$237.31
Electrical Engineering Supervisor (0.5 hrs. per connection)	1	$125.98
Electric Service Planning Supervisor (0.5 hrs. per connection)	1	$127.97
GIS Technician (1 hr. per connection)	2	$59.21

For overhead line, project cost estimates are based on an average of construction 1 mile of line per month with average span lengths at 150’.

Table 2.3-7 Underground Construction Labor and Fleet Cost

Labor	Price per hr.
4 Person Line Crew	$466.73
Powerline Crew Superintendent	$135.93
Fleet	**Price per hr.**
Dump Truck	$55.98
Utility Bed P/U 1 ton (Foreman) (3)	$27.78
Digger Derrick	$48.77
Wire Puller	$24.98
Reel Trailer	$24.98
Backhoe	$23.95

For underground line, project estimates are based on an average construction of 1 month to trench, lay conduit, pull wire and terminate, and backfill 300’.

Engineering (10%) and contingency (5%) were also added for each cost estimate.

3.0 LOAD FORECAST

The demand forecast was prepared to project the summer and winter kW demand per substation area as well as the total system demand for the City of Banning for the 2026-2045 ESMP period. The historical non-coincident substation demands as well as the historical coincident system demands were provided by BEU and used as the basis for the forecast. BEU also provided insight into new load additions that are in some sort of application or planning process and were used in the conceptual forecast.

Additional factors that were considered when reviewing the historical peaks include temporary load switching between substations, construction of new substations with permanent load switching, and removal and/or replacement of existing substations.

Along with new load additions, considerations were also made for the addition of EV chargers at new subdivision locations.

This forecast was used to run voltage drop and load flow analysis to determine system improvements required to reliably serve the City of Banning's existing consumers and allow for future consumer growth.

It is projected that the BEU system will reach a non-coincident peak of 110,556 kW in the summer of 2045 and 81,410 kW in the winter of 2045. It is also projected that the BEU system will reach a coincident peak of 90,738 kW in the summer of 2045 and 75,580 kW in the winter of 2045.

A separate conceptual forecast was created to include new load additions that are in some state of application or planning process. It is projected that the BEU system will reach a conceptual non-coincident peak of 176,165 kW in the summer of 2045 and 161,007 kW in the winter of 2045.

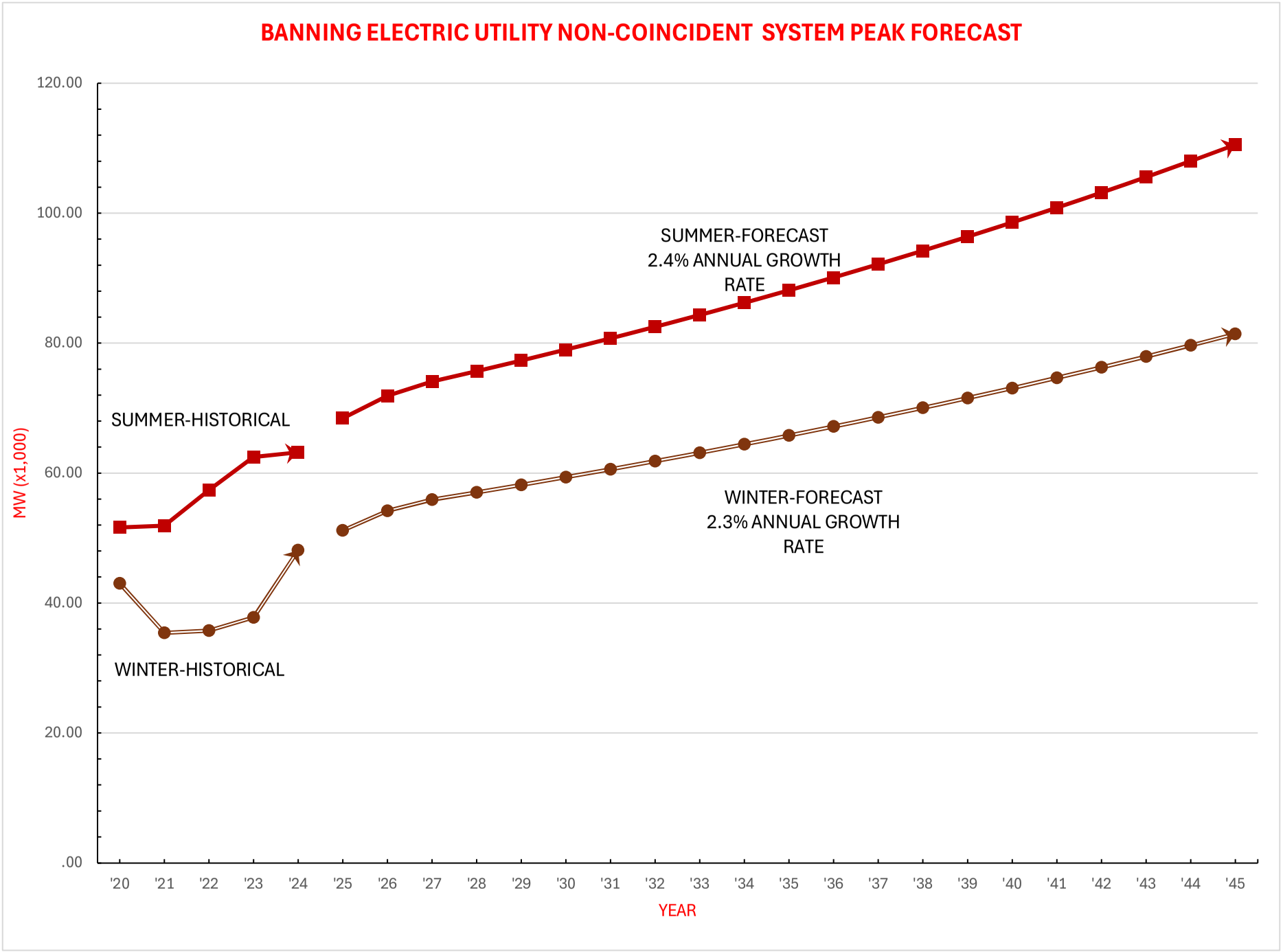
As part of the historical review, MWH purchases were also reviewed and a forecast was determined. It is projected that the BEU system will have an annual coincident purchase of 272,571 MWH's by 2045.

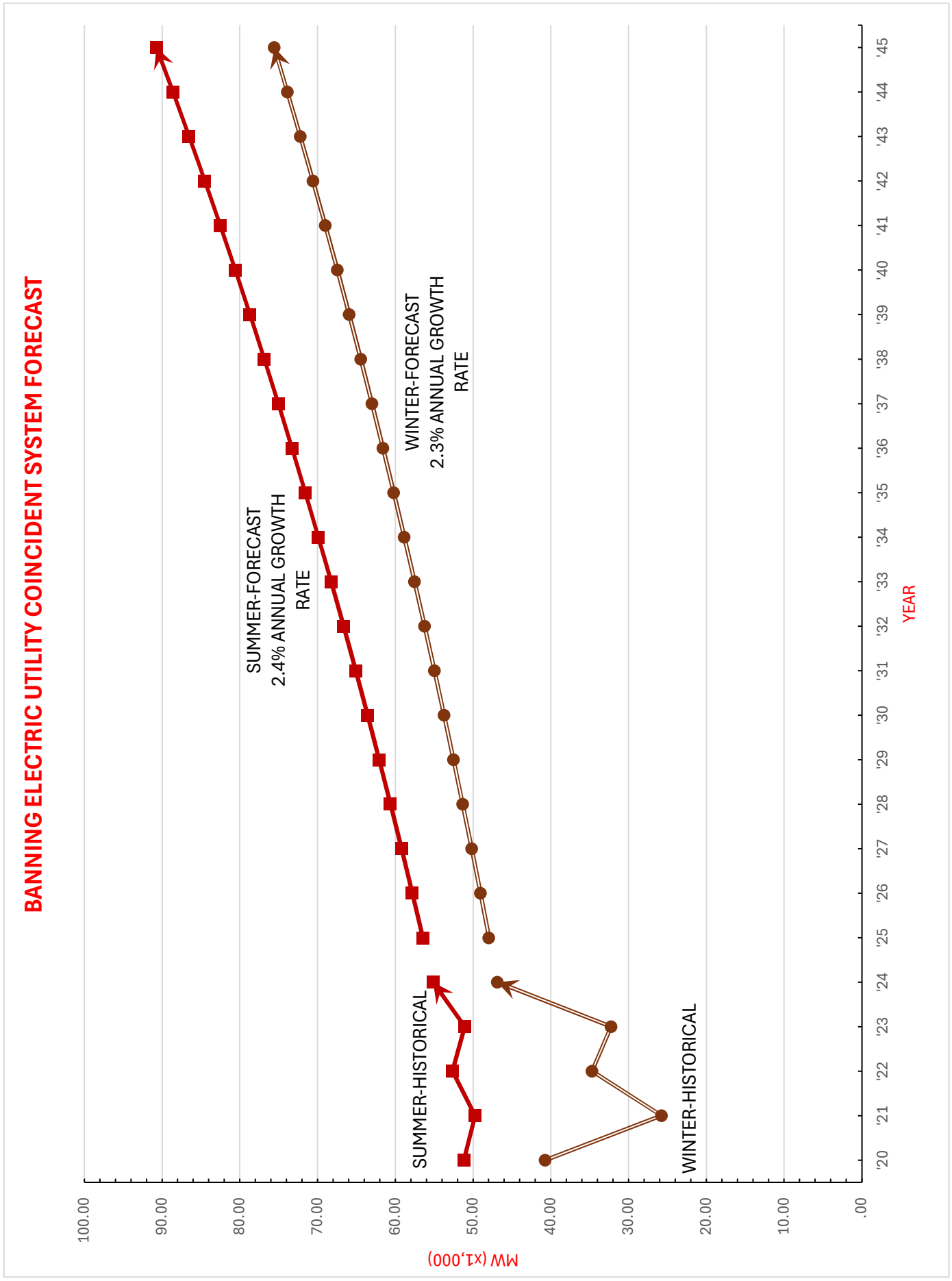
A graphical representation of the individual substation demand forecast as well as the total system coincident demand, non-coincident demand, conceptual non-coincident demand and MWH purchases is included following this page.

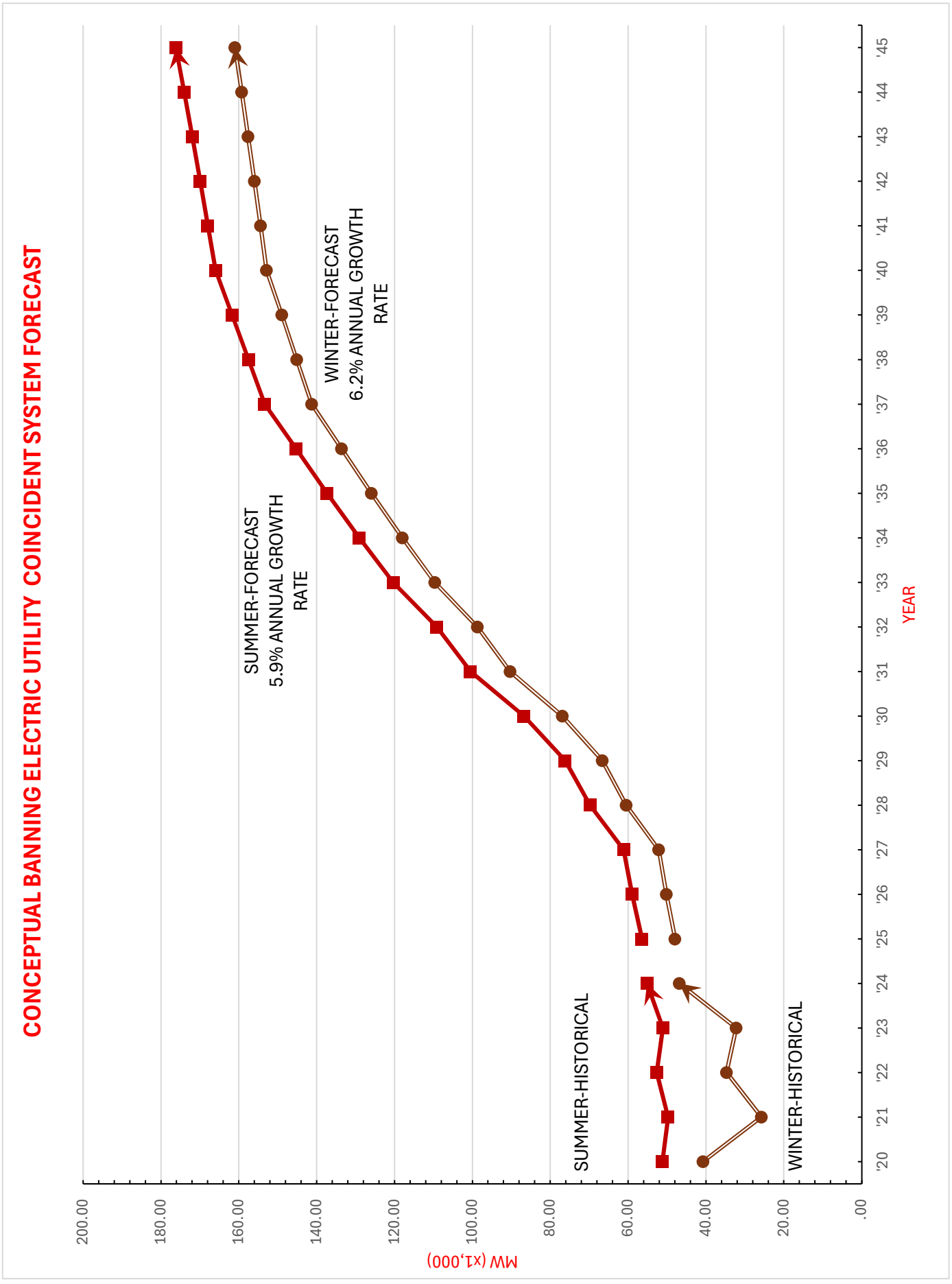
BANNING ELECTRIC UTILTIY
2026-2045 ESMP SYSTEM FORECAST

Peak kW Demand

		Historical					Forecast																					2025-2045 Annual Growth Rate
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
San Gorgonio Total																												
	S	16,425	17,079	16,472	9,131	4,958	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	19,719	20,113	20,516	20,926	21,345	21,771	22,207	22,651	23,104	23,566	24,037	24,518	2.0%
	W	15,022	12,746	11,267	7,193	3,739	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	2.0%
					Cannabis Cultivation		3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	
					Yoshinoya		89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	
	S	16,425	17,079	16,472	9,131	4,958	19,748	20,078	20,415	20,758	21,108	21,465	21,830	22,201	22,580	22,967	23,361	23,764	24,174	24,593	25,019	25,455	25,899	26,352	26,814	27,285	27,766	1.7%
	W	15,022	12,746	11,267	7,193	3,739	18,248	18,548	18,854	19,166	19,484	19,809	20,140	20,478	20,823	21,174	21,533	21,899	22,272	22,652	23,040	23,436	23,840	24,252	24,672	25,100	25,537	1.7%
Midway Total																												
	S	13,541	13,649	14,272	17,082	15,786	15,052	15,458	15,876	16,304	16,745	17,197	17,661	18,138	18,628	19,131	19,647	20,178	20,722	21,282	21,856	22,447	23,053	23,675	24,314	24,971	25,645	2.7%
	W	10,384	9,247	7,788	6,868	10,715	9,663	9,924	10,192	10,467	10,750	11,040	11,338	11,644	11,958	12,281	12,613	12,953	13,303	13,662	14,031	14,410	14,799	15,199	15,609	16,031	16,463	2.7%
Airport																												
	S	365	370	360	32	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	W	389	389	280	23	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
22nd Street																												
	S	10,233	10,319	9,736	10,585	11,240	10,670	10,787	10,906	11,026	11,147	11,270	11,394	11,519	11,646	11,774	11,904	12,034	12,167	12,301	12,436	12,573	12,711	12,851	12,992	13,135	13,280	1.1%
	W	8,140	6,529	6,105	6,567	8,018	8,210	8,300	8,392	8,484	8,577	8,672	8,767	8,863	8,961	9,059	9,159	9,260	9,362	9,465	9,569	9,674	9,781	9,888	9,997	10,107	10,218	1.1%
Stagecoach																												
	S	0	0	0	6,634	8,040	6,700	6,834	6,971	7,110	7,252	7,397	7,545	7,696	7,850	8,007	8,167	8,331	8,497	8,667	8,841	9,017	9,198	9,382	9,569	9,761	9,956	2.0%
	W	0	0	0	3,616	7,955	3,800	3,876	3,954	4,033	4,113	4,196	4,279	4,365	4,452	4,541	4,632	4,725	4,819	4,916	5,014	5,114	5,217	5,321	5,427	5,536	5,647	2.0%
Ivy																												
	S	0	0	5,308	7,206	8,333	5,400	5,508	5,618	5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583	6,714	6,849	6,985	7,125	7,268	7,413	7,561	7,713	7,867	8,024	2.0%
	W	0	0	4,493	4,890	6,235	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301	6,427	6,556	6,687	2.0%
					Morongo Health Clinic		0	0	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	
	S	0	0	5,308	7,206	8,333	5,400	5,508	6,254	6,367	6,481	6,598	6,717	6,839	6,963	7,089	7,219	7,350	7,485	7,621	7,761	7,904	8,049	8,197	8,349	8,503	8,660	2.4%
	W	0	0	4,493	4,890	6,235	4,500	4,590	5,318	5,411	5,507	5,604	5,704	5,805	5,908	6,014	6,121	6,231	6,343	6,457	6,574	6,692	6,814	6,937	7,063	7,192	7,323	2.5%
Sunset																												
	S	8,140	8,099	9,586	11,441	14,821	10,439	10,857	11,291	11,742	12,212	12,701	13,209	13,737	14,286	14,858	15,452	16,070	16,713	17,382	18,077	18,800	19,552	20,334	21,147	21,993	22,873	4.0%
	W	6,716	5,803	5,037	8,299	11,443	6,319	6,572	6,835	7,108	7,392	7,688	7,996	8,315	8,648	8,994	9,354	9,728	10,117	10,522	10,942	11,380	11,835	12,309	12,801	13,313	13,846	4.0%
					Crestwood Communities		432	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	
					Vista Robles KB homes		0	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	
	S	8,140	8,099	9,586	11,441	14,821	10,871	13,233	13,667	14,118	14,588	15,077	15,585	16,113	16,662	17,234	17,828	18,446	19,089	19,758	20,453	21,176	21,928	22,710	23,523	24,369	25,249	4.3%
	W	6,716	5,803	5,037	8,299	11,443	6,751	8,948	9,211	9,484	9,768	10,064	10,372	10,691	11,024	11,370	11,730	12,104	12,493	12,898	13,318	13,756	14,211	14,685	15,177	15,689	16,222	4.5%
Alola																												
	S	2,929	2,370	1,646	372	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	W	2,377	708	782	336	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Banning Electric Utility Non-Coincident System Peak Forecast																												
	S	51,632	51,885	57,380	62,482	63,207	68,441	71,898	74,088	75,683	77,322	79,004	80,732	82,507	84,330	86,202	88,126	90,103	92,134	94,221	96,367	98,571	100,837	103,167	105,562	108,024	110,556	2.4%
	W	43,029	35,422	35,752	37,792	48,126	51,172	54,186	55,919	57,045	58,200	59,385	60,600	61,847	63,127	64,440	65,788	67,172	68,592	70,050	71,546	73,083	74,661	76,281	77,945	79,654	81,410	2.3%
Banning Electric Utility System Coincident Forecast																												
	S	51,197	49,751	52,667	51,096	55,143	56,467	57,822	59,210	60,631	62,086	63,576	65,102	66,664	68,264	69,902	71,580	73,298	75,057	76,858	78,703	80,592	82,526	84,507	86,535	88,612	90,738	2.4%
	W	40,752	25,776	34,719	32,262	46,883	47,962	49,065	50,193	51,348	52,529	53,737	54,973	56,237	57,530	58,854	60,207	61,592	63,009	64,458	65,940	67,457	69,009	70,596	72,219	73,881	75,580	2.3%
Conceptual Banning Electric Utility System Coincident Forecast																												
	S	51,197	49,751	52,667	51,096	55,143	56,467	58,962	61,201	69,810	76,184	86,777	100,472	109,135	120,377	129,082	137,336	145,321	153,347	157,527	161,751	166,019	167,953	169,934	171,962	174,039	176,165	5.9%
	W	40,752	25,776	34,719	32,262	46,883	47,962	50,205	52,185	60,527	66,627	76,938	90,343	98,708	109,643	118,034	125,963	133,615	141,299	145,127	148,988	152,884	154,436	156,023	157,646	159,308	161,007	6.2%
						Bridge-Morongo Logistics	0	0	0	0	1,031	1,991	2,858	3,344	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	
						Sunset Crossroads	0	0	0	2,712	2,712	6,967	10,213	10,561	13,639	14,439	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	
						Rancho San Gorgonio	0	0	0	3,888	7,776	11,664	15,552	19,440	23,328	27,216	31,104	34,992	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	
						Mission Heights	0	0	0	0	0	0	2,379	4,758	7,137	9,516	11,895	14,274	16,653	19,032	21,411	23,790	23,790	23,790	23,790	23,790	23,790	23,790	
						First Hathaway Logistics	0	0	0	0	0	0	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	
						Banning Commerce Center	0	0	0	0	0	0	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	
						WEKA	0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
						Charles St. CDRE	0	0	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	
						KCB Towers	0	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
						Pallet Yard	0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
						First Lincoln Logistics	0	0	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	
						Brown Strauss	0	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	
						Wyndam Micro Hotel	0	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
						DR Horton	0	0	588	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	
						Atwell Large Retail	0	0	0	0	0	0	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	


BANNING ELECTRIC UTILITY NON-COINCIDENT SYSTEM PEAK FORECAST
120.00
100.00
80.00
60.00
40.00
20.00
.00
MW (x1,000)
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
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BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
YEAR
100.00
90.00
80.00
70.00
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CONCEPTUAL BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
5.9% ANNUAL GROWTH
RATE
WINTER-FORECAST
6.2% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
YEAR
200.00
180.00
160.00
140.00
120.00
100.00
80.00
60.00
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BANNING ELECTRIC UTILITY
2026-2045 ESMP NON-COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	11,577	21.27	12,259	22.52	12,651	23.24	12,906	23.71	13,167	24.19	13,435	24.68	13,710	25.19
Feb	10,470	21.33	11,086	22.58	11,441	23.31	11,671	23.78	11,907	24.26	12,150	24.75	12,399	25.26
Mar	10,870	20.69	11,511	21.91	11,879	22.61	12,118	23.07	12,363	23.54	12,615	24.01	12,873	24.51
Apr	13,733	32.53	14,427	34.18	14,867	35.22	15,187	35.98	15,515	36.76	15,853	37.56	16,200	38.38
May	15,631	37.92	16,420	39.84	16,920	41.05	17,285	41.94	17,659	42.85	18,043	43.78	18,438	44.74
Jun	18,497	56.73	19,432	59.59	20,023	61.41	20,455	62.73	20,897	64.09	21,352	65.48	21,819	66.92
Jul	25,788	65.86	27,090	69.19	27,915	71.29	28,517	72.83	29,134	74.40	29,768	76.02	30,419	77.69
Aug	26,719	68.44	28,069	71.90	28,923	74.09	29,546	75.68	30,186	77.32	30,843	79.00	31,517	80.73
Sep	21,335	64.10	22,413	67.34	23,096	69.39	23,593	70.88	24,104	72.42	24,628	73.99	25,167	75.61
Oct	19,525	51.17	20,675	54.19	21,336	55.92	21,766	57.05	22,206	58.20	22,658	59.38	23,122	60.60
Nov	10,787	21.08	11,423	22.32	11,788	23.04	12,025	23.50	12,269	23.98	12,518	24.46	12,775	24.97
Dec	12,073	22.02	12,784	23.31	13,193	24.06	13,458	24.54	13,731	25.04	14,010	25.55	14,297	26.07
TOTAL:	197,005		207,588		214,032		218,526		223,138		227,873		232,734	
Summer Peak (MW)		*68.44*		*71.90*		*74.09*		*75.68*		*77.32*		*79.00*		*80.73*
Winter Peak (MW)		*51.17*		*54.19*		*55.92*		*57.05*		*58.20*		*59.38*		*60.60*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	13,992	25.71	14,282	26.24	14,579	26.79	14,884	27.35	15,197	27.92	15,518	28.51	15,848	29.12
Feb	12,654	25.78	12,916	26.31	13,184	26.86	13,460	27.42	13,743	28.00	14,034	28.59	14,332	29.20
Mar	13,138	25.01	13,410	25.53	13,689	26.06	13,975	26.60	14,269	27.16	14,571	27.74	14,880	28.33
Apr	16,556	39.22	16,922	40.09	17,297	40.98	17,683	41.89	18,080	42.83	18,488	43.80	18,907	44.79
May	18,843	45.72	19,259	46.73	19,687	47.77	20,126	48.83	20,578	49.93	21,042	51.05	21,518	52.21
Jun	22,299	68.39	22,791	69.90	23,297	71.45	23,817	73.04	24,352	74.68	24,901	76.37	25,465	78.10
Jul	31,087	79.39	31,774	81.15	32,480	82.95	33,205	84.80	33,950	86.70	34,715	88.66	35,501	90.67
Aug	32,210	82.51	32,922	84.33	33,653	86.20	34,404	88.13	35,176	90.10	35,969	92.13	36,783	94.22
Sep	25,720	77.27	26,288	78.98	26,872	80.74	27,472	82.54	28,088	84.39	28,721	86.29	29,372	88.25
Oct	23,598	61.85	24,086	63.13	24,587	64.44	25,102	65.79	25,630	67.17	26,171	68.59	26,728	70.05
Nov	13,038	25.48	13,307	26.01	13,584	26.55	13,868	27.10	14,160	27.67	14,459	28.26	14,767	28.86
Dec	14,591	26.61	14,893	27.16	15,203	27.73	15,521	28.31	15,847	28.90	16,182	29.51	16,526	30.14
TOTAL:	237,725		242,850		248,113		253,518		259,069		264,770		270,627	
Summer Peak (MW)		*82.51*		*84.33*		*86.20*		*88.13*		*90.10*		*92.13*		*94.22*
Winter Peak (MW)		*61.85*		*63.13*		*64.44*		*65.79*		*67.17*		*68.59*		*70.05*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	16,187	29.74	16,534	30.38	16,891	31.03	17,258	31.71	17,634	32.40	18,021	33.11	18,418	33.84
Feb	14,638	29.82	14,953	30.46	15,275	31.12	15,607	31.79	15,947	32.49	16,297	33.20	16,656	33.93
Mar	15,198	28.93	15,525	29.55	15,860	30.19	16,204	30.85	16,558	31.52	16,921	32.21	17,294	32.92
Apr	19,337	45.81	19,779	46.86	20,234	47.93	20,702	49.04	21,182	50.18	21,676	51.35	22,184	52.55
May	22,008	53.40	22,512	54.62	23,029	55.88	23,561	57.17	24,108	58.49	24,671	59.86	25,249	61.26
Jun	26,044	79.88	26,640	81.70	27,253	83.58	27,882	85.51	28,530	87.50	29,195	89.54	29,879	91.64
Jul	36,310	92.73	37,140	94.85	37,994	97.03	38,872	99.27	39,774	101.58	40,702	103.95	41,656	106.38
Aug	37,621	96.37	38,482	98.57	39,366	100.84	40,276	103.17	41,211	105.56	42,172	108.02	43,160	110.56
Sep	30,041	90.26	30,728	92.32	31,434	94.44	32,161	96.63	32,907	98.87	33,675	101.17	34,464	103.55
Oct	27,299	71.55	27,885	73.08	28,487	74.66	29,105	76.28	29,740	77.95	30,392	79.65	31,062	81.41
Nov	15,082	29.47	15,406	30.11	15,739	30.76	16,080	31.43	16,431	32.11	16,791	32.82	17,161	33.54
Dec	16,879	30.78	17,242	31.44	17,614	32.12	17,996	32.82	18,389	33.54	18,792	34.27	19,206	35.03
TOTAL:	276,644		282,826		289,178		295,705		302,412		309,305		316,390	
Summer Peak (MW)		*96.37*		*98.57*		*100.84*		*103.17*		*105.56*		*108.02*		*110.56*
Winter Peak (MW)		*71.55*		*73.08*		*74.66*		*76.28*		*77.95*		*79.65*		*81.41*

BANNING ELECTRIC UTILITY
2026-2045 ESMP COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,100	20.39	11,356	20.86	11,617	21.34	11,884	21.83	12,157	22.34	12,437	22.85
Feb	9,813	19.99	10,038	20.45	10,269	20.92	10,506	21.40	10,747	21.89	10,994	22.40	11,247	22.91
Mar	10,188	19.40	10,423	19.84	10,662	20.30	10,908	20.76	11,158	21.24	11,415	21.73	11,678	22.23
Apr	11,331	26.84	11,603	27.49	11,881	28.15	12,166	28.82	12,458	29.51	12,757	30.22	13,063	30.95
May	12,896	31.29	13,205	32.04	13,522	32.81	13,847	33.60	14,179	34.40	14,519	35.23	14,868	36.07
Jun	15,261	46.80	15,627	47.93	16,002	49.08	16,386	50.25	16,780	51.46	17,182	52.70	17,595	53.96
Jul	21,276	54.34	21,787	55.64	22,309	56.98	22,845	58.34	23,393	59.74	23,955	61.18	24,529	62.65
Aug	22,044	56.47	22,573	57.82	23,115	59.21	23,670	60.63	24,238	62.09	24,820	63.58	25,415	65.10
Sep	17,603	52.89	18,025	54.16	18,458	55.45	18,901	56.79	19,354	58.15	19,819	59.54	20,294	60.97
Oct	18,300	47.96	18,721	49.06	19,151	50.19	19,592	51.35	20,042	52.53	20,503	53.74	20,975	54.97
Nov	10,110	19.76	10,343	20.21	10,581	20.68	10,824	21.15	11,073	21.64	11,328	22.14	11,588	22.65
Dec	11,315	20.64	11,575	21.11	11,842	21.60	12,114	22.09	12,393	22.60	12,678	23.12	12,969	23.65
TOTAL:	170,987		175,020		179,149		183,374		187,700		192,127		196,659	
Summer Peak (MW)		*56.47*		*57.82*		*59.21*		*60.63*		*62.09*		*63.58*		*65.10*
Winter Peak (MW)		*47.96*		*49.06*		*50.19*		*51.35*		*52.53*		*53.74*		*54.97*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	12,723	23.38	13,016	23.91	13,315	24.46	13,621	25.03	13,935	25.60	14,255	26.19	14,583	26.79
Feb	11,506	23.44	11,771	23.98	12,041	24.53	12,318	25.09	12,602	25.67	12,891	26.26	13,188	26.86
Mar	11,946	22.74	12,221	23.26	12,502	23.80	12,790	24.35	13,084	24.91	13,385	25.48	13,693	26.07
Apr	13,377	31.69	13,698	32.45	14,027	33.23	14,363	34.03	14,708	34.84	15,061	35.68	15,422	36.54
May	15,225	36.94	15,590	37.83	15,964	38.73	16,347	39.66	16,740	40.62	17,142	41.59	17,553	42.59
Jun	18,017	55.26	18,449	56.58	18,892	57.94	19,346	59.33	19,810	60.75	20,285	62.21	20,772	63.71
Jul	25,118	64.15	25,721	65.69	26,338	67.27	26,970	68.88	27,618	70.53	28,281	72.23	28,959	73.96
Aug	26,025	66.66	26,650	68.26	27,289	69.90	27,944	71.58	28,615	73.30	29,302	75.06	30,005	76.86
Sep	20,781	62.44	21,280	63.94	21,791	65.47	22,314	67.04	22,849	68.65	23,398	70.30	23,959	71.98
Oct	21,457	56.24	21,951	57.53	22,456	58.85	22,972	60.21	23,501	61.59	24,041	63.01	24,594	64.46
Nov	11,855	23.17	12,128	23.70	12,406	24.25	12,692	24.80	12,984	25.37	13,282	25.96	13,588	26.55
Dec	13,268	24.20	13,573	24.75	13,885	25.32	14,204	25.90	14,531	26.50	14,865	27.11	15,207	27.73
TOTAL:	201,298		206,047		210,907		215,882		220,975		226,188		231,523	
Summer Peak (MW)		*66.66*		*68.26*		*69.90*		*71.58*		*73.30*		*75.06*		*76.86*
Winter Peak (MW)		*56.24*		*57.53*		*58.85*		*60.21*		*61.59*		*63.01*		*64.46*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	14,918	27.41	15,261	28.04	15,612	28.68	15,971	29.34	16,339	30.02	16,715	30.71	17,099	31.42
Feb	13,491	27.48	13,801	28.11	14,119	28.76	14,444	29.42	14,776	30.10	15,116	30.79	15,463	31.50
Mar	14,007	26.67	14,330	27.28	14,659	27.91	14,996	28.55	15,341	29.20	15,694	29.88	16,055	30.56
Apr	15,793	37.41	16,172	38.31	16,560	39.23	16,957	40.17	17,364	41.14	17,781	42.12	18,208	43.13
May	17,974	43.61	18,406	44.66	18,847	45.73	19,300	46.83	19,763	47.95	20,237	49.10	20,723	50.28
Jun	21,271	65.23	21,781	66.80	22,304	68.40	22,839	70.04	23,387	71.73	23,949	73.45	24,523	75.21
Jul	29,654	75.73	30,366	77.55	31,095	79.41	31,841	81.32	32,605	83.27	33,388	85.27	34,189	87.32
Aug	30,725	78.70	31,462	80.59	32,218	82.53	32,991	84.51	33,783	86.53	34,593	88.61	35,424	90.74
Sep	24,534	73.71	25,123	75.48	25,726	77.29	26,344	79.15	26,976	81.05	27,623	82.99	28,286	84.98
Oct	25,160	65.94	25,738	67.46	26,330	69.01	26,936	70.60	27,555	72.22	28,189	73.88	28,838	75.58
Nov	13,900	27.17	14,220	27.79	14,547	28.43	14,882	29.08	15,224	29.75	15,574	30.44	15,932	31.14
Dec	15,557	28.37	15,915	29.02	16,281	29.69	16,655	30.37	17,038	31.07	17,430	31.79	17,831	32.52
TOTAL:	236,985		242,576		248,298		254,156		260,152		266,289		272,571	
Summer Peak (MW)		*78.70*		*80.59*		*82.53*		*84.51*		*86.53*		*88.61*		*90.74*
Winter Peak (MW)		*65.94*		*67.46*		*69.01*		*70.60*		*72.22*		*73.88*		*75.58*

BANNING ELECTRIC UTILITY
2026-2045 ESMP CONCEPTUAL COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

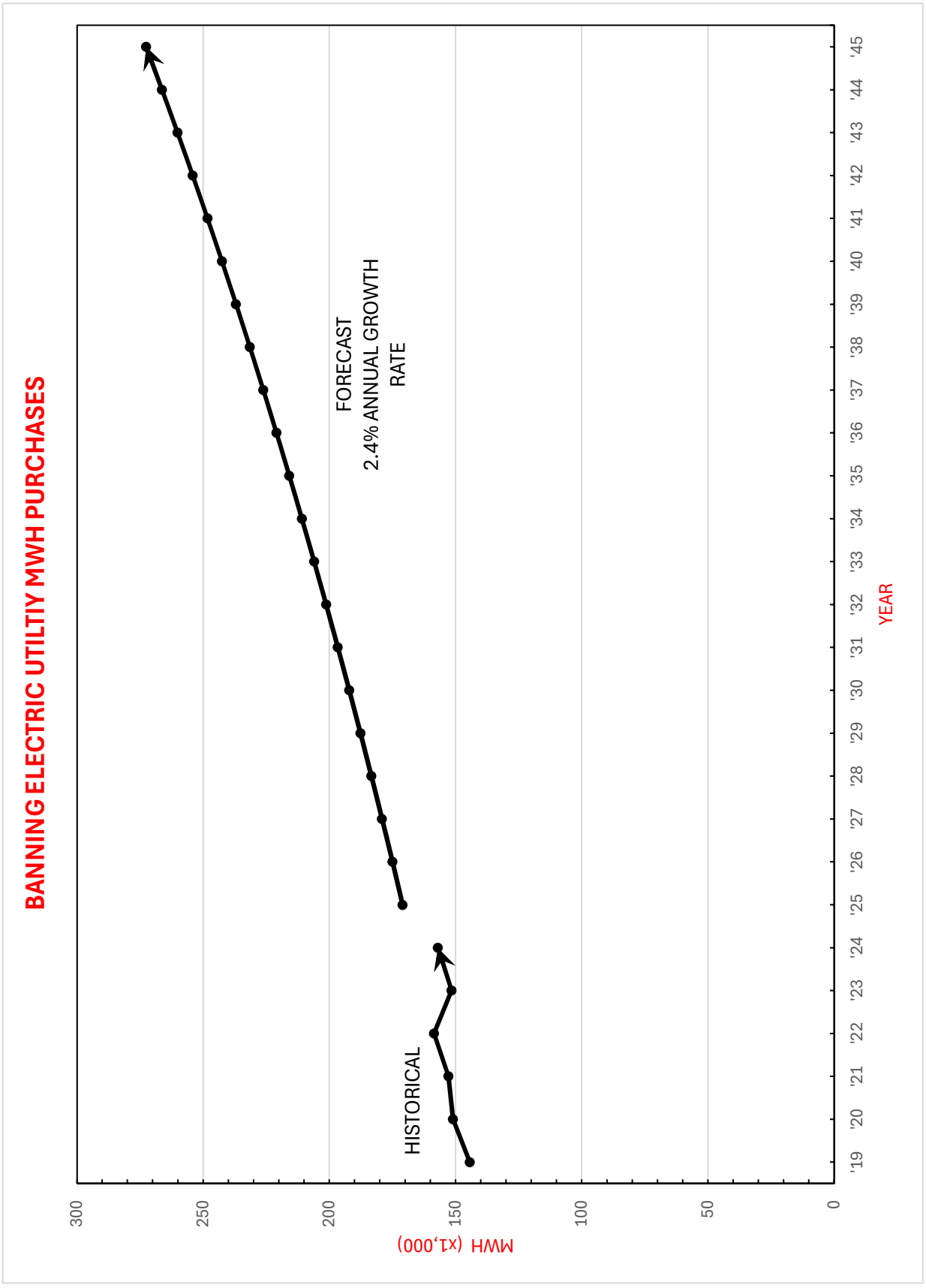
	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,358	20.87	11,806	21.69	13,693	25.16	15,074	27.69	17,406	31.98	20,439	37.55
Feb	9,813	19.99	10,272	20.92	10,677	21.75	12,384	25.23	13,632	27.77	15,741	32.07	18,484	37.65
Mar	10,188	19.40	10,665	20.30	11,085	21.10	12,857	24.48	14,153	26.94	16,344	31.11	19,191	36.53
Apr	11,331	26.84	11,831	28.03	12,281	29.09	14,008	33.19	15,287	36.22	17,413	41.25	20,161	47.76
May	12,896	31.29	13,466	32.67	13,977	33.91	15,943	38.68	17,399	42.22	19,818	48.08	22,946	55.67
Jun	15,261	46.80	15,935	48.87	16,540	50.73	18,867	57.86	20,590	63.15	23,453	71.93	27,154	83.28
Jul	21,276	54.34	22,216	56.74	23,060	58.89	26,303	67.18	28,705	73.31	32,696	83.50	37,856	96.68
Aug	22,044	56.47	23,018	58.96	23,892	61.20	27,253	69.81	29,742	76.18	33,877	86.78	39,223	100.47
Sep	17,603	52.89	18,380	55.22	19,078	57.32	21,762	65.38	23,749	71.35	27,051	81.27	31,320	94.10
Oct	18,300	47.96	19,156	50.20	19,911	52.18	23,094	60.53	25,421	66.63	29,356	76.94	34,470	90.34
Nov	10,110	19.76	10,583	20.68	11,001	21.50	12,759	24.94	14,045	27.45	16,219	31.70	19,044	37.22
Dec	11,315	20.64	11,844	21.60	12,312	22.45	14,280	26.04	15,719	28.67	18,151	33.10	21,314	38.87
TOTAL:	170,987		178,725		185,621		213,204		233,515		267,525		311,603	
Summer Peak (MW)	*56.47*		*58.96*		*61.20*		*69.81*		*76.18*		*86.78*		*100.47*	
Winter Peak (MW)	*47.96*		*50.20*		*52.18*		*60.53*		*66.63*		*76.94*		*90.34*	

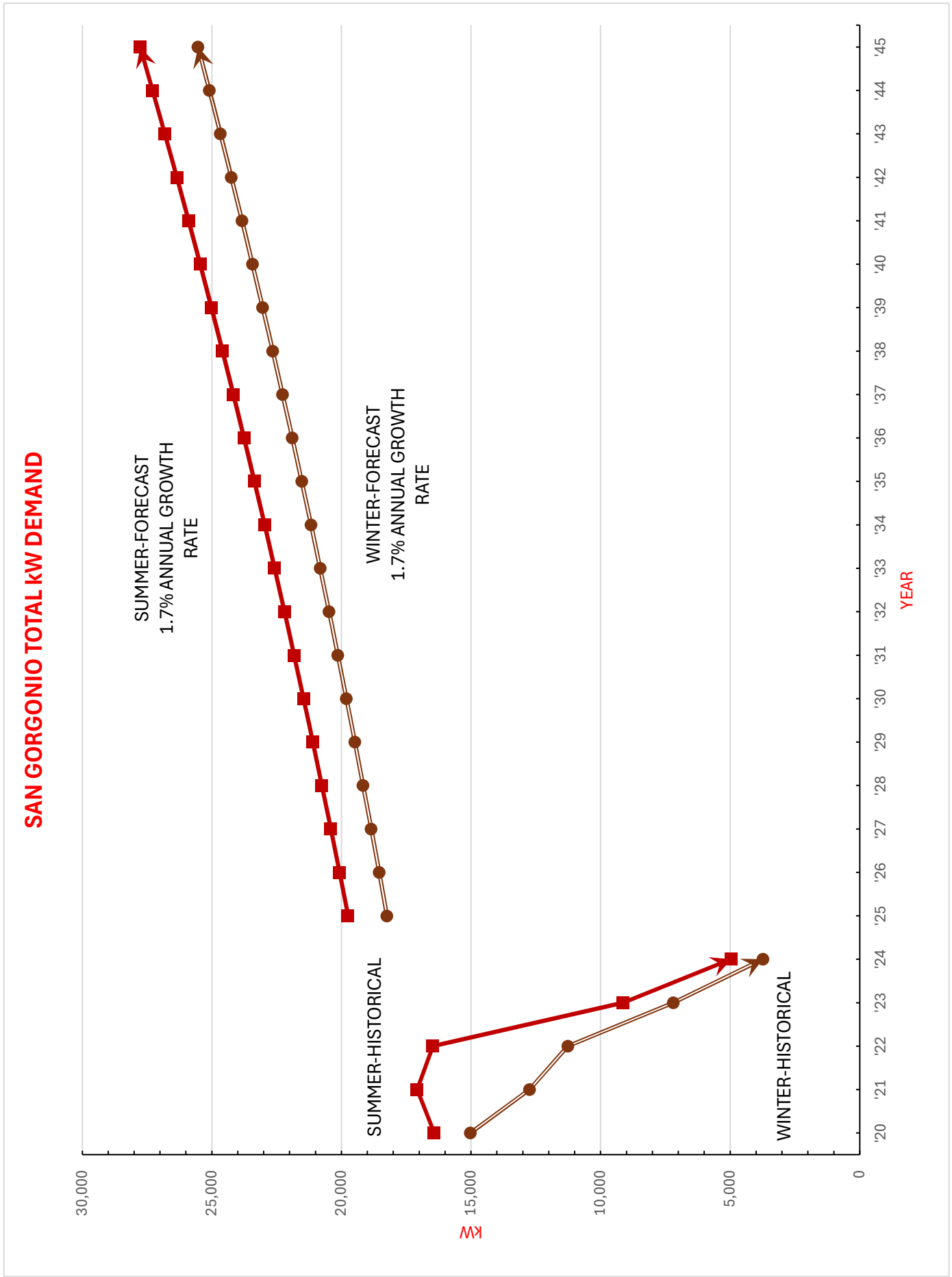
Projected Load Data 2032-2038

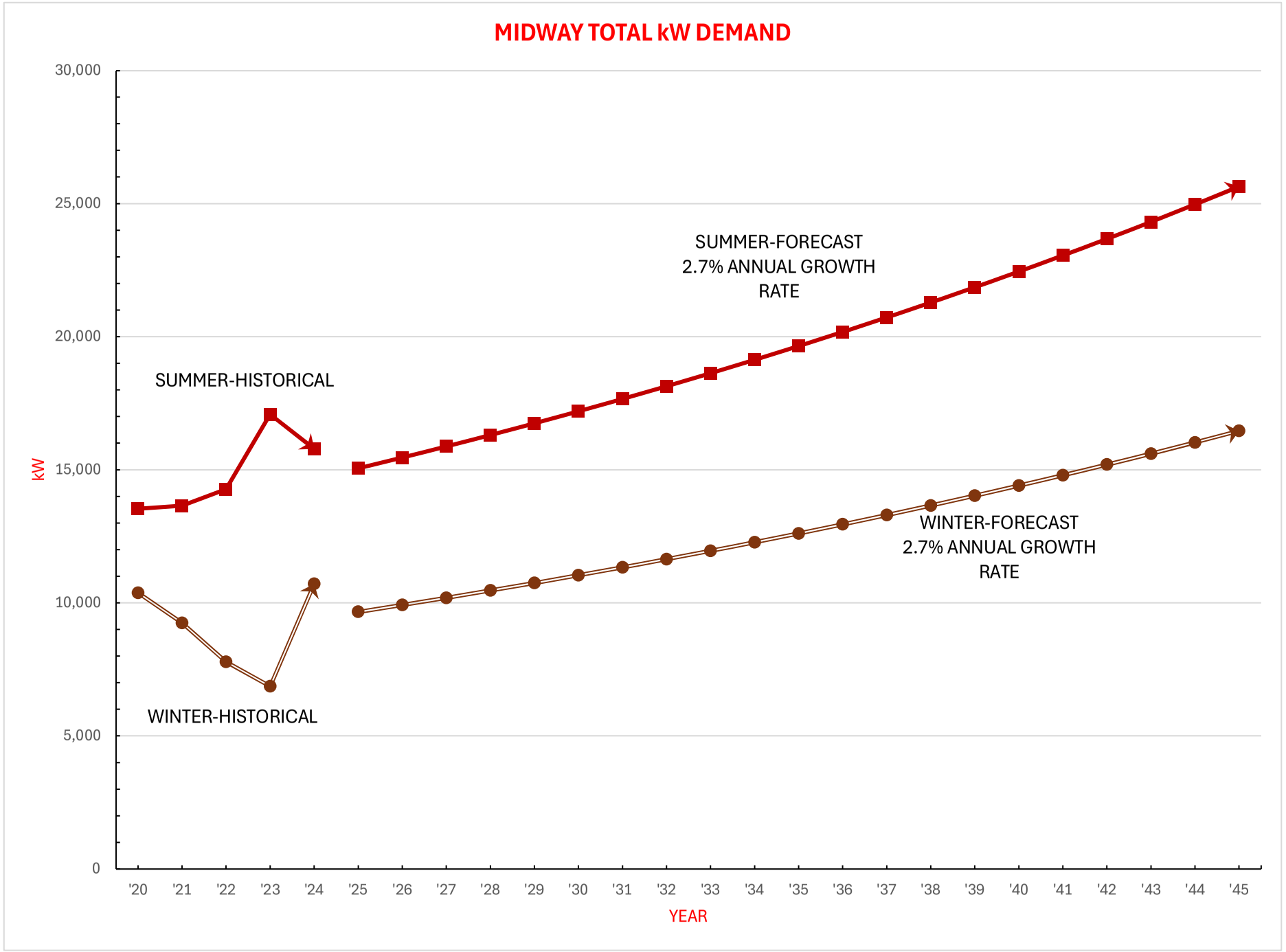
	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	22,332	41.03	24,806	45.58	26,704	49.06	28,498	52.36	30,229	55.54	31,967	58.73	32,833	60.32
Feb	20,195	41.14	22,433	45.70	24,149	49.19	25,772	52.50	27,337	55.69	28,909	58.89	29,692	60.49
Mar	20,968	39.92	23,291	44.34	25,073	47.73	26,758	50.94	28,383	54.03	30,016	57.14	30,829	58.69
Apr	21,899	51.88	24,155	57.22	25,902	61.36	27,558	65.29	29,160	69.08	30,771	72.90	31,610	74.88
May	24,924	60.47	27,492	66.70	29,480	71.53	31,365	76.10	33,188	80.53	35,021	84.97	35,976	87.29
Jun	29,495	90.46	32,534	99.78	34,886	106.99	37,117	113.83	39,275	120.45	41,444	127.10	42,574	130.57
Jul	41,121	105.02	45,356	115.84	48,637	124.21	51,746	132.15	54,755	139.84	57,779	147.56	59,354	151.58
Aug	42,606	109.14	46,994	120.38	50,393	129.08	53,615	137.34	56,732	145.32	59,866	153.35	61,498	157.53
Sep	34,021	102.21	37,526	112.74	40,239	120.90	42,812	128.63	45,301	136.11	47,803	143.62	49,107	147.54
Oct	37,662	98.71	41,835	109.64	45,036	118.03	48,061	125.96	50,981	133.62	53,913	141.30	55,373	145.13
Nov	20,808	40.66	23,113	45.17	24,882	48.63	26,553	51.89	28,166	55.05	29,786	58.21	30,593	59.79
Dec	23,287	42.47	25,867	47.17	27,847	50.78	29,718	54.20	31,523	57.49	33,336	60.79	34,239	62.44
TOTAL:	339,319		375,401		403,228		429,573		455,032		480,611		493,678	
Summer Peak (MW)	*109.14*		*120.38*		*129.08*		*137.34*		*145.32*		*153.35*		*157.53*	
Winter Peak (MW)	*98.71*		*109.64*		*118.03*		*125.96*		*133.62*		*141.30*		*145.13*	

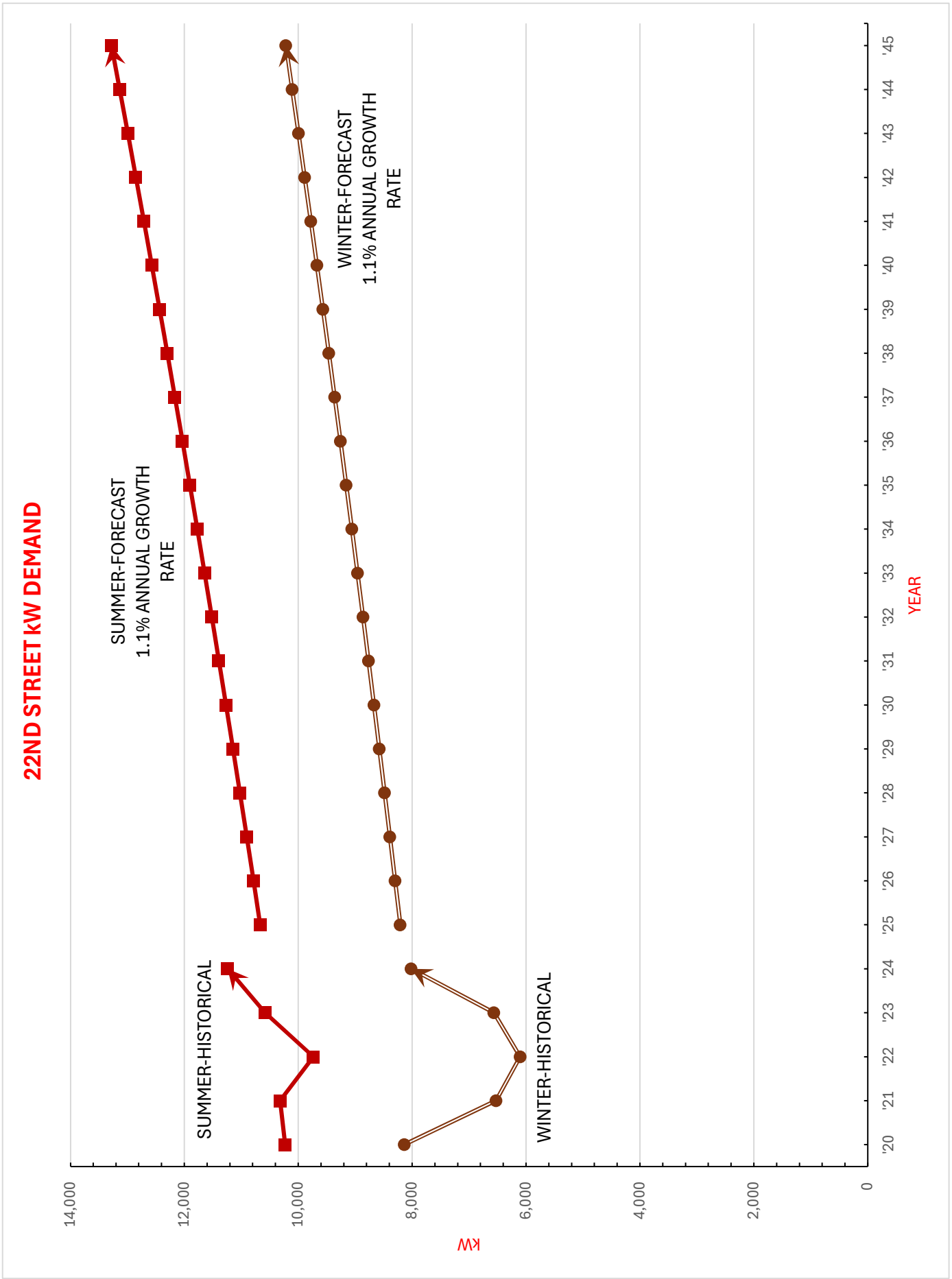
Projected Load Data 2039-2045

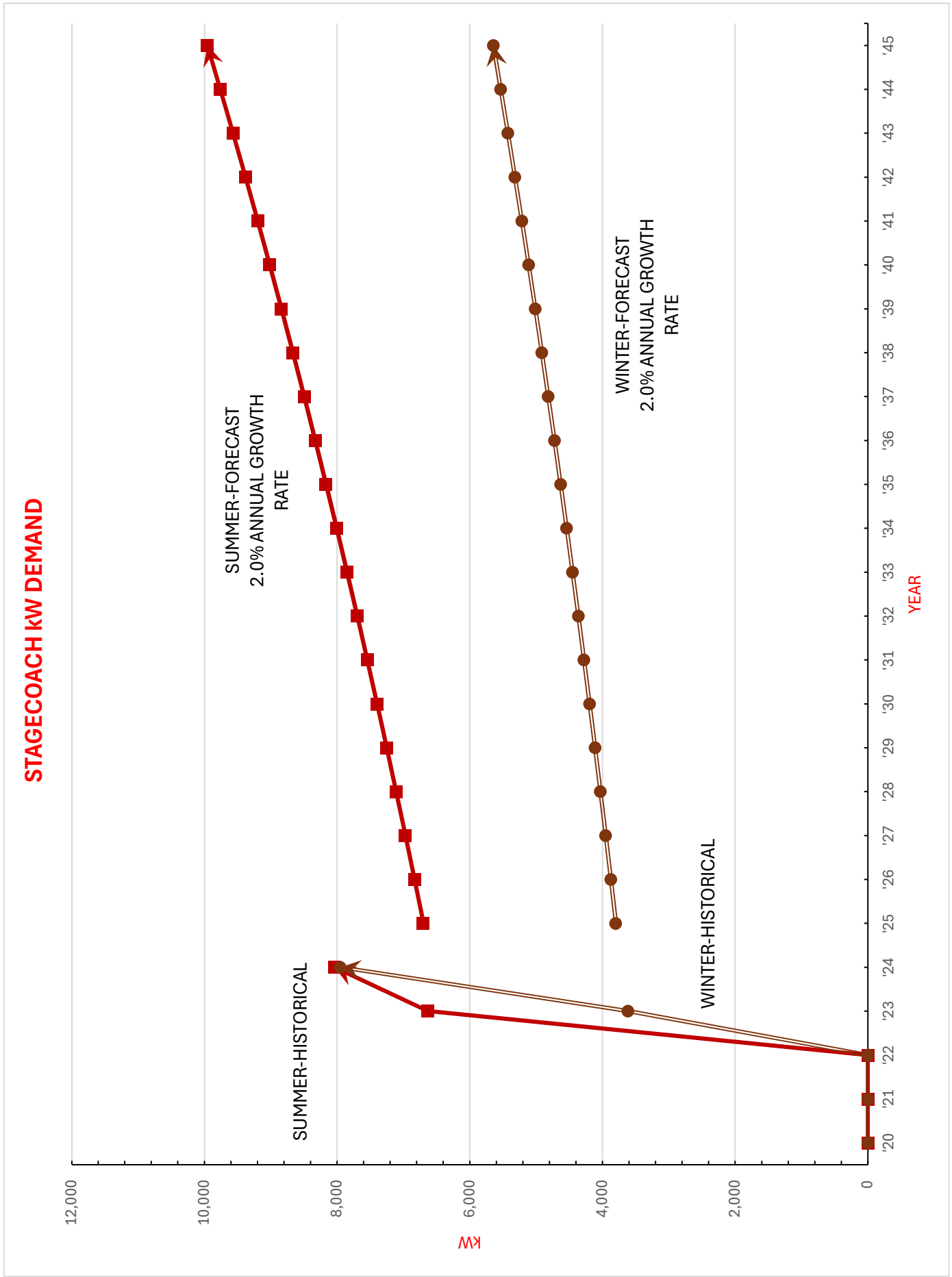
	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	33,707	61.93	34,588	63.55	34,939	64.19	35,298	64.85	35,666	65.53	36,042	66.22	36,426	66.93
Feb	30,483	62.10	31,280	63.72	31,597	64.37	31,922	65.03	32,254	65.70	32,594	66.40	32,941	67.10
Mar	31,649	60.25	32,477	61.82	32,806	62.45	33,143	63.09	33,488	63.75	33,841	64.42	34,202	65.11
Apr	32,457	76.89	33,314	78.92	33,702	79.84	34,099	80.78	34,506	81.75	34,923	82.73	35,350	83.74
May	36,941	89.63	37,915	91.99	38,357	93.07	38,810	94.16	39,273	95.29	39,747	96.44	40,233	97.62
Jun	43,716	134.07	44,869	137.61	45,392	139.21	45,927	140.85	46,475	142.53	47,037	144.25	47,611	146.02
Jul	60,946	155.65	62,554	159.76	63,283	161.62	64,029	163.52	64,793	165.47	65,575	167.47	66,377	169.52
Aug	63,146	161.75	64,813	166.02	65,568	167.95	66,341	169.93	67,133	171.96	67,943	174.04	68,774	176.17
Sep	50,423	151.49	51,754	155.49	52,357	157.30	52,974	159.16	53,606	161.06	54,254	163.00	54,917	164.99
Oct	56,847	148.99	58,333	152.88	58,925	154.44	59,531	156.02	60,150	157.65	60,784	159.31	61,432	161.01
Nov	31,407	61.38	32,228	62.98	32,555	63.62	32,890	64.28	33,232	64.95	33,582	65.63	33,941	66.33
Dec	35,150	64.10	36,069	65.78	36,435	66.45	36,809	67.13	37,192	67.83	37,584	68.54	37,985	69.27
TOTAL:	506,871		520,193		525,915		531,773		537,769		543,906		550,188	
Summer Peak (MW)	*161.75*		*166.02*		*167.95*		*169.93*		*171.96*		*174.04*		*176.17*	
Winter Peak (MW)	*148.99*		*152.88*		*154.44*		*156.02*		*157.65*		*159.31*		*161.01*	

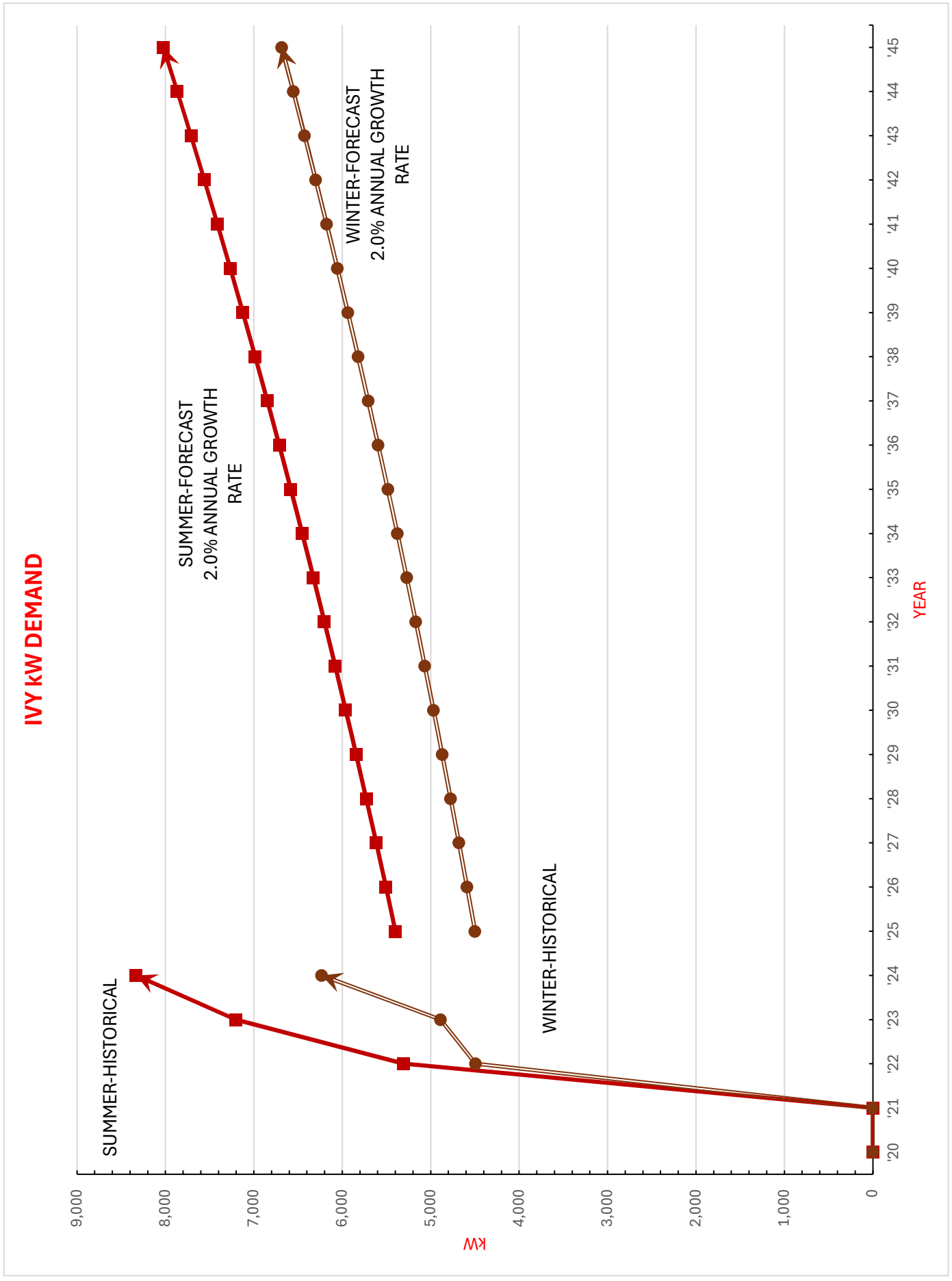

BANNING ELECTRIC UTILTIY MWH PURCHASES
FORECAST
2.4% ANNUAL GROWTH
RATE
HISTORICAL
MWH (x1,000)
YEAR
300
250
200
150
100
50
0
'19
'20
'21
'22
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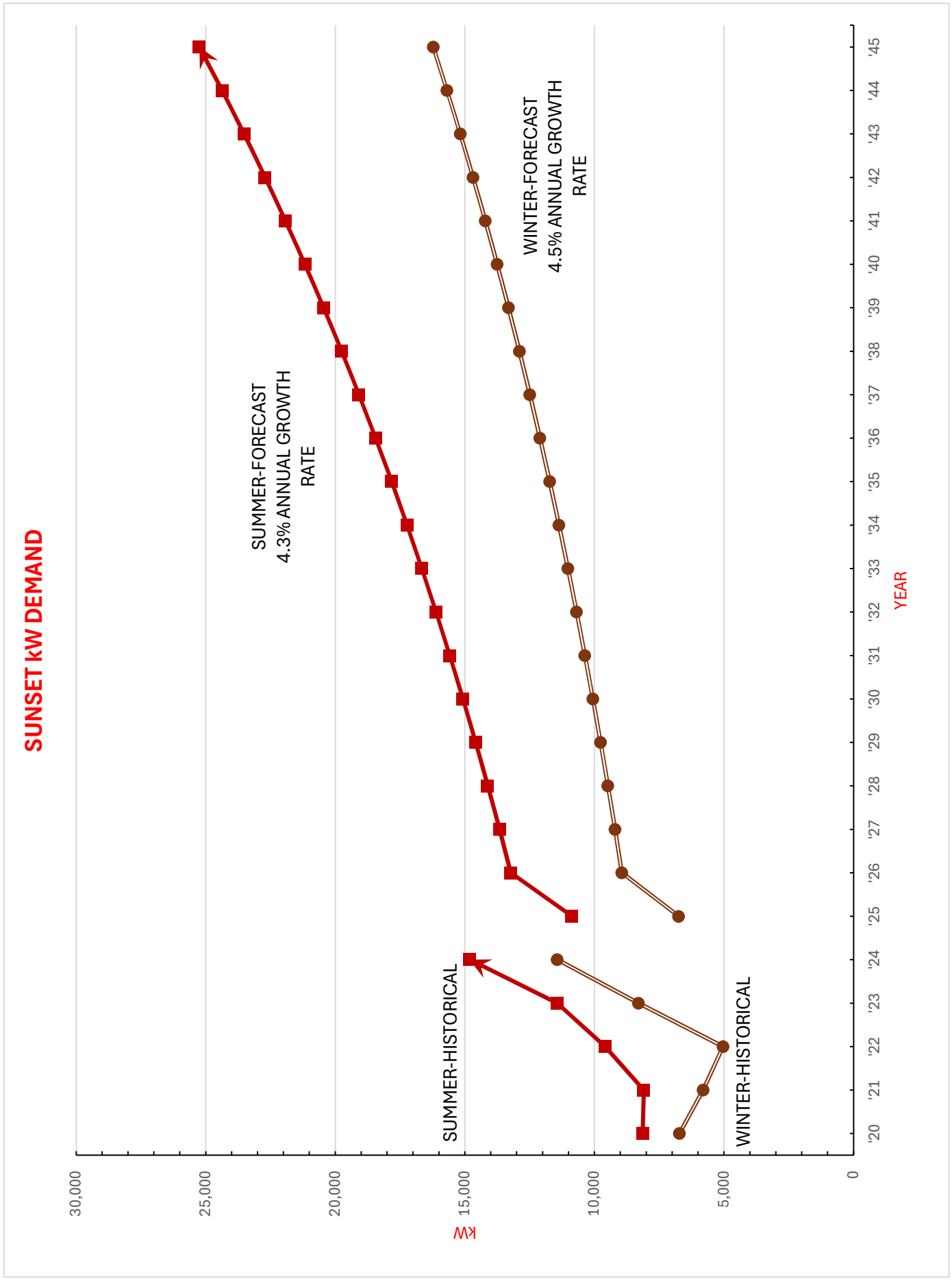

SAN GORGONIO TOTAL kW DEMAND
SUMMER-FORECAST
1.7% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
25,000
20,000
15,000
10,000
5,000
0
'20
'21
'22
'23
'24
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'44
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MIDWAY TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
2.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
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'26
'27
'28
'29
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YEAR


22ND STREET kW DEMAND
SUMMER-FORECAST
1.1% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.1% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
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STAGECOACH kW DEMAND
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
12,000
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IVY kW DEMAND
SUMMER-HISTORICAL
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
9,000
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7,000
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SUNSET kW DEMAND
SUMMER-FORECAST
4.3% ANNUAL GROWTH
RATE
WINTER-FORECAST
4.5% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
25,000
20,000
15,000
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4.0 – LAND USE AND POPULATION

The City of Banning is located in Riverside County and has a reported 2026 population of approximately 33,000 people which has increased by an estimated 10% since the most recent census in 2020. The annual growth rate is projected at 1.6%

The BEU service area for the most part is the same as the Banning City Boundary which covers approximately 23 square miles.

The following table shows current development whose load was included in the ESMP analysis.

Table 4.0-1 – Current Developments

Development	Classification	Land Area (acres)	Size
Atwell Subdivision	Residential	1,457	14,000 + lots
Cannabis Cultivation	Industrial	0.5	-
Yoshinoya	Commercial	-	-
Morongo Health Clinic	Commercial	-	-
Crestwood Communities	Residential	5.9	19 lots
Vista Robles Homes	Residential	72	140 lots

The following table shows future developments whose load was included in the ESMP analysis.

Table 4.0-2 – Future Developments

Development	Classification	Land Area (acres)	Size
Bridge-Morongo Logistics	Commercial/Industrial	509	5 buildings
Sunset Crossroads	Commercial/Industrial	559	6 buildings
Rancho San Gorgonio	Residential	710	3,600 lots
Mission Heights	Residential	-	2,200 lots
First Hathaway Logistics	Commercial/Industrial	88	-
Banning Commerce Center	Industrial	124	-
WEKA	Industrial	3.4	-
Charlles St. CDRE	Industrial	4.6	-
KCB Towers	Industrial	4.5	-
Pallet Yard	Industrial	0.3	-
First Lincoln Logistics	Commercial	6.2	-
Brown Strauss	Commercial	15.8	-
Wyndam Micro Hotel	Residential/Commercial	1.3	-
DR Horton	Residential	-	98 lots
Atwell Large Retail	Commercial	-	-

CITY OF BANNING, CALIFORNIA

2026-2030 5-YEAR CAPITAL IMPROVEMENT PLAN

April 2026

Prepared by:

Finley Engineering Company, Inc.

On behalf of:

Banning Electric Utility

BANNING ELECTRIC UTILITY
PROVIDING POWER TO THE COMMUNITY OF BANNING SINCE 1922

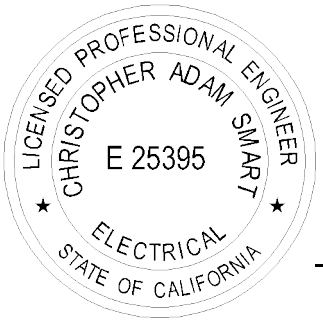
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ENGINEERS CERTIFICATION

I, Christopher Adam Smart, P.E., herby certify that this *2026-2030 5-Year Capital Improvement Plan* was prepared by me or under my direct Supervision and that I am a duly Licensed Professional Engineer under the laws of the state of California, license number E 25395.



X _____

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5.1 - EXECUTIVE SUMMARY

5.1.1 - Introduction

The City of Banning owns the utility that provides electric service to Banning, California and the electric utility is maintained by Banning Electric Utility (BEU). Originally established in 1913 as a private utility, the City of Banning purchased the electric utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet the system peak demand.

Through an agreement with Southern California Edison Company (SCE), the BEU system utilizes SEC's transmission system in bringing power from the California Independent System Operator ("CAISO") controlled high voltage transmission grid to the BEU distribution system at the Banning Substation. BEU maintains three, 34.5kV sub-transmission circuits totaling approximately eighteen miles which feed six distribution substations.

These six distribution substations have approximately 27 circuits feeding 147 miles of overhead and underground distribution line with an operating voltage of 7.2/12.5 kV. An estimated 47% of the total distribution line is underground.

The City of Banning supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. BEU has met and/or exceeded the renewable energy requirements of Compliance Period #1, Compliance Period #2, and Compliance Period #3 of the State's Renewables Portfolio Standard (RPS) program. The Utility was 81 percent renewable in 2022, already exceeding the current State mandate of 60 percent by 2030.

BEU is a member of the Southern California Public Power Authority (SCPPA) enjoying the benefits of joint action through cost effective planning, construction, management, and operations of electrical energy resources.

5.1.2 - Purpose of Study

This 5-year Capital Improvement Plan (CIP) is a study prepared by Finley Engineering Company, Inc. (Finley) based on an analysis and review of the historical system growth and operation to determine projections of future growth, recommendations for capital improvements, and scheduled system maintenance that will insure the continued economical and reliable operation of the system over the ensuing 5-year period.

5.1.3 – General Conclusions and Recommendations

The 5-Year CIP includes projects and estimated costs for Overhead Maintenance, Capital Maintenance, and Distribution System Improvements.

The Overhead Maintenance program include the inspection of 3,900 poles and the replacement of 350 pole at a total estimated cost of $4,058,438.

Capital Maintenance includes 18 various projects such as underground conductor replacement, fiber extensions, substation breaker upgrades, fire mitigation, line hardening, line re-routes and/or relocation, recloser installations for sectionalizing, etc. The total estimated cost for these projects

is $20,784,500. It is expected that BEU will receive $9,293,750 in cost in aid to construction (CIAC) bringing the total BEU funding cost to $11,490,750.

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include 14 projects to switch load to adjacent lines to reduce single-phase line loading at a total estimated cost of $41,700, 2 projects for new line construction of 600' totaling $336,400, 9 projects for single-phase to three-phase line rebuild of 10,107' totaling $2,142,100, and 2 projects for three-phase line rebuild using larger conductor of 2,130' totaling $285,500. The total estimated cost for distribution system improvements is $2,805,700.

The total estimated cost for the 5-Year CIP is $27,648,638 with an estimated $9,293,750 in CIAC reducing the BEU funding estimate to $18,354,888. For the BEU funding cost, 22% is for Overhead Maintenance, 63% is for Capital Maintenance, and 15% is for Distribution System improvements.

5.2 – Planning Criteria

5.2.1 - Distribution System

The distribution projects contained in this 5-Year CIP are recommended based upon the following planning criteria.

a. With an assumed delivered voltage of 125 volts (1.041 per unit on a 120 volt base) during peak load conditions, the design minimum allowable voltage at the primary terminals of any distribution transformer shall be 118 volts (0.98 per unit on a 120 volt base).

b. Voltage regulators and step transformers will be upgraded when projected peak loads exceed 85% of the device's rating.

c. Sectionalizing devices will be upgraded when projected peak loads exceed 70% of the device's continuous current rating.

d. Primary conductors on the 7.2/12.5 kV and below distribution system will be upgraded when projected peak loads exceed 60% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 60% of the conductor's thermal rating

e. Primary conductors on the 34.5 kV sub-transmission system will be upgraded when projected peak loads exceed 90% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 90% of the conductor's thermal rating

f. Single-phase primary voltage lines will be limited to 35 amps maximum loading.

g. The power factor at the delivery point under peak loading conditions is desired to be no less than 95%. The off-peak power factor should preferably be maintained between 95% lagging and 95% leading. This criterion is subject to the cost of the installation of capacitors, switches, and controls vs. the cost of kilowatt (kW) loss reduction.

5.2.1.1 - Distribution System Design Criteria

The following design criteria was considered when determining projects contained in this 5-year CIP.

a. Feeder current balance will be maintained at plus or minus 20% of the average per phase loading during peak conditions. This criterion may be relaxed in areas where it could impose unnecessary or premature costs.

b. Conductor sizes will be economically sized but may be modified to conform to BEU's standard conductor sizes.

c. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any load voltage or high conductor loading.

d. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any high single-phase loading. For areas where there is no backfeed or load switch solution, additional conductors will be added to allow for phase balancing.

e. Relocation of existing line sections will be considered where inaccessibility impedes the maintenance of line sections or jeopardizes the service or reliability of line sections.

5.2.2 – Substation

The substation projects contained in this 5-Year CIP are recommended based upon the following planning criteria.

a. Substation transformers will limited to 95% of the max kVA rating of the transformer. The following improvements will be considered in the event the load exceeds 95% of the max kVA rating:

a. Load switching to adjacent substations
b. Upgrade of existing transformer
c. Installation of an additional transformer in the existing substation
d. Construction of a new substation

5.2.3 – Basis of Cost Estimates

The following tables for material and labor costs were used to determine total project costs. The costs were taken from actual prices provided by BEU as well as prices received by FEC from other sources.

Table 5.2.3-1 Conductor Material Cost

Conductor (price per foot)				
OH Conductor			**UG Conductor**	
#2 Copper	$1.31		1/0 AL, 15 kV	$2.03
#2 ACSR	$0.26		1/0 CU, 15 kV	$10.98
#4 ACSR	$0.15		1/0 CU, 35 kV	$8.47
1/0 ACSR	$0.30		4/0 CU	$6.95
4/0 Copper	$3.11		4/0 AL	$4.97
4/0 ACSR	$0.80		350 CU	$7.53
336 ACSR	$1.62		750 AL	$13.38

Table 5.2.3-2 Pole Material Cost

Pole	Price per unit	Pole	Price per unit
35' Douglas Fir, H2	$1,269.30	35’ Wood, Class 2	$1,067.38
		40’ Wood, Class 2	$766.35
45' Douglas Fir, H2	$1,771.08	45’ Wood, Class 2	$953.80
		50’ Wood, Class 2	$1,135.73
55' Douglas Fir, H2	$2,889.48	55’ Wood, Class 2	$918.72
60' Douglas Fir, H2	$2,945.89	60’ Wood, Class 2	$1,362.29

Table 5.2.3-3 Transformer Material Cost

Transformer	Price per unit
10 kVA O.H. Transformer S-Type 7,200	$500.00
15 kVA 7,200, 120/240 DV S-Type	$645.42
25 kVA 7,200, 120/240 DV S-Type	$919.16
37 kVA 7,200, 120/240 DV S-Type	$1,496.65
50 kVA 7,200 120/240	$3,992.05
75 kVA 3Ø 12,470/7,200 120/208	$6,023.22
300 kVA DV	$8,583.61
750 kVA 3Ø 12,470/7,200	$14,626.30
1,000 kVA 3Ø 12,470/7,200 DV	$10,809.48
2,500 kVA 3Ø 12,470/7,200 277/480	$34,539.92
25 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$3,685.34
37.5 kVA 1Ø 12,400/7,200 DV Pdmnt	$1,988.01
75 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$7,110.42
300 kVA 3Ø 12,470/4,160 DV Pdmnt 208/120	$13,547.15
500 kVA 3Ø Pdmnt	$10,442.65
1,500 kVA DV 3Ø Pdmnt 277/480	$31,037.04

Table 5.2.3-4 Framing Units Material Cost

Framing Unit	Price per unit
A1.3P	$75.32
A1.11P	$493.46
A5.2G	$286.41
A3.1	$78.74
A6.21	$1,080.29
G1.2	$317.41
G1.2	$1,318.96
A5.1	$195.12
A5.21	$888.35
(A4.1)	$255.90
G1.3	$433.79
G1.3	$1,127.02
C1.11	$628.33
C1.81G	$1,592.53
C1.11,A5.21	$1,516.68
C5.82G	$3,472.80
C3.1	$208.96
C3.1,A5.1	$404.08
C3.1,A5.21	$1,097.31
C3.1, C5.1	$376.78
C5.1	$167.82
C5.1,A5.1	$362.94
C5.1,A5.21	$1,056.17

Table 5.2.3-5 Underground Material Cost

Material	Price per unit
Light Duty Secondary Box	$78.42
Light Duty Secondary Lid	$83.43
4" PVC SCH 40 (per foot)	$1.69
1/0 AL U/G (per foot)	$4.75
Service Entrance Sleeve	$0.45
Deadend Shoe Small	$8.58
Power Solve (Pulling Lube)	$58.98

Table 5.2.3-6 Overhead Construction Labor and Fleet Cost

	Units (hr.)	Unit Cost (per hr.)
Utility Bed P/U 1 ton (Foreman) (2 hrs. per connection)	4	$27.78
2 Person Lift (Bucket Truck) 55' (2 hrs. per connection)	2	$51.68
4 Person Crew	4	$466.73
3 Person Crew (2 hours per connection)	4	$352.02
2 Person Crew	2	$237.31
Electrical Engineering Supervisor (0.5 hrs. per connection)	1	$125.98
Electric Service Planning Supervisor (0.5 hrs. per connection)	1	$127.97
GIS Technician (1 hr. per connection)	2	$59.21

For overhead line, project cost estimates are based on an average of construction 1 mile of line per month with average span lengths at 150’.

Table 5.2.3-7 Underground Construction Labor and Fleet Cost

Labor	Price per hr.
4 Person Line Crew	$466.73
Powerline Crew Superintendent	$135.93
Fleet	**Price per hr.**
Dump Truck	$55.98
Utility Bed P/U 1 ton (Foreman) (3)	$27.78
Digger Derrick	$48.77
Wire Puller	$24.98
Reel Trailer	$24.98
Backhoe	$23.95

For underground line, project estimates are based on an average construction of 1 month to trench, lay conduit, pull wire and terminate, and backfill 300’.

Engineering (10%) and contingency (5%) were also added for each cost estimate.

5.3 – System Forecast

The 5-year CIP demand forecast was prepared to project the summer and winter kW demand per substation area as well as the total system demand for the City of Banning for the 2025-2030 CIP period. The historical non-coincident substation demands as well as the historical coincident system demands were provided by BEU and used as the basis for the forecast. BEU also provided insight into new load additions that are in some sort of application or planning process and were used in the conceptual forecast.

Additional factors that were considered when reviewing the historical peaks include temporary load switching between substations, construction of new substations with permanent load switching, and removal and/or replacement of existing substations.

Along with new load additions, considerations were also made for the addition of EV chargers at new subdivision locations.

This forecast will be used to run voltage drop and load flow analysis to determine system improvements required to reliably serve the City of Banning existing consumers and allow for future consumer growth.

It is projected that the BEU system will reach a non-coincident peak of 79,004 kW in the summer of 2030 and 59,385 kW in the winter of 2030. It is also projected that the BEU system will reach a coincident peak of 63,576 kW in the summer of 2030 and 53,737 kW in the winter of 2030.

A separate conceptual forecast was created to include new load additions that are in some state of application or planning process. It is projected that the BEU system will reach a conceptual non-coincident peak of 86,777 kW in the summer of 2030 and 76,938 kW in the winter of 2030.

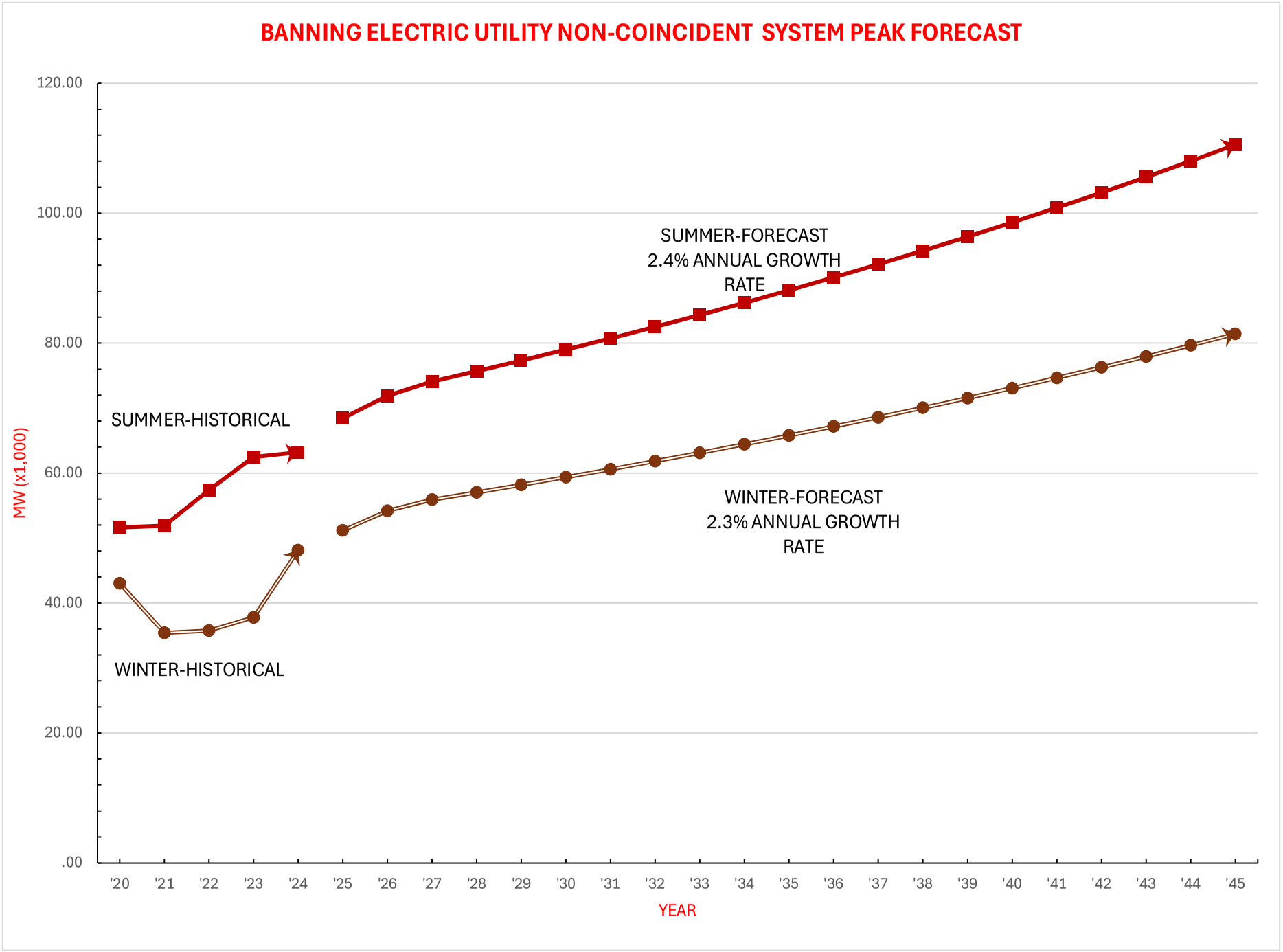
As part of the historical review, MWH purchases were also reviewed and a forecast was determined. It is projected that the BEU system will have an annual coincident purchase of 192,127 MWH's by 2030.

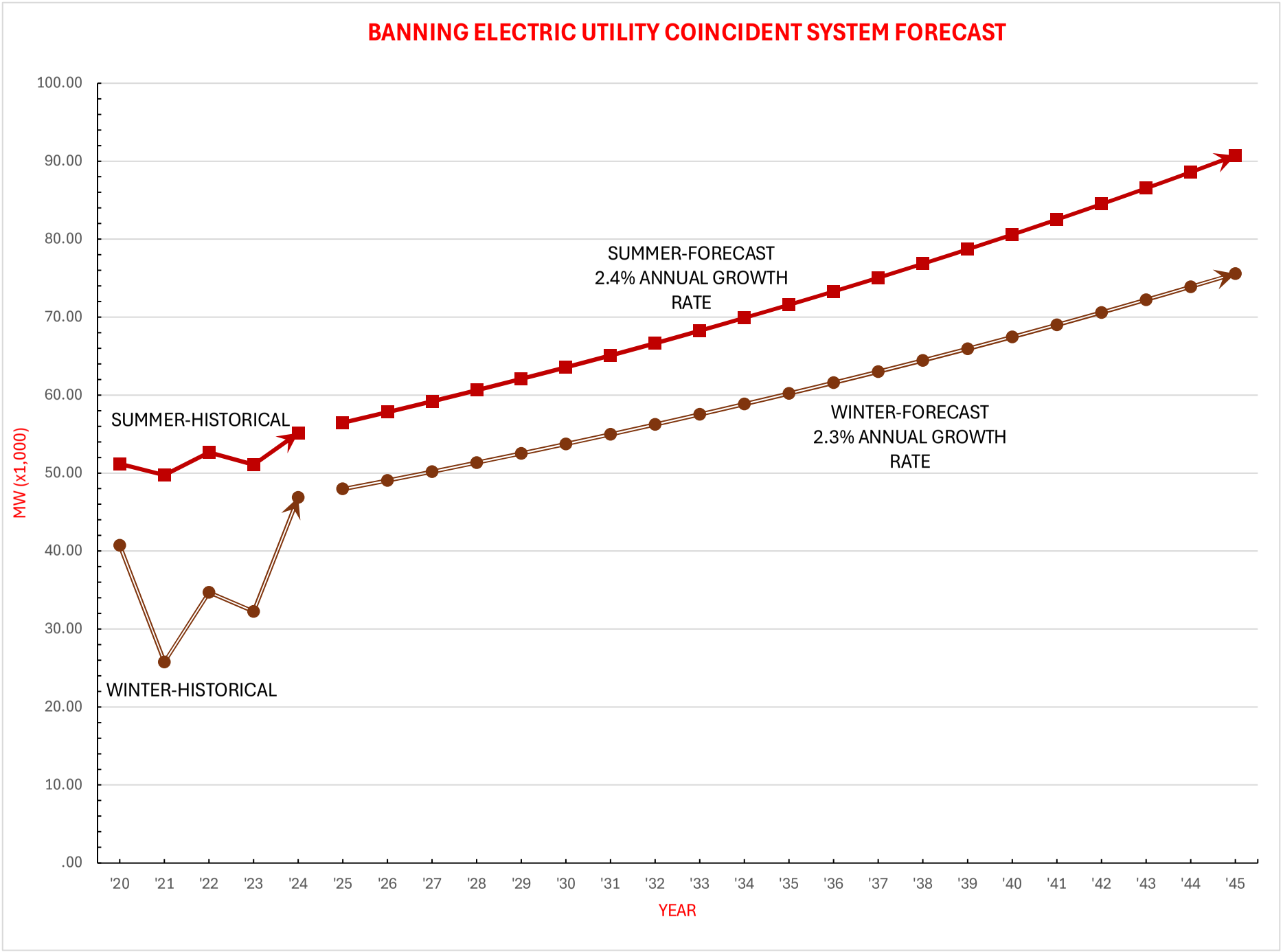
A graphical representation of the individual substation demand forecast as well as the total system coincident demand, non-coincident demand, conceptual non-coincident demand and MWH purchases is included following this page.

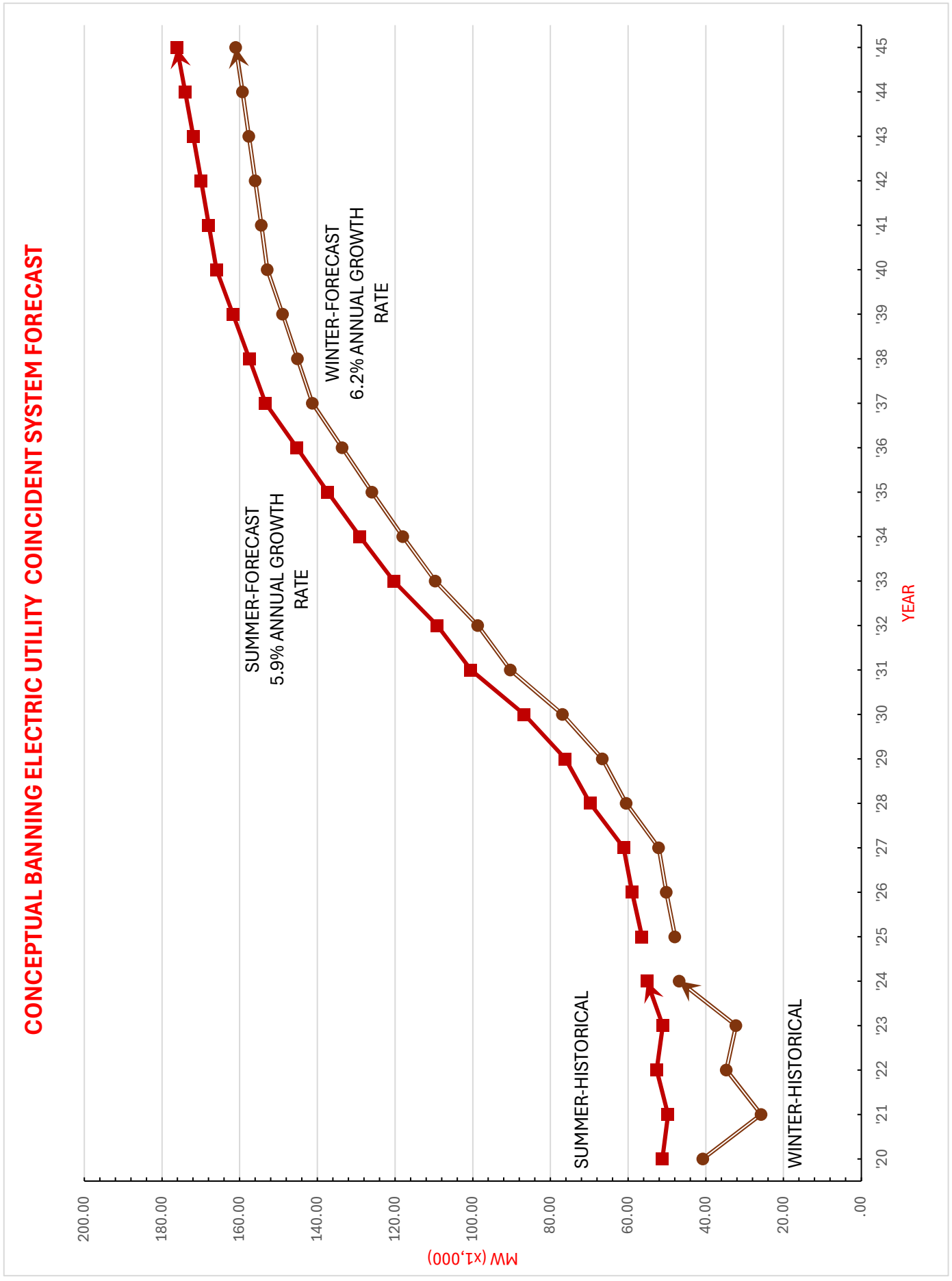
BANNING ELECTRIC UTILTIY
2026-2045 ESMP SYSTEM FORECAST

Peak kW Demand

	Historical					Forecast																					2025-2045 Annual Growth Rate
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
San Gorgonio Total																											
S	16,425	17,079	16,472	9,131	4,958	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	19,719	20,113	20,516	20,926	21,345	21,771	22,207	22,651	23,104	23,566	24,037	24,518	2.0%
W	15,022	12,746	11,267	7,193	3,739	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	2.0%
			Cannabis Cultivation			3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	
			Yoshinoya			89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	
S	16,425	17,079	16,472	9,131	4,958	19,748	20,078	20,415	20,758	21,108	21,465	21,830	22,201	22,580	22,967	23,361	23,764	24,174	24,593	25,019	25,455	25,899	26,352	26,814	27,285	27,766	1.7%
W	15,022	12,746	11,267	7,193	3,739	18,248	18,548	18,854	19,166	19,484	19,809	20,140	20,478	20,823	21,174	21,533	21,899	22,272	22,652	23,040	23,436	23,840	24,252	24,672	25,100	25,537	1.7%
Midway Total																											
S	13,541	13,649	14,272	17,082	15,786	15,052	15,458	15,876	16,304	16,745	17,197	17,661	18,138	18,628	19,131	19,647	20,178	20,722	21,282	21,856	22,447	23,053	23,675	24,314	24,971	25,645	2.7%
W	10,384	9,247	7,788	6,868	10,715	9,663	9,924	10,192	10,467	10,750	11,040	11,338	11,644	11,958	12,281	12,613	12,953	13,303	13,662	14,031	14,410	14,799	15,199	15,609	16,031	16,463	2.7%
Airport																											
S	365	370	360	32	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
W	389	389	280	23	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
22nd Street																											
S	10,233	10,319	9,736	10,585	11,240	10,670	10,787	10,906	11,026	11,147	11,270	11,394	11,519	11,646	11,774	11,904	12,034	12,167	12,301	12,436	12,573	12,711	12,851	12,992	13,135	13,280	1.1%
W	8,140	6,529	6,105	6,567	8,018	8,210	8,300	8,392	8,484	8,577	8,672	8,767	8,863	8,961	9,059	9,159	9,260	9,362	9,465	9,569	9,674	9,781	9,888	9,997	10,107	10,218	1.1%
Stagecoach																											
S	0	0	0	6,634	8,040	6,700	6,834	6,971	7,110	7,252	7,397	7,545	7,696	7,850	8,007	8,167	8,331	8,497	8,667	8,841	9,017	9,198	9,382	9,569	9,761	9,956	2.0%
W	0	0	0	3,616	7,955	3,800	3,876	3,954	4,033	4,113	4,196	4,279	4,365	4,452	4,541	4,632	4,725	4,819	4,916	5,014	5,114	5,217	5,321	5,427	5,536	5,647	2.0%
Ivy																											
S	0	0	5,308	7,206	8,333	5,400	5,508	5,618	5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583	6,714	6,849	6,985	7,125	7,268	7,413	7,561	7,713	7,867	8,024	2.0%
W	0	0	4,493	4,890	6,235	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301	6,427	6,556	6,687	2.0%
			Morongo Health Clinic			0	0	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	
S	0	0	5,308	7,206	8,333	5,400	5,508	6,254	6,367	6,481	6,598	6,717	6,839	6,963	7,089	7,219	7,350	7,485	7,621	7,761	7,904	8,049	8,197	8,349	8,503	8,660	2.4%
W	0	0	4,493	4,890	6,235	4,500	4,590	5,318	5,411	5,507	5,604	5,704	5,805	5,908	6,014	6,121	6,231	6,343	6,457	6,574	6,692	6,814	6,937	7,063	7,192	7,323	2.5%
Sunset																											
S	8,140	8,099	9,586	11,441	14,821	10,439	10,857	11,291	11,742	12,212	12,701	13,209	13,737	14,286	14,858	15,452	16,070	16,713	17,382	18,077	18,800	19,552	20,334	21,147	21,993	22,873	4.0%
W	6,716	5,803	5,037	8,299	11,443	6,319	6,572	6,835	7,108	7,392	7,688	7,996	8,315	8,648	8,994	9,354	9,728	10,117	10,522	10,942	11,380	11,835	12,309	12,801	13,313	13,846	4.0%
			Crestwood Communities			432	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	
			Vista Robles KB homes			0	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	
S	8,140	8,099	9,586	11,441	14,821	10,871	13,233	13,667	14,118	14,588	15,077	15,585	16,113	16,662	17,234	17,828	18,446	19,089	19,758	20,453	21,176	21,928	22,710	23,523	24,369	25,249	4.3%
W	6,716	5,803	5,037	8,299	11,443	6,751	8,948	9,211	9,484	9,768	10,064	10,372	10,691	11,024	11,370	11,730	12,104	12,493	12,898	13,318	13,756	14,211	14,685	15,177	15,689	16,222	4.5%
Alola																											
S	2,929	2,370	1,646	372	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
W	2,377	708	782	336	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Banning Electric Utility Non-Coincident System Peak Forecast																											
S	51,632	51,885	57,380	62,482	63,207	68,441	71,898	74,088	75,683	77,322	79,004	80,732	82,507	84,330	86,202	88,126	90,103	92,134	94,221	96,367	98,571	100,837	103,167	105,562	108,024	110,556	2.4%
W	43,029	35,422	35,752	37,792	48,126	51,172	54,186	55,919	57,045	58,200	59,385	60,600	61,847	63,127	64,440	65,788	67,172	68,592	70,050	71,546	73,083	74,661	76,281	77,945	79,654	81,410	2.3%
Banning Electric Utility System Coincident Forecast																											
S	51,197	49,751	52,667	51,096	55,143	56,467	57,822	59,210	60,631	62,086	63,576	65,102	66,664	68,264	69,902	71,580	73,298	75,057	76,858	78,703	80,592	82,526	84,507	86,535	88,612	90,738	2.4%
W	40,752	25,776	34,719	32,262	46,883	47,962	49,065	50,193	51,348	52,529	53,737	54,973	56,237	57,530	58,854	60,207	61,592	63,009	64,458	65,940	67,457	69,009	70,596	72,219	73,881	75,580	2.3%
Conceptual Banning Electric Utility System Coincident Forecast																											
S	51,197	49,751	52,667	51,096	55,143	56,467	58,962	61,201	69,810	76,184	86,777	100,472	109,135	120,377	129,082	137,336	145,321	153,347	157,527	161,751	166,019	167,953	169,934	171,962	174,039	176,165	5.9%
W	40,752	25,776	34,719	32,262	46,883	47,962	50,205	52,185	60,527	66,627	76,938	90,343	98,708	109,643	118,034	125,963	133,615	141,299	145,127	148,988	152,884	154,436	156,023	157,646	159,308	161,007	6.2%
			Bridge-Morongo Logistics			0	0	0	0	1,031	1,991	2,858	3,344	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	
			Sunset Crossroads			0	0	0	2,712	2,712	6,967	10,213	10,561	13,639	14,439	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	
			Rancho San Gorgonio			0	0	0	3,888	7,776	11,664	15,552	19,440	23,328	27,216	31,104	34,992	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	
			Mission Heights			0	0	0	0	0	0	2,379	4,758	7,137	9,516	11,895	14,274	16,653	19,032	21,411	23,790	23,790	23,790	23,790	23,790	23,790	23,790	
			First Hathaway Logistics			0	0	0	0	0	0	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	
			Banning Commerce Center			0	0	0	0	0	0	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	
			WEKA			0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
			Charles St. CDRE			0	0	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	
			KCB Towers			0	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
			Pallet Yard			0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
			First Lincoln Logistics			0	0	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	
			Brown Strauss			0	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	
			Wyndam Micro Hotel			0	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
			DR Horton			0	0	588	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	
			Atwell Large Retail			0	0	0	0	0	0	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	


BANNING ELECTRIC UTILITY NON-COINCIDENT SYSTEM PEAK FORECAST
120.00
100.00
80.00
60.00
40.00
20.00
.00
MW (x1,000)
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
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'40
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'42
'43
'44
'45
YEAR


BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
.00
MW (x1,000)
SUMMER-HISTORICAL
WINTER-HISTORICAL
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
'20
'21
'22
'23
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'25
'26
'27
'28
'29
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'31
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'42
'43
'44
'45
YEAR


CONCEPTUAL BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
5.9% ANNUAL GROWTH
RATE
WINTER-FORECAST
6.2% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
YEAR
200.00
180.00
160.00
140.00
120.00
100.00
80.00
60.00
40.00
20.00
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'43
'44
'45

BANNING ELECTRIC UTILITY
2026-2045 ESMP NON-COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	11,577	21.27	12,259	22.52	12,651	23.24	12,906	23.71	13,167	24.19	13,435	24.68	13,710	25.19
Feb	10,470	21.33	11,086	22.58	11,441	23.31	11,671	23.78	11,907	24.26	12,150	24.75	12,399	25.26
Mar	10,870	20.69	11,511	21.91	11,879	22.61	12,118	23.07	12,363	23.54	12,615	24.01	12,873	24.51
Apr	13,733	32.53	14,427	34.18	14,867	35.22	15,187	35.98	15,515	36.76	15,853	37.56	16,200	38.38
May	15,631	37.92	16,420	39.84	16,920	41.05	17,285	41.94	17,659	42.85	18,043	43.78	18,438	44.74
Jun	18,497	56.73	19,432	59.59	20,023	61.41	20,455	62.73	20,897	64.09	21,352	65.48	21,819	66.92
Jul	25,788	65.86	27,090	69.19	27,915	71.29	28,517	72.83	29,134	74.40	29,768	76.02	30,419	77.69
Aug	26,719	68.44	28,069	71.90	28,923	74.09	29,546	75.68	30,186	77.32	30,843	79.00	31,517	80.73
Sep	21,335	64.10	22,413	67.34	23,096	69.39	23,593	70.88	24,104	72.42	24,628	73.99	25,167	75.61
Oct	19,525	51.17	20,675	54.19	21,336	55.92	21,766	57.05	22,206	58.20	22,658	59.38	23,122	60.60
Nov	10,787	21.08	11,423	22.32	11,788	23.04	12,025	23.50	12,269	23.98	12,518	24.46	12,775	24.97
Dec	12,073	22.02	12,784	23.31	13,193	24.06	13,458	24.54	13,731	25.04	14,010	25.55	14,297	26.07
TOTAL:	197,005		207,588		214,032		218,526		223,138		227,873		232,734	
Summer Peak (MW)		*68.44*		*71.90*		*74.09*		*75.68*		*77.32*		*79.00*		*80.73*
Winter Peak (MW)		*51.17*		*54.19*		*55.92*		*57.05*		*58.20*		*59.38*		*60.60*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	13,992	25.71	14,282	26.24	14,579	26.79	14,884	27.35	15,197	27.92	15,518	28.51	15,848	29.12
Feb	12,654	25.78	12,916	26.31	13,184	26.86	13,460	27.42	13,743	28.00	14,034	28.59	14,332	29.20
Mar	13,138	25.01	13,410	25.53	13,689	26.06	13,975	26.60	14,269	27.16	14,571	27.74	14,880	28.33
Apr	16,556	39.22	16,922	40.09	17,297	40.98	17,683	41.89	18,080	42.83	18,488	43.80	18,907	44.79
May	18,843	45.72	19,259	46.73	19,687	47.77	20,126	48.83	20,578	49.93	21,042	51.05	21,518	52.21
Jun	22,299	68.39	22,791	69.90	23,297	71.45	23,817	73.04	24,352	74.68	24,901	76.37	25,465	78.10
Jul	31,087	79.39	31,774	81.15	32,480	82.95	33,205	84.80	33,950	86.70	34,715	88.66	35,501	90.67
Aug	32,210	82.51	32,922	84.33	33,653	86.20	34,404	88.13	35,176	90.10	35,969	92.13	36,783	94.22
Sep	25,720	77.27	26,288	78.98	26,872	80.74	27,472	82.54	28,088	84.39	28,721	86.29	29,372	88.25
Oct	23,598	61.85	24,086	63.13	24,587	64.44	25,102	65.79	25,630	67.17	26,171	68.59	26,728	70.05
Nov	13,038	25.48	13,307	26.01	13,584	26.55	13,868	27.10	14,160	27.67	14,459	28.26	14,767	28.86
Dec	14,591	26.61	14,893	27.16	15,203	27.73	15,521	28.31	15,847	28.90	16,182	29.51	16,526	30.14
TOTAL:	237,725		242,850		248,113		253,518		259,069		264,770		270,627	
Summer Peak (MW)		*82.51*		*84.33*		*86.20*		*88.13*		*90.10*		*92.13*		*94.22*
Winter Peak (MW)		*61.85*		*63.13*		*64.44*		*65.79*		*67.17*		*68.59*		*70.05*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	16,187	29.74	16,534	30.38	16,891	31.03	17,258	31.71	17,634	32.40	18,021	33.11	18,418	33.84
Feb	14,638	29.82	14,953	30.46	15,275	31.12	15,607	31.79	15,947	32.49	16,297	33.20	16,656	33.93
Mar	15,198	28.93	15,525	29.55	15,860	30.19	16,204	30.85	16,558	31.52	16,921	32.21	17,294	32.92
Apr	19,337	45.81	19,779	46.86	20,234	47.93	20,702	49.04	21,182	50.18	21,676	51.35	22,184	52.55
May	22,008	53.40	22,512	54.62	23,029	55.88	23,561	57.17	24,108	58.49	24,671	59.86	25,249	61.26
Jun	26,044	79.88	26,640	81.70	27,253	83.58	27,882	85.51	28,530	87.50	29,195	89.54	29,879	91.64
Jul	36,310	92.73	37,140	94.85	37,994	97.03	38,872	99.27	39,774	101.58	40,702	103.95	41,656	106.38
Aug	37,621	96.37	38,482	98.57	39,366	100.84	40,276	103.17	41,211	105.56	42,172	108.02	43,160	110.56
Sep	30,041	90.26	30,728	92.32	31,434	94.44	32,161	96.63	32,907	98.87	33,675	101.17	34,464	103.55
Oct	27,299	71.55	27,885	73.08	28,487	74.66	29,105	76.28	29,740	77.95	30,392	79.65	31,062	81.41
Nov	15,082	29.47	15,406	30.11	15,739	30.76	16,080	31.43	16,431	32.11	16,791	32.82	17,161	33.54
Dec	16,879	30.78	17,242	31.44	17,614	32.12	17,996	32.82	18,389	33.54	18,792	34.27	19,206	35.03
TOTAL:	276,644		282,826		289,178		295,705		302,412		309,305		316,390	
Summer Peak (MW)		*96.37*		*98.57*		*100.84*		*103.17*		*105.56*		*108.02*		*110.56*
Winter Peak (MW)		*71.55*		*73.08*		*74.66*		*76.28*		*77.95*		*79.65*		*81.41*

BANNING ELECTRIC UTILITY
2026-2045 ESMP COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,100	20.39	11,356	20.86	11,617	21.34	11,884	21.83	12,157	22.34	12,437	22.85
Feb	9,813	19.99	10,038	20.45	10,269	20.92	10,506	21.40	10,747	21.89	10,994	22.40	11,247	22.91
Mar	10,188	19.40	10,423	19.84	10,662	20.30	10,908	20.76	11,158	21.24	11,415	21.73	11,678	22.23
Apr	11,331	26.84	11,603	27.49	11,881	28.15	12,166	28.82	12,458	29.51	12,757	30.22	13,063	30.95
May	12,896	31.29	13,205	32.04	13,522	32.81	13,847	33.60	14,179	34.40	14,519	35.23	14,868	36.07
Jun	15,261	46.80	15,627	47.93	16,002	49.08	16,386	50.25	16,780	51.46	17,182	52.70	17,595	53.96
Jul	21,276	54.34	21,787	55.64	22,309	56.98	22,845	58.34	23,393	59.74	23,955	61.18	24,529	62.65
Aug	22,044	56.47	22,573	57.82	23,115	59.21	23,670	60.63	24,238	62.09	24,820	63.58	25,415	65.10
Sep	17,603	52.89	18,025	54.16	18,458	55.45	18,901	56.79	19,354	58.15	19,819	59.54	20,294	60.97
Oct	18,300	47.96	18,721	49.06	19,151	50.19	19,592	51.35	20,042	52.53	20,503	53.74	20,975	54.97
Nov	10,110	19.76	10,343	20.21	10,581	20.68	10,824	21.15	11,073	21.64	11,328	22.14	11,588	22.65
Dec	11,315	20.64	11,575	21.11	11,842	21.60	12,114	22.09	12,393	22.60	12,678	23.12	12,969	23.65
TOTAL:	170,987		175,020		179,149		183,374		187,700		192,127		196,659	
Summer Peak (MW)		*56.47*		*57.82*		*59.21*		*60.63*		*62.09*		*63.58*		*65.10*
Winter Peak (MW)		*47.96*		*49.06*		*50.19*		*51.35*		*52.53*		*53.74*		*54.97*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	12,723	23.38	13,016	23.91	13,315	24.46	13,621	25.03	13,935	25.60	14,255	26.19	14,583	26.79
Feb	11,506	23.44	11,771	23.98	12,041	24.53	12,318	25.09	12,602	25.67	12,891	26.26	13,188	26.86
Mar	11,946	22.74	12,221	23.26	12,502	23.80	12,790	24.35	13,084	24.91	13,385	25.48	13,693	26.07
Apr	13,377	31.69	13,698	32.45	14,027	33.23	14,363	34.03	14,708	34.84	15,061	35.68	15,422	36.54
May	15,225	36.94	15,590	37.83	15,964	38.73	16,347	39.66	16,740	40.62	17,142	41.59	17,553	42.59
Jun	18,017	55.26	18,449	56.58	18,892	57.94	19,346	59.33	19,810	60.75	20,285	62.21	20,772	63.71
Jul	25,118	64.15	25,721	65.69	26,338	67.27	26,970	68.88	27,618	70.53	28,281	72.23	28,959	73.96
Aug	26,025	66.66	26,650	68.26	27,289	69.90	27,944	71.58	28,615	73.30	29,302	75.06	30,005	76.86
Sep	20,781	62.44	21,280	63.94	21,791	65.47	22,314	67.04	22,849	68.65	23,398	70.30	23,959	71.98
Oct	21,457	56.24	21,951	57.53	22,456	58.85	22,972	60.21	23,501	61.59	24,041	63.01	24,594	64.46
Nov	11,855	23.17	12,128	23.70	12,406	24.25	12,692	24.80	12,984	25.37	13,282	25.96	13,588	26.55
Dec	13,268	24.20	13,573	24.75	13,885	25.32	14,204	25.90	14,531	26.50	14,865	27.11	15,207	27.73
TOTAL:	201,298		206,047		210,907		215,882		220,975		226,188		231,523	
Summer Peak (MW)		*66.66*		*68.26*		*69.90*		*71.58*		*73.30*		*75.06*		*76.86*
Winter Peak (MW)		*56.24*		*57.53*		*58.85*		*60.21*		*61.59*		*63.01*		*64.46*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	14,918	27.41	15,261	28.04	15,612	28.68	15,971	29.34	16,339	30.02	16,715	30.71	17,099	31.42
Feb	13,491	27.48	13,801	28.11	14,119	28.76	14,444	29.42	14,776	30.10	15,116	30.79	15,463	31.50
Mar	14,007	26.67	14,330	27.28	14,659	27.91	14,996	28.55	15,341	29.20	15,694	29.88	16,055	30.56
Apr	15,793	37.41	16,172	38.31	16,560	39.23	16,957	40.17	17,364	41.14	17,781	42.12	18,208	43.13
May	17,974	43.61	18,406	44.66	18,847	45.73	19,300	46.83	19,763	47.95	20,237	49.10	20,723	50.28
Jun	21,271	65.23	21,781	66.80	22,304	68.40	22,839	70.04	23,387	71.73	23,949	73.45	24,523	75.21
Jul	29,654	75.73	30,366	77.55	31,095	79.41	31,841	81.32	32,605	83.27	33,388	85.27	34,189	87.32
Aug	30,725	78.70	31,462	80.59	32,218	82.53	32,991	84.51	33,783	86.53	34,593	88.61	35,424	90.74
Sep	24,534	73.71	25,123	75.48	25,726	77.29	26,344	79.15	26,976	81.05	27,623	82.99	28,286	84.98
Oct	25,160	65.94	25,738	67.46	26,330	69.01	26,936	70.60	27,555	72.22	28,189	73.88	28,838	75.58
Nov	13,900	27.17	14,220	27.79	14,547	28.43	14,882	29.08	15,224	29.75	15,574	30.44	15,932	31.14
Dec	15,557	28.37	15,915	29.02	16,281	29.69	16,655	30.37	17,038	31.07	17,430	31.79	17,831	32.52
TOTAL:	236,985		242,576		248,298		254,156		260,152		266,289		272,571	
Summer Peak (MW)		*78.70*		*80.59*		*82.53*		*84.51*		*86.53*		*88.61*		*90.74*
Winter Peak (MW)		*65.94*		*67.46*		*69.01*		*70.60*		*72.22*		*73.88*		*75.58*

BANNING ELECTRIC UTILITY
2026-2045 ESMP CONCEPTUAL COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

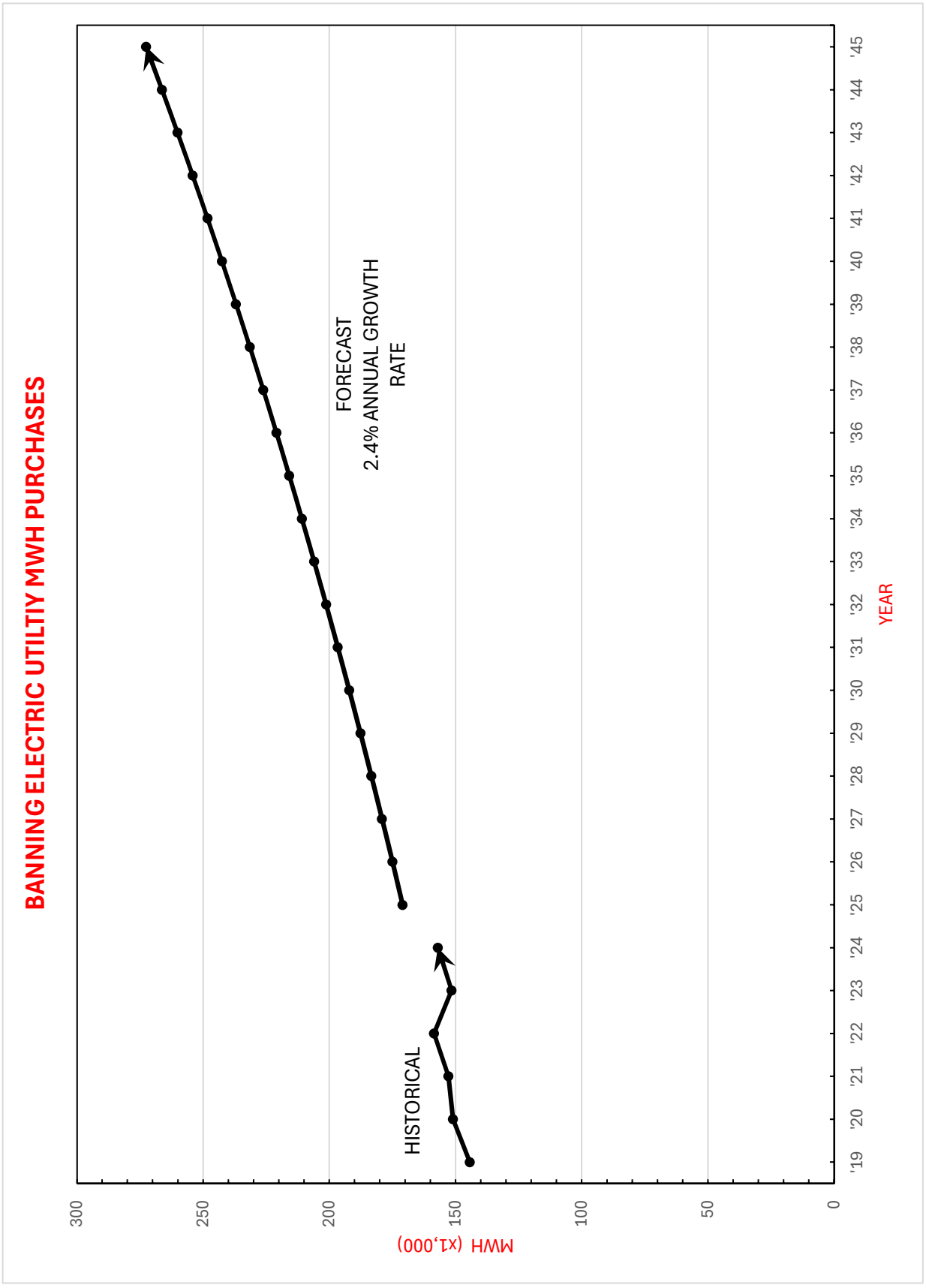
	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,358	20.87	11,806	21.69	13,693	25.16	15,074	27.69	17,406	31.98	20,439	37.55
Feb	9,813	19.99	10,272	20.92	10,677	21.75	12,384	25.23	13,632	27.77	15,741	32.07	18,484	37.65
Mar	10,188	19.40	10,665	20.30	11,085	21.10	12,857	24.48	14,153	26.94	16,344	31.11	19,191	36.53
Apr	11,331	26.84	11,831	28.03	12,281	29.09	14,008	33.19	15,287	36.22	17,413	41.25	20,161	47.76
May	12,896	31.29	13,466	32.67	13,977	33.91	15,943	38.68	17,399	42.22	19,818	48.08	22,946	55.67
Jun	15,261	46.80	15,935	48.87	16,540	50.73	18,867	57.86	20,590	63.15	23,453	71.93	27,154	83.28
Jul	21,276	54.34	22,216	56.74	23,060	58.89	26,303	67.18	28,705	73.31	32,696	83.50	37,856	96.68
Aug	22,044	56.47	23,018	58.96	23,892	61.20	27,253	69.81	29,742	76.18	33,877	86.78	39,223	100.47
Sep	17,603	52.89	18,380	55.22	19,078	57.32	21,762	65.38	23,749	71.35	27,051	81.27	31,320	94.10
Oct	18,300	47.96	19,156	50.20	19,911	52.18	23,094	60.53	25,421	66.63	29,356	76.94	34,470	90.34
Nov	10,110	19.76	10,583	20.68	11,001	21.50	12,759	24.94	14,045	27.45	16,219	31.70	19,044	37.22
Dec	11,315	20.64	11,844	21.60	12,312	22.45	14,280	26.04	15,719	28.67	18,151	33.10	21,314	38.87
TOTAL:	170,987		178,725		185,621		213,204		233,515		267,525		311,603	
Summer Peak (MW)		*56.47*		*58.96*		*61.20*		*69.81*		*76.18*		*86.78*		*100.47*
Winter Peak (MW)		*47.96*		*50.20*		*52.18*		*60.53*		*66.63*		*76.94*		*90.34*

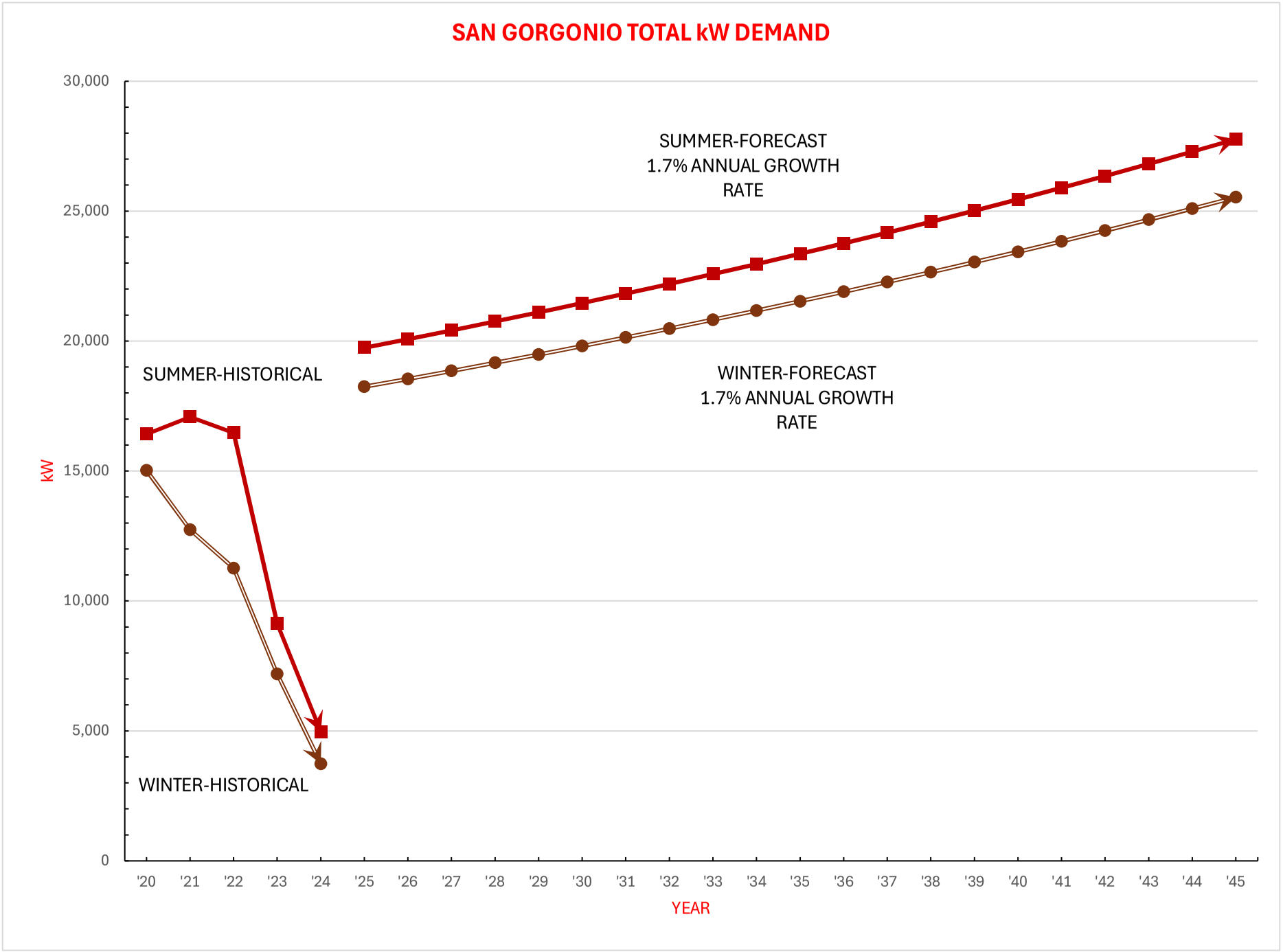
Projected Load Data 2032-2038

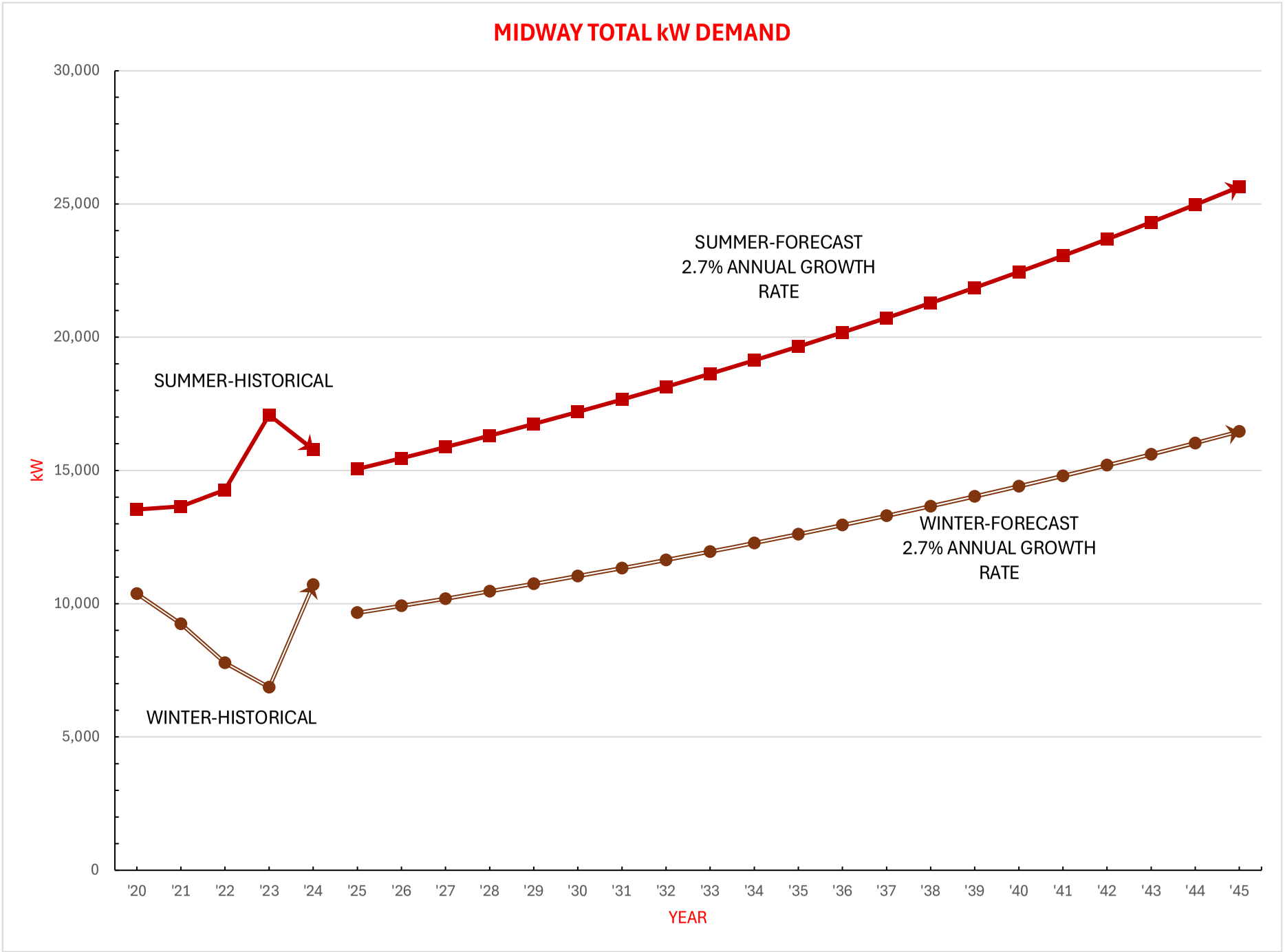
	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	22,332	41.03	24,806	45.58	26,704	49.06	28,498	52.36	30,229	55.54	31,967	58.73	32,833	60.32
Feb	20,195	41.14	22,433	45.70	24,149	49.19	25,772	52.50	27,337	55.69	28,909	58.89	29,692	60.49
Mar	20,968	39.92	23,291	44.34	25,073	47.73	26,758	50.94	28,383	54.03	30,016	57.14	30,829	58.69
Apr	21,899	51.88	24,155	57.22	25,902	61.36	27,558	65.29	29,160	69.08	30,771	72.90	31,610	74.88
May	24,924	60.47	27,492	66.70	29,480	71.53	31,365	76.10	33,188	80.53	35,021	84.97	35,976	87.29
Jun	29,495	90.46	32,534	99.78	34,886	106.99	37,117	113.83	39,275	120.45	41,444	127.10	42,574	130.57
Jul	41,121	105.02	45,356	115.84	48,637	124.21	51,746	132.15	54,755	139.84	57,779	147.56	59,354	151.58
Aug	42,606	109.14	46,994	120.38	50,393	129.08	53,615	137.34	56,732	145.32	59,866	153.35	61,498	157.53
Sep	34,021	102.21	37,526	112.74	40,239	120.90	42,812	128.63	45,301	136.11	47,803	143.62	49,107	147.54
Oct	37,662	98.71	41,835	109.64	45,036	118.03	48,061	125.96	50,981	133.62	53,913	141.30	55,373	145.13
Nov	20,808	40.66	23,113	45.17	24,882	48.63	26,553	51.89	28,166	55.05	29,786	58.21	30,593	59.79
Dec	23,287	42.47	25,867	47.17	27,847	50.78	29,718	54.20	31,523	57.49	33,336	60.79	34,239	62.44
TOTAL:	339,319		375,401		403,228		429,573		455,032		480,611		493,678	
Summer Peak (MW)		*109.14*		*120.38*		*129.08*		*137.34*		*145.32*		*153.35*		*157.53*
Winter Peak (MW)		*98.71*		*109.64*		*118.03*		*125.96*		*133.62*		*141.30*		*145.13*

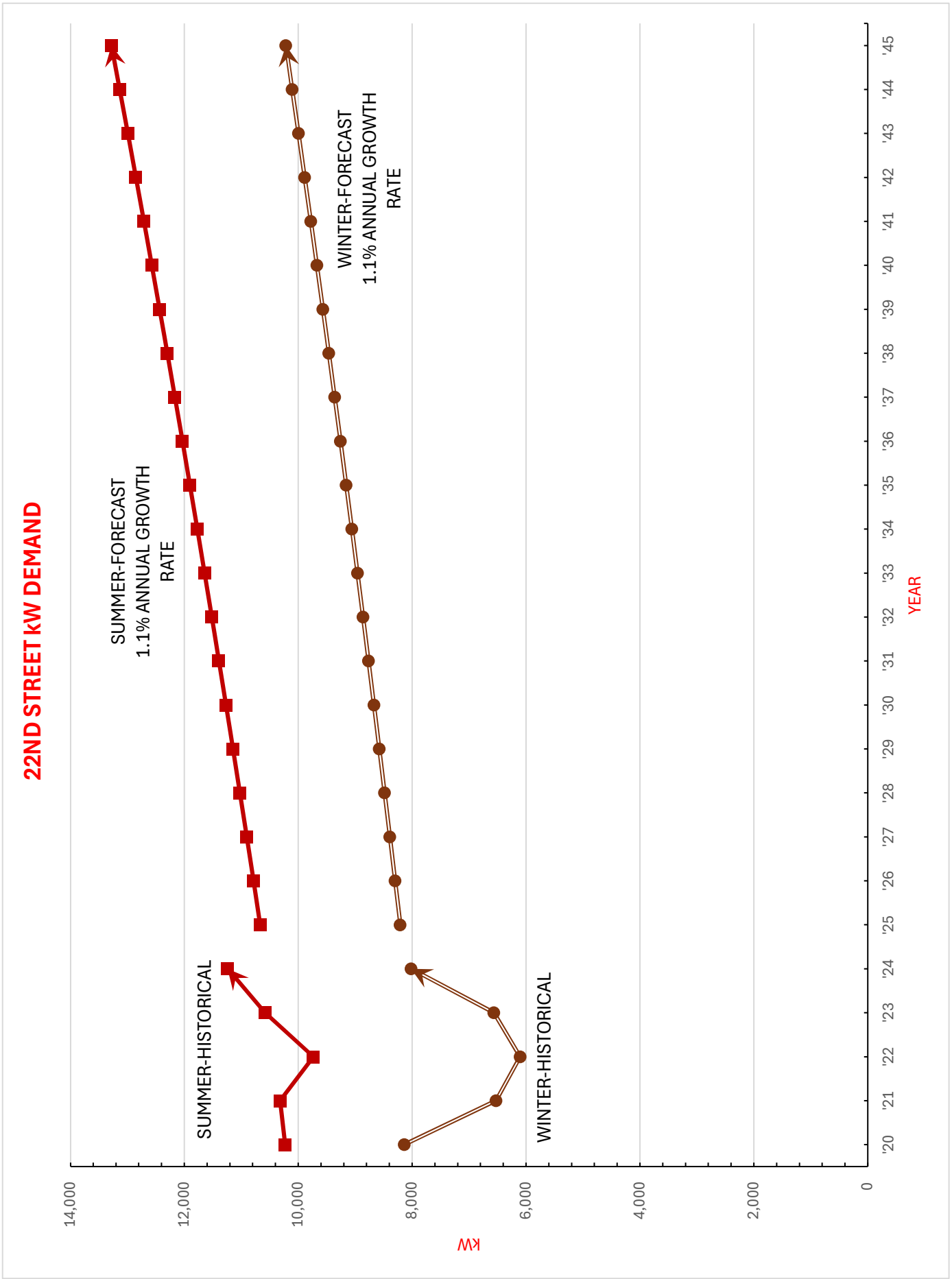
Projected Load Data 2039-2045

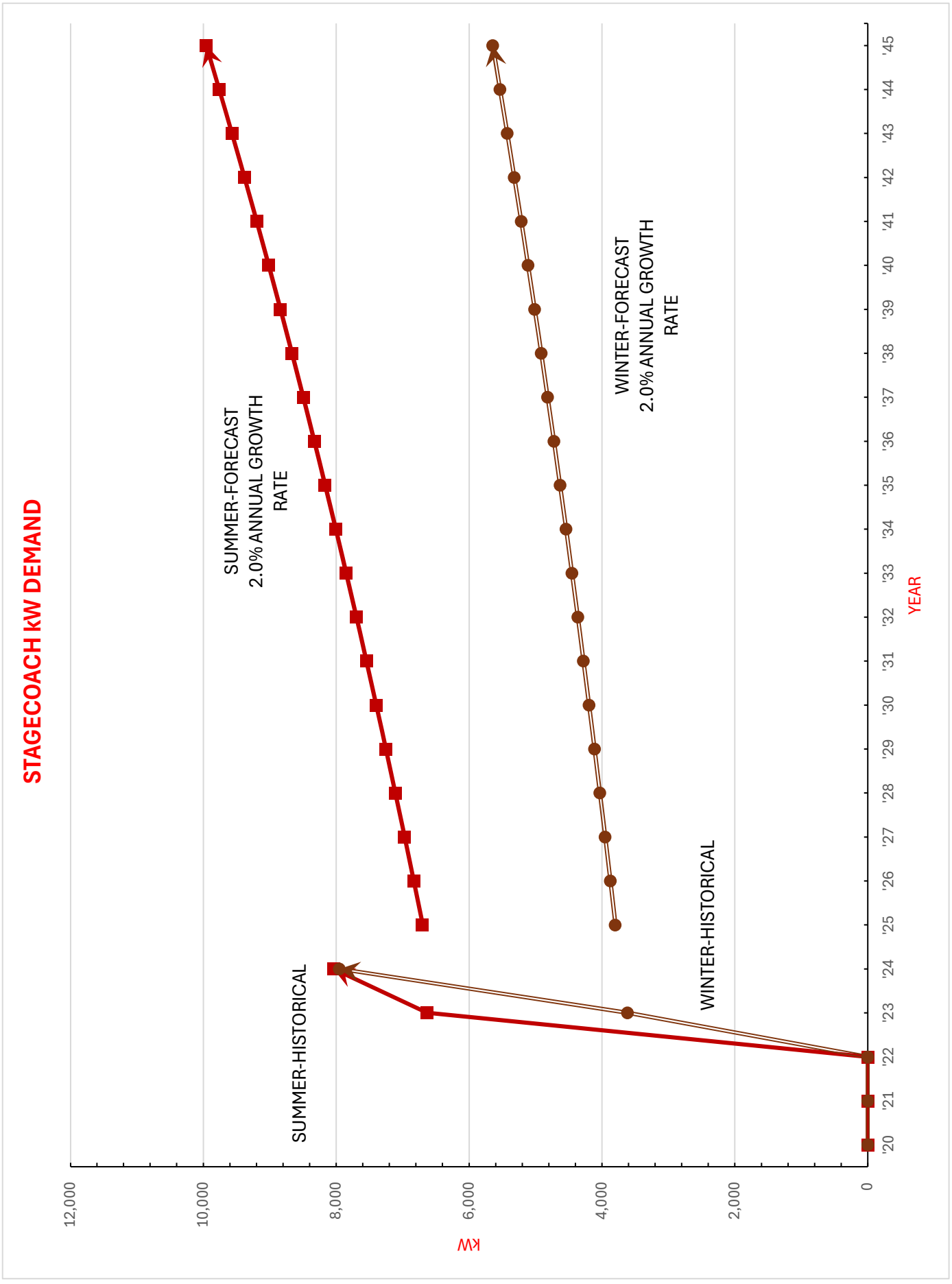
	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	33,707	61.93	34,588	63.55	34,939	64.19	35,298	64.85	35,666	65.53	36,042	66.22	36,426	66.93
Feb	30,483	62.10	31,280	63.72	31,597	64.37	31,922	65.03	32,254	65.70	32,594	66.40	32,941	67.10
Mar	31,649	60.25	32,477	61.82	32,806	62.45	33,143	63.09	33,488	63.75	33,841	64.42	34,202	65.11
Apr	32,457	76.89	33,314	78.92	33,702	79.84	34,099	80.78	34,506	81.75	34,923	82.73	35,350	83.74
May	36,941	89.63	37,915	91.99	38,357	93.07	38,810	94.16	39,273	95.29	39,747	96.44	40,233	97.62
Jun	43,716	134.07	44,869	137.61	45,392	139.21	45,927	140.85	46,475	142.53	47,037	144.25	47,611	146.02
Jul	60,946	155.65	62,554	159.76	63,283	161.62	64,029	163.52	64,793	165.47	65,575	167.47	66,377	169.52
Aug	63,146	161.75	64,813	166.02	65,568	167.95	66,341	169.93	67,133	171.96	67,943	174.04	68,774	176.17
Sep	50,423	151.49	51,754	155.49	52,357	157.30	52,974	159.16	53,606	161.06	54,254	163.00	54,917	164.99
Oct	56,847	148.99	58,333	152.88	58,925	154.44	59,531	156.02	60,150	157.65	60,784	159.31	61,432	161.01
Nov	31,407	61.38	32,228	62.98	32,555	63.62	32,890	64.28	33,232	64.95	33,582	65.63	33,941	66.33
Dec	35,150	64.10	36,069	65.78	36,435	66.45	36,809	67.13	37,192	67.83	37,584	68.54	37,985	69.27
TOTAL:	506,871		520,193		525,915		531,773		537,769		543,906		550,188	
Summer Peak (MW)		*161.75*		*166.02*		*167.95*		*169.93*		*171.96*		*174.04*		*176.17*
Winter Peak (MW)		*148.99*		*152.88*		*154.44*		*156.02*		*157.65*		*159.31*		*161.01*

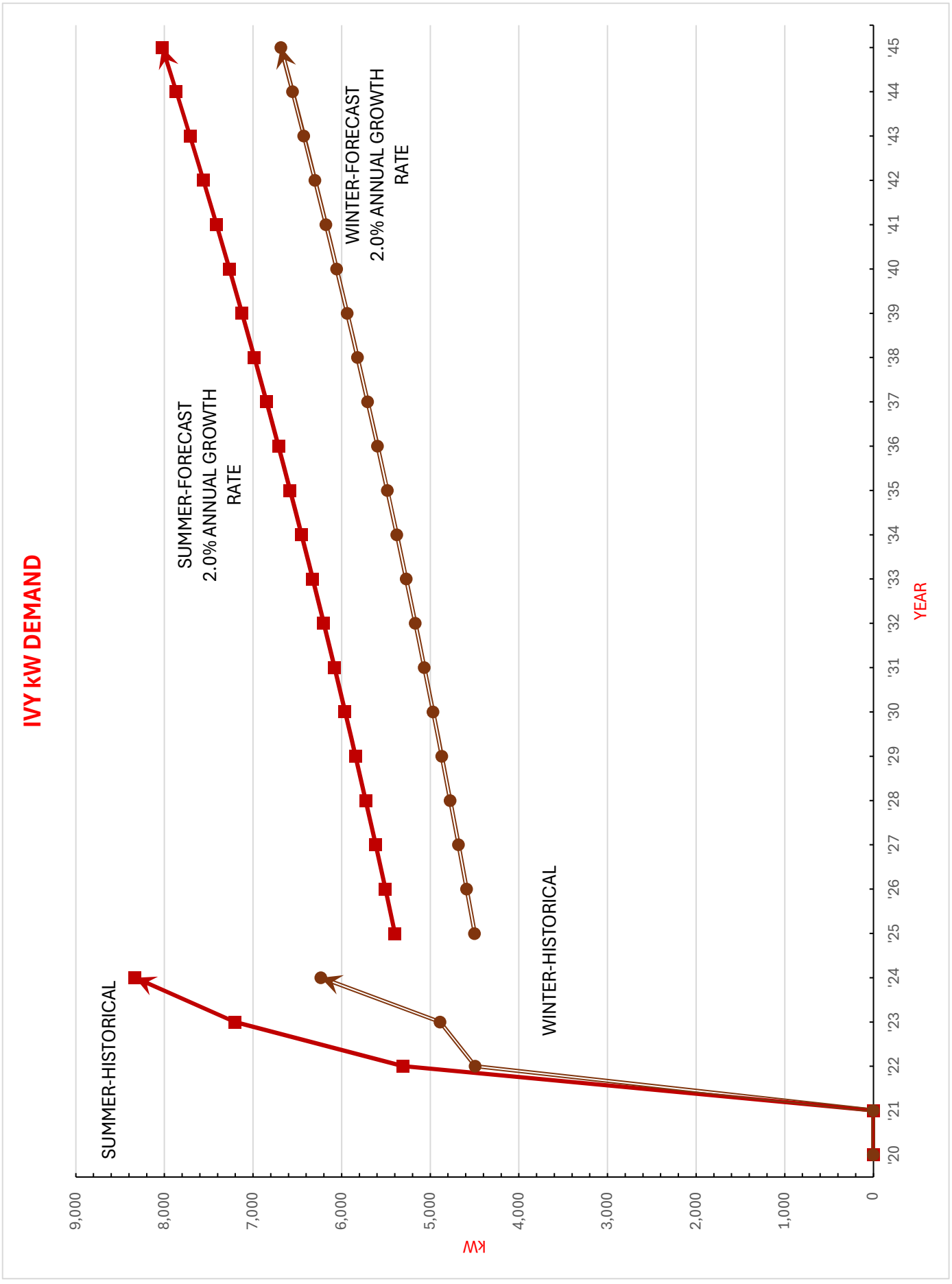

BANNING ELECTRIC UTILTIY MWH PURCHASES
FORECAST
2.4% ANNUAL GROWTH
RATE
HISTORICAL
MWH (x1,000)
YEAR
300
250
200
150
100
50
0
'19
'20
'21
'22
'23
'24
'25
'26
'27
'28
'29
'30
'31
'32
'33
'34
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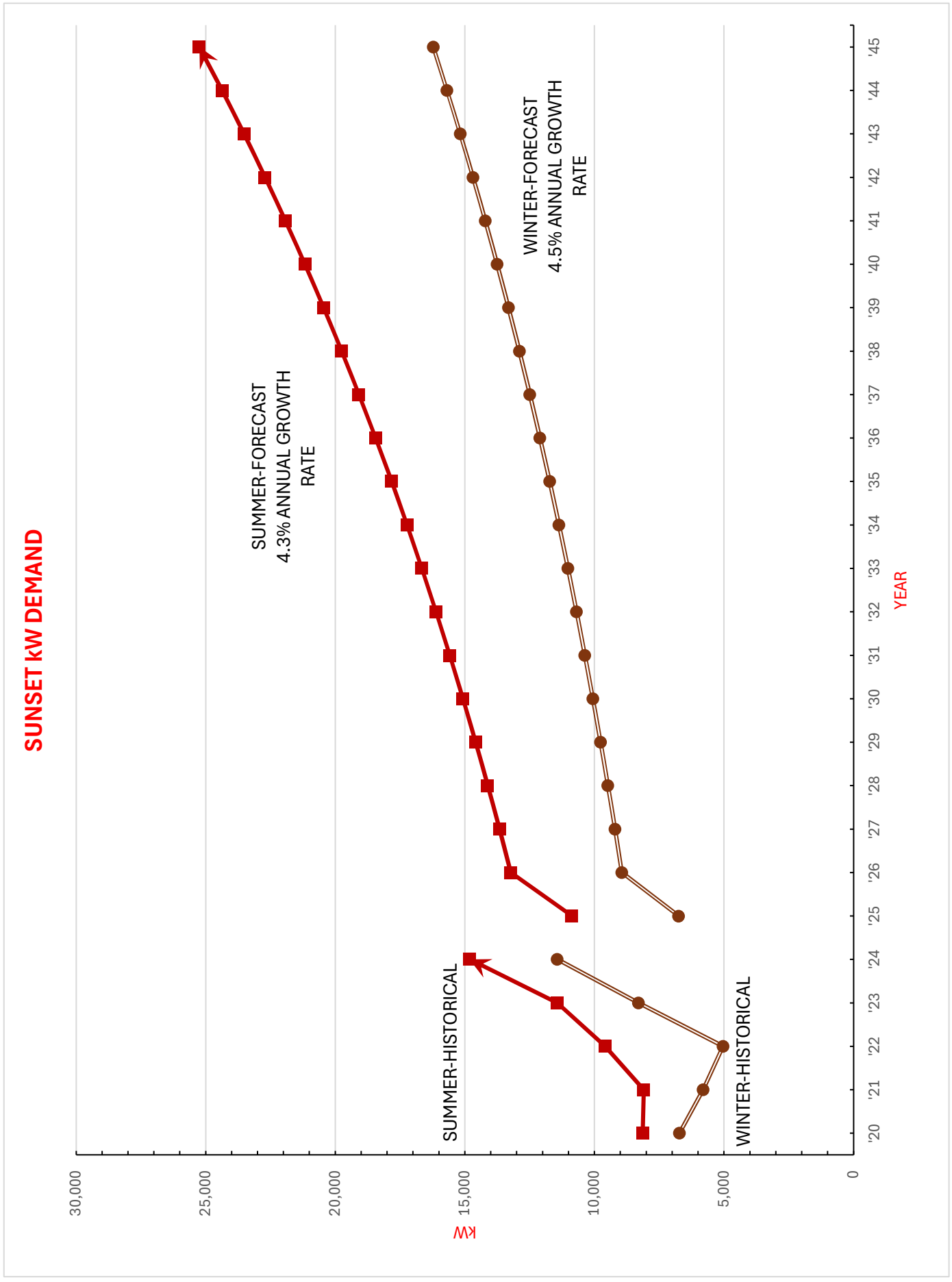

SAN GORGONIO TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
1.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
1.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
'24
'25
'26
'27
'28
'29
'30
'31
'32
'33
'34
'35
'36
'37
'38
'39
'40
'41
'42
'43
'44
'45
YEAR


MIDWAY TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
2.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
'24
'25
'26
'27
'28
'29
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'41
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'45
YEAR


22ND STREET kW DEMAND
SUMMER-FORECAST
1.1% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.1% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
'20
'21
'22
'23
'24
'25
'26
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STAGECOACH kW DEMAND
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
12,000
10,000
8,000
6,000
4,000
2,000
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IVY kW DEMAND
SUMMER-HISTORICAL
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
kW
YEAR
9,000
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7,000
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SUNSET kW DEMAND
SUMMER-FORECAST
4.3% ANNUAL GROWTH
RATE
WINTER-FORECAST
4.5% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
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5.4 – Overhead Maintenance Program

The Overhead Maintenance Program include the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect 15 poles per week for the years 2026 thru 2030. This totals to 780 poles inspected per year and 3,900 poles inspected for the duration of the 5-Year CIP. An estimated cost of $270 per pole inspection was used and a 3% inflation to this cost was assumed per year starting in 2027. The total estimated cost for pole inspections for the 5-Year CIP is $1,151,647.

It is projected that BEU will replace 50 poles per year for the years 2026 thru 2028 and 100 poles per year for the years 2029 and 2030. This totals to 350 poles replaced for the duration of the 5-Year CIP. An estimated cost of $7,520 per pole replacement was used and a 3% inflation to this cost was assumed per year starting in 2027. The total estimated cost for pole replacements for the 5-Year CIP is $2,906,791.

The total estimated cost for the Overhead Maintenance Program for the 5-year CIP is $4,058,438. The table below shows a breakdown of the Overhead Maintenance Program.

Table 5.4-1 – Overhead Maintenance Program Costs

	2026	2027	2028	2029	2030	Total
Number of Poles Inspected	780	780	780	780	780	3,900
Cost per Inspection	278	286	295	304	313	-
Total Cost of Inspection	$216,918	$223,426	$230,128	$237,032	$244,143	$1,151,647
Number of Poles Replaced	50	50	50	100	100	350
Cost per Replacement	$7,746	$7,978	$8,217	$8,422	$8,675	-
Total Cost of Replacement	$387,280	$398,898	$410,865	$842,240	$867,507	$2,906,791
Total Overhead Maintenance Program	**$604,198**	**$622,324**	**$640,994**	**$1,079,272**	**$1,111,650**	**$4,058,438**

5.5 – Capital Maintenance Projects

BEU has identified 18 Capital Maintenance projects to include in the 5-year CIP. The total estimated cost for these projects is $20,784,500. It is projected that BEU will receive $9,293,750 in contributions in aid to these projects bringing the total BEU funding cost to $11,490,750.

The following tables list the Capital Maintenance projects that have been identified for inclusion to the 5-year CIP.

Table 5.5-1 – Capital Maintenance Project Costs

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola)	2027-2028	$149,500	$0	$149,500
Underground Conductor Replacement Barbour St E/O Hathaway	2027	$275,000	$0	$275,000
Underground Conductor Replacement at Mockingbird Lane and Hillside Dr	2027	$750,000	$0	$750,000
Underground Conductor Replacement at Westward Ave from 4th St to 8th St	2027	$625,000	$0	$625,000
Fiber Extension to Stagecoach Substation (UG and OH)	2027	$285,000	$0	$285,000
Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement)	2027-2030	$6,125,000	$0	$6,125,000
34.5 kV/12.47 kV (Cir 77)/fiber UG and OH Extension to Sunset Ave	2029	$2,000,000[1]	$1,200,000	$800,000
SoCalGas Reimbursement for Feeder Circuits to Cottonwood Ave	2027	TBD	100%	$0

[1] Up to 60% contribution from WKJ Development

Table 5.5-1 – Capital Maintenance Project Costs (continued)

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Underground Conductor Replacement at Vista Serena Ave	2029	$350,000	$175,000[2]	$175,000
Fire Mitigation Tier 2/3 High Threat Area (Various)	2026-2028	$450,000	$0	$450,000
Mias Canyon Line Hardening	2027	$2,100,000	$2,100,000[3]	$0
34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St	2029-2030	$2,000,000	$2,000,000[4]	$0
34.5 kV/12.47 kV/fiber Underground Circuits Lincoln St to John St	2027, 2029	$150,000	$0	$150,000
Install Two (2) Engineered base-plate pole at Sunset and Lincoln	2028-2029	$850,000	$0	$850,000
Install Reclosers on 34.5 kV and 12.47 kV system	2028	$250,000	$0	$250,000
Robertson's Ready Mix Circuit Re-route	2026-2028	$425,000	$318,750[5]	$106,250
Sun Lakes Blvd Extension - Electric Relocation	2026-2028	$3,500,000	$3,500,000[6]	$0

[2] Up to 50% contribution from Vista Serena Developer
[3] 100% grant funded
[4] 100% funded from Sansone Group and First Hathaway Industrial
[5] Up to 75% contribution from Robertson's Ready Mix
[6] 100% Public Works funded

Table 5.5-1 – Capital Maintenance Project Costs (continued)

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
SCE Upfront Capital Costs	2028	$500,000	$0	$500,000
		$20,784,500	**$9,293,750**	**$11,490,750**

The following pages contain the CIP worksheets as provided by BEU.

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola)	**12/1/2027**

Project Description:

Complete distribution circuit ties between San Gorgonio Substation and Stagecoach Substation that will provide electric distribution to the area that had been previously served by the decommissioned Alola Substation. This project will include short distance line extensions, installation of PME switches, and fiber optic cable installation.

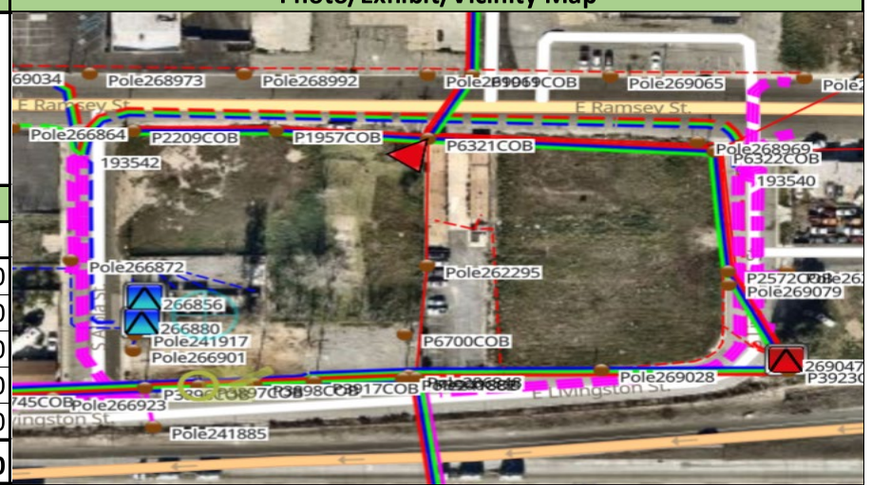
Project Benefit:

Provides added redundancy and resiliency to distribution service in the northeast section of BEU's service territory.

Project Status:

Currently in design; construction phase is tentatively scheduled to commence construction during FY 26/27 and will conclude in FY 27/28.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$9,500
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$135,000
Total	**$149,500**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$149,500	$9,500	$140,000					**$149,500**
								$0
								$0
Total	**$149,500**	**$9,500**	**$140,000**	**$0**	**$0**	**$0**	**$0**	**$149,500**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conversion Barbour St (12kV Conversion at 700 S. Hathaway)	**12/1/2026**

Project Description:

Complete 12.47kV conversion for four service at 700 S. Hathaway St. Decommission Airport Substation.

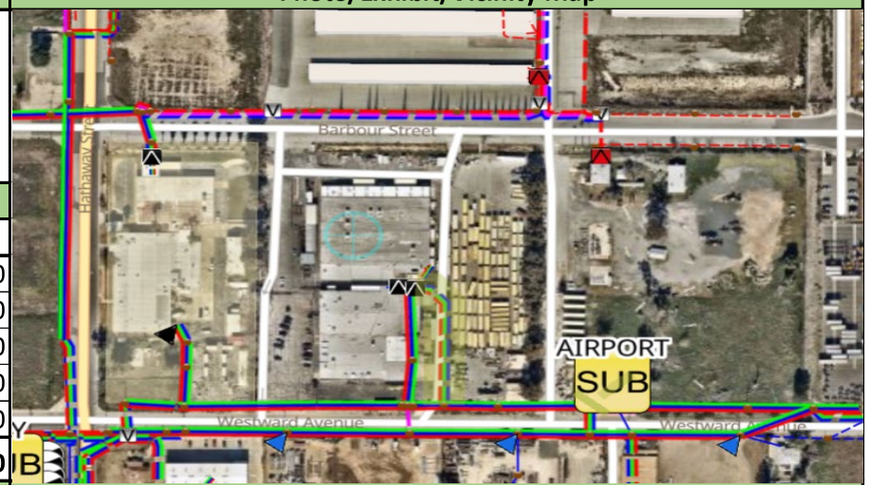
Project Benefit:

This project will conclude the 12kV Conversion project that has taken BEU nearly 50 years to complete. This will provide stable service reliability in the area.

Project Status:

Currently in design; construction phase is tentatively scheduled to commence construction during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$20,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$250,000
Total	**$275,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$275,000	$275,000						**$275,000**
								$0
								$0
Total	**$275,000**	**$275,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$275,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement - Mockingbird & Hillside	**12/1/2026**

Project Description:

Complete reconductoring on Hillside Dr and Mockingbird Ln.

Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

The initial phase of this project was completed in 2023 due to the occurrence of a fault on an unjacketed primary distribution conductor within the project area; the final phase of construction phase is tentatively scheduled to commence during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$55,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$18,000
Construction	$677,000
Total	**$750,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$750,000	$750,000						**$750,000**
								$0
								$0
Total	**$750,000**	**$750,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$750,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement - Westward Ave to Barbour St, 4th St to 8th St	**6/1/2026**

Project Description:

Complete reconductoring on between Westward Ave and Barbour St, from 4th St to 8th St.

Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

Some preliminary reconductoring occurred during a 2022 fault event involving unjacketed primary distribution conductor within the project area; construction of all improvements is tentatively scheduled to commence during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$25,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$10,000
Construction	$590,000
Total	**$625,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$625,000	$625,000						**$625,000**
								$0
								$0
Total	**$625,000**	**$625,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$625,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Fiber Extension to Stagecoach	**12/30/2027**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits thru easement within Banning Airport property from Lincoln St to John St.

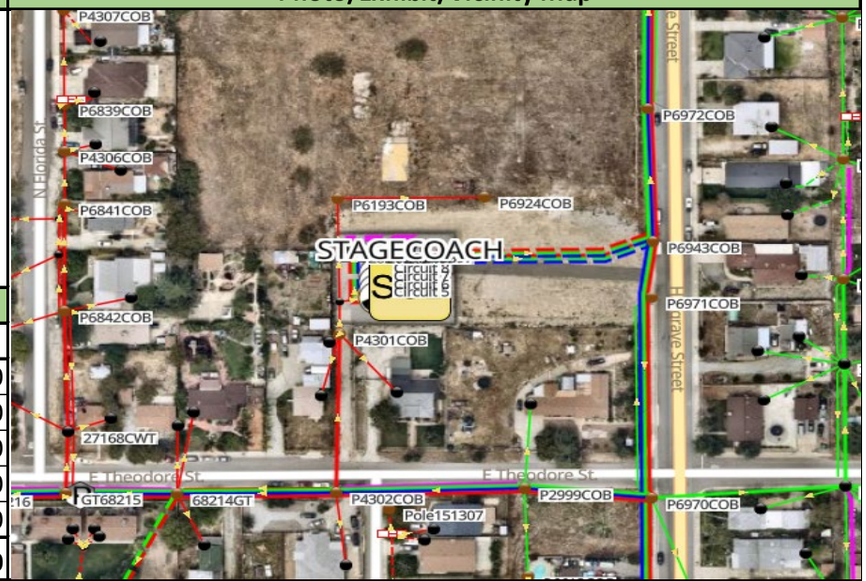
Project Benefit:

This project will help push BEU toward completion of fiber optic hard line connectivity all six substations for SCADA monitoring and control.

Project Status:

In 2022, BEU completed a line extension on Hargrave Street from the site of the decommissioned Alola Substation to the newly built Stagecoach Substation in order to energize the asset and provide service to the northeast portion of BEU's service area. The design for this pole line extension included provisions for a future utility fiber optic line attachment to support SCADA communication. BEU anticipates construction to commence during FY 26/27, but may be able to be delayed and encumbered into future fiscal year budgets if needed.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$15,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$265,000
Total	**$285,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$285,000	$285,000						**$285,000**
CIAC	$0							**$0**
								$0
Total	**$285,000**	**$285,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$285,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Midway Substation Upgrades (breaker replacement and SCADA upgrades)	**5/30/2028**

Project Description:

Install SCADA RTU and other equipment to make Midway Substation SCADA ready. Replace distribution with spare breakers as needed. This project will also address potential full substation upgrade if direction is to utilize the existing property.

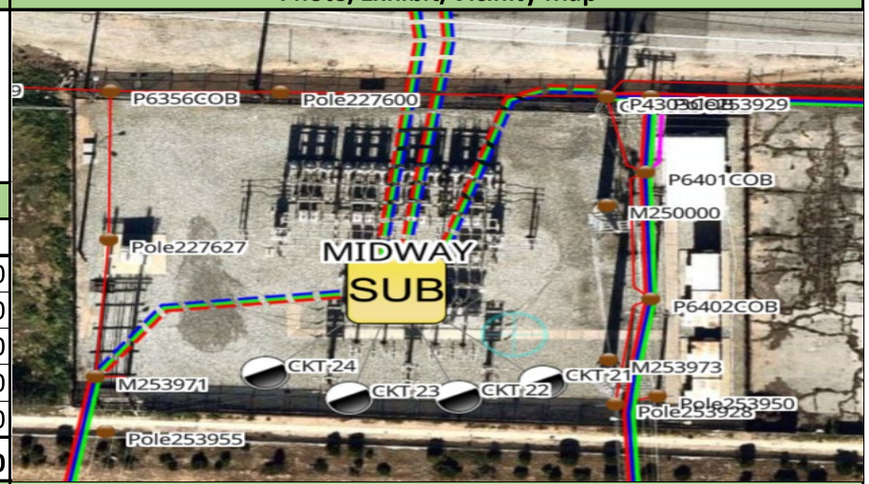
Project Benefit:

Midway is BEU's oldest Substation, built in 1972. Most of the equipment, including the transformers and distribution breakers are original and nearing the end of useful life. The SCADA upgrades will allow remote visibility at the substation, while as-needed breaker replacement will allow the substation to continue operating as intended. The eventual replacement of all equipment at the substation will help conclude modernization of all BEU's substation assets.

Project Status:

BEU has began vetting equipment that will be utilized to make Midway Substation SCADA-ready. Construction of this phase is tentatively scheduled to commence during FY 26/27. All other improvements we be evaluated later in the initial 5-yr CIP period.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$5,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$2,500
Construction	$117,500
Total	**$125,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$125,000	$75,000	$50,000					**$125,000**
								$0
								$0
Total	**$125,000**	**$75,000**	**$50,000**	**$0**	**$0**	**$0**	**$0**	**$125,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV (Cir 77)/fiber UG and OH Extension to Sunset Ave	**6/30/2029**

Project Description:

Extend electric sub-transmission and distribution from Mountain Ave to Sunset Ave.

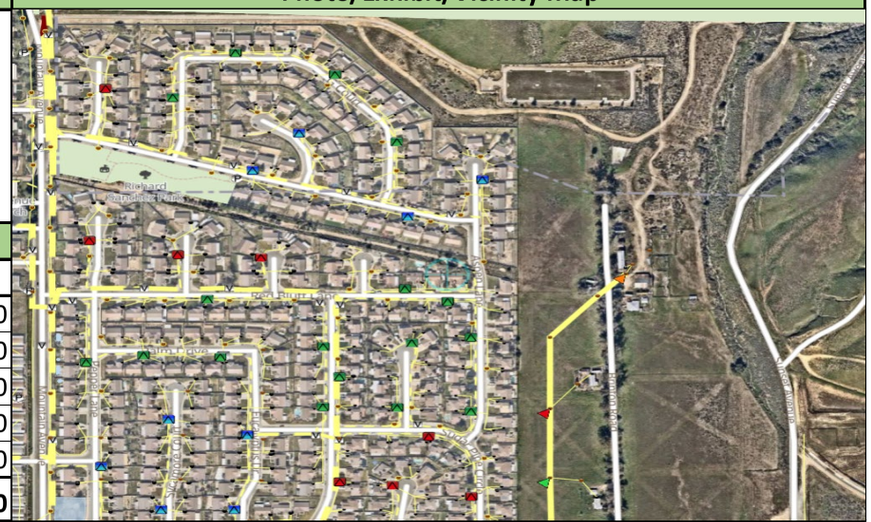
Project Benefit:

Circuit #77, which originates from Sunset Substation, is terminated in a switch cabinet on Mountain Ave. This circuit was designed to provide distribution services to newer developments along Sunset Ave north of Wilson St. Completing this line extension allows BEU to fulfill this need, while also seeking monetary contributions from these developments thru line extension agreements.

Project Status:

BEU has completed a preliminary design of the 12.47kV distribution extension thru the area. Design for the 34.5kV and fiber extension still needs to be completed. Environmental, survey, and possible ROW acquisition will be required for this project. Construction is tentatively scheduled to commence during FY 28/29, or as soon as advance on construction is received for from developers in the area that will be served with this line extension.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$115,000
Right of Way Acquisition	$50,000
Construction Support (e.g. survey, soils, etc.)	$75,000
Construction Management/Inspections	$45,000
Construction	$1,715,000
Total	**$2,000,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$800,000			$800,000				**$800,000**
CIAC (WJK Development)	$1,200,000			$1,200,000				**$1,200,000**
								$0
Total	**$2,000,000**	**$0**	**$0**	**$2,000,000**	**$0**	**$0**	**$0**	**$2,000,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement at Vista Serena	**6/30/2029**

Project Description:

Complete reconductoring of unjacketed cable in the Vista Serena development in conjunction with an ongoing development-driven project to complete buildout of the complex.

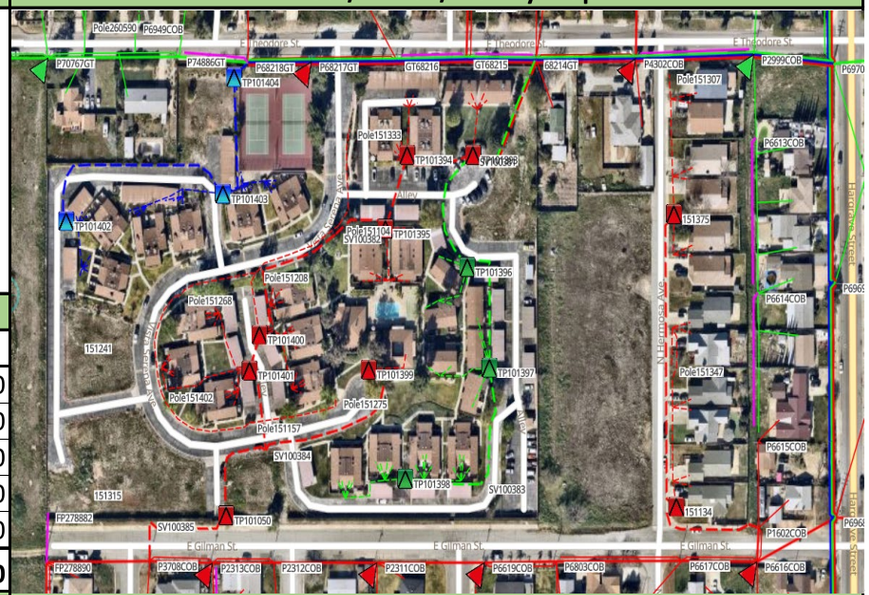
Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

BEU has completed minor reconductoring within Vista Serena that had come as a result of outages created by cable fault/failure. Design for the complete distribution upgrades to serve the development is in progress. The developer will have a cost responsibility for new line extensions within the development, as well as replacement of some of the existing unjacketed cable. Construction is tentatively scheduled to commence during FY 26/27, or as soon as advance on construction is received from the developer. Completion of all remaining reconductoring outside of developer requirements will occur during FY 28/29.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$6,500
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$15,000
Construction	$328,500
Total	**$350,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$175,000			$175,000				**$175,000**
CIAC (Vista Serena)	$175,000	$175,000						**$175,000**
								$0
Total	**$350,000**	**$175,000**	**$0**	**$175,000**	**$0**	**$0**	**$0**	**$350,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Fire Mitigation Improvements in High Fire Threat District	**6/30/2029**

Project Description:

BEU will complete improvements to control of electricity in the Tiers 2 & 3 High Fire Threat District (HFTD). BEU will begin with the installation of distribution circuit reclosers to allow power to be shut off to these areas in the event that an imminent threat to public safety becomes present.

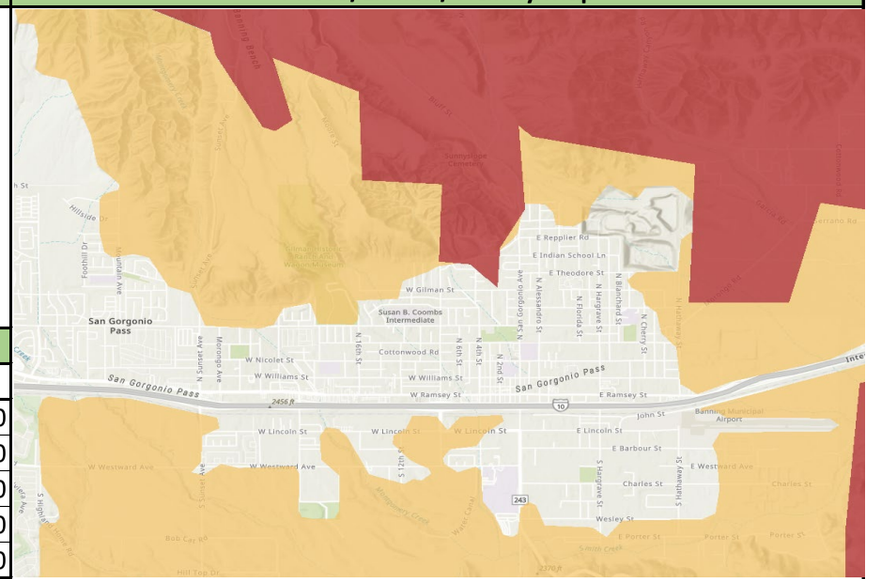
Project Benefit:

This project will assist with the continued monitoring and operation of the electric distribution facilities within the HFTD Tiers 2 & 3 areas. The California Public Utility Commission's Wildfire Safety Advisory Board (WSAB) recommended that utilities with electric transmission or distribution facilities in HFTDs make tangible improvements to the monitoring and operation of these facilities to reduce wildfire risk.

Project Status:

BEU has been required to submit a Wildfire Mitigation Plan for review to the WSAB each year since 2020. Within this time, BEU has completed minor improvements to facilities in Banning Canyon (water canyon) and has applied for grant funding to upgrade facilities within Mias Canyon. BEU is obligated to continue fire mitigation efforts, and has identified the use of reclosers as a high priority solution for circuits that enter the HFTD. BEU anticipates construction to begin during FY 26/27, and continue annually until grid hardening solutions have been met. BEU will continue to search for and apply for grant funding to offset revenue expenditures.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$25,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$420,000
Total	**$450,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$450,000	$150,000	$150,000	$150,000				**$450,000**
CIAC	$0							**$0**
								$0
Total	**$450,000**	**$150,000**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$450,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

Project Title:	Estimated Completion Date:
Mias Canyon Line Hardening	12/30/2028

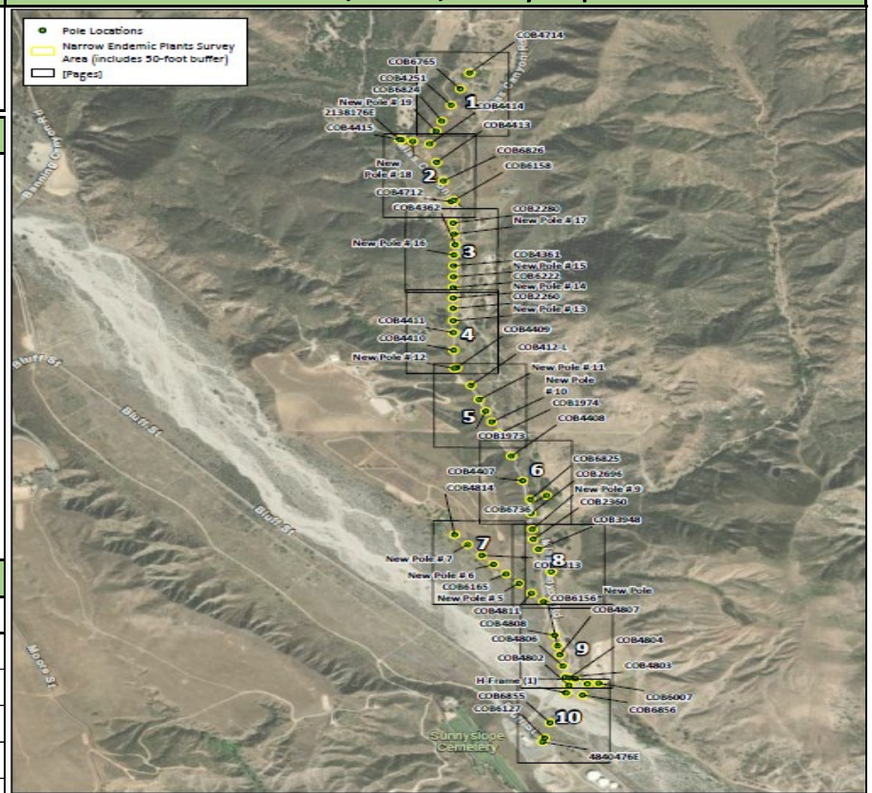
Project Description:

This project involves replacing 75 utility poles with new fire retardant-treated poles; replacing wooden crossarms on poles with fiberglass crossarms; installing insulated/covered wire and jumpers; installing covered insulators; installing line protection measures; and completing hazardous fuels reduction.

Project Benefit:

This project will help provide redundancy on our 34.5kV and 12.47kV and assist providing a point of connection to the 34.5kV system for the proposed substation to support expansion in the eastern part of the City.

Photo/Exhibit/Vicinity Map



Project Status:

The result from the Apple Fire in 2020 prompted BUE to search for funding to complete much needed upgrades/line hardening in areas within the service territory that are most susceptible to fire ignition. BEU began the design and grant application process for this project in 2021, and is currently awaiting funding after various design and environmental clearance activities. This project will be grant-funded thru the federal government's Hazard Mitigation Grant Program at 75% of total project cost, with 25% matching contributions form California Governor's Office of Emergency Services (CalOES) to complete the full 100% funding. Construction start for this project is dependent upon the grant funding during FY 26/27, in which BEU will be given 24 months to complete.

Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$185,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$10,000
Construction Management/Inspections	$45,000
Construction	$1,860,000
Total	**$2,100,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$0							**$0**
CIAC (Grant)	$2,100,000	$2,100,000						**$2,100,000**
Total	**$2,100,000**	**$2,100,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,100,000**

Department:	Division:	Contacts:
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St	**6/30/2030**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits on Hathaway St and new utility service extensions to accomodate new industrial development. This project is fully dependent on the completion of this development.

Project Benefit:

This project will accommodate street improvements required by the Sansone Group and First Hathaway Industrial warehouse developments. This will also assist with beautification of the eastern corridor due to the undergrounding of BEU utilities.

Project Status:

BEU has completed UG conversion of facilities from Ramsey St to Williams St along Hathaway St in 2022. Design for this project is in progress. The developers will have a full responsibility for relocation/conversion along Hathaway St and new line extensions within the development. Construction is tentatively scheduled to commence during FY 28/29, or as soon as advance on construction is received from the developer.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$55,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$35,000
Construction	$1,910,000
Total	**$2,000,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue								**$0**
CIAC (Sansone/First Hathaway)	$2,000,000			$1,000,000	$1,000,000			**$2,000,000**
								$0
Total	**$2,000,000**	**$0**	**$0**	**$1,000,000**	**$1,000,000**	**$0**	**$0**	**$2,000,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV/fiber Underground Circuits Lincoln St to John St	**6/30/2029**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits thru easement within Banning Airport property from Lincoln St to John St.

Project Benefit:

This project will help provide redundancy on our 34.5kV and 12.47kV and assist providing a point of connection to the 34.5kV system for the proposed substation to support expansion in the eastern part of the City.

Project Status:

In 2015, BEU completed a line extension thru an existing utility easement on the airport property to accommodate future redundancy needs. BEU has also completed UG line extensions to new facilities in the area which began in 2021. As the City continues to build out, more capacity will be needed in East Banning. Design for this project should begin early 2027. There may be a design/construction cost responsibility for future developers, but that cost is still unknown. BEU anticipates construction to commence during FY 28/29, as the need for additional capacity may become a requirement.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$20,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$125,000
Total	**$150,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$175,000	$20,000		$130,000				**$150,000**
CIAC	$0							**$0**
								$0
Total	**$175,000**	**$20,000**	**$0**	**$130,000**	**$0**	**$0**	**$0**	**$150,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Engineered Base-Plate Poles at Sunset and Lincoln	**6/30/2029**

Project Description:

Installation of two engineer-base steel pole to support 69/ 34.5kV, 12.47kV and fiber optic circuits on the west side of Sunset Ave north of Lincoln St.

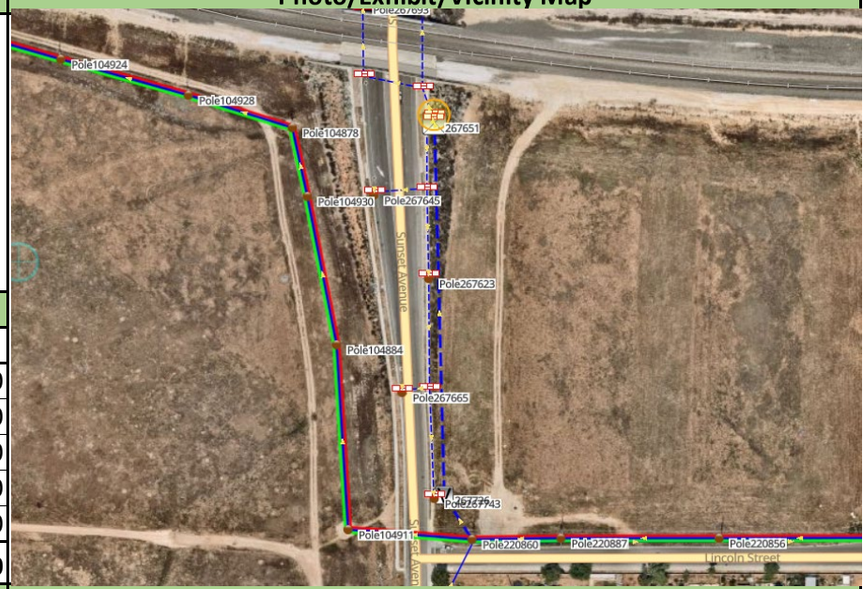
Project Benefit:

This project will provide a much needed infrastructure upgrade for a critical 69/34.5kV/12.47kV/fiber pole line that contains the capacity to support 2/3 of BEU's total energy demand. This pole line carries transmission to Midway and Subset Substations which account for the largest loads within BEU's service territory.

Project Status:

In 2014, BEU completed a relocation of the steel pole transmission line at Sunset Ave and Lincoln Street. The final phase of this project was to be completed prior to 2017, however budget constraints prevented the completion of the project. There may be a design/construction cost responsibility for future developers, but that cost is still unknown. BEU anticipates construction to commence during FY 28/29, which is anticipated to coincide with commercial development within the area.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$60,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$50,000
Construction Management/Inspections	$35,000
Construction	$705,000
Total	**$850,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$850,000		$425,000	$425,000				**$850,000**
CIAC	$0							**$0**
								$0
Total	**$850,000**	**$0**	**$425,000**	**$425,000**	**$0**	**$0**	**$0**	**$850,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

Project Title:	Estimated Completion Date:
Install Reclosers on 34.5 kV and 12.47 kV system	**6/30/2028**

Project Description:

BEU will complete a pilot project to install reclosers and other sectionalizing devices on the distribution and sub-transmission system.

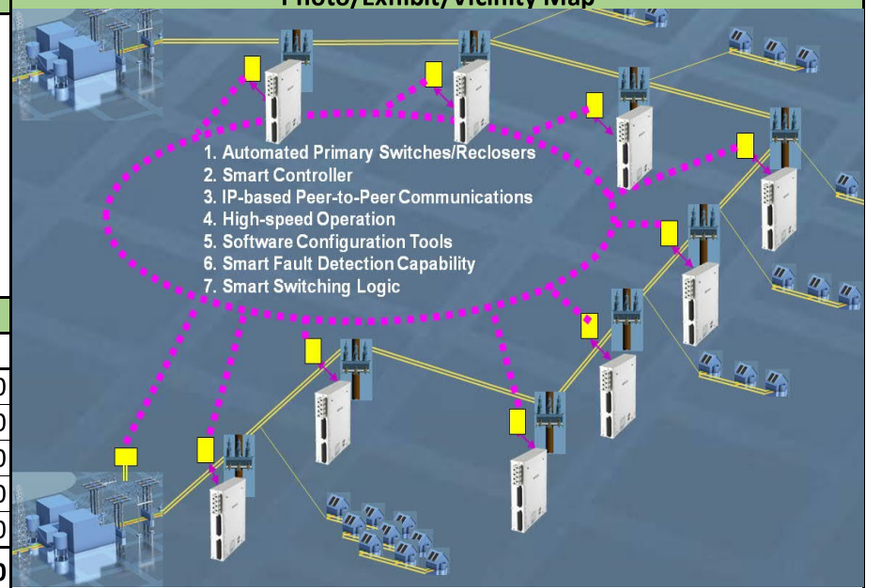
Project Benefit:

This project will allow BEU to improve redundancy and reliability within the system by isolating outages to a smaller area and reduce power restoration times.

Project Status:

Planning and equipment research for this project began in 2022 and will continue with the completion of a system impact study of the current electric grid. BEU will vet different equipment manufacturers and determine the best method for initiating the pilot. The project will be constructed using BEU's in-house power line construction services. The pilot will include investigation and implementation of distribution automation (DA) solutions to provide communication with the field devices that are installed. BEU anticipates this pilot to begin in FY 27/28.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$35,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$210,000
Total	**$250,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$250,000		$250,000					**$250,000**
CIAC (Grant)								**$0**
								$0
Total	**$250,000**	**$0**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$250,000**

Department:	Division:	Contacts:
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Robertson's Ready Mix Circuit Re-route	**6/30/2028**

Project Description:

Re-route/rebuild of 34.5kV, 12.47kV and fiber optic circuits around the Robertson's Ready Mix mining site.

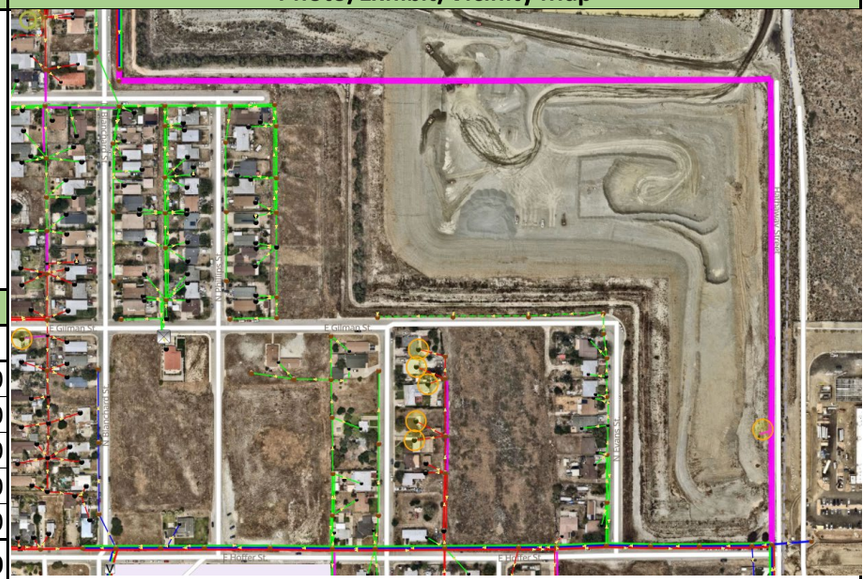
Project Benefit:

This project will be required to rebuild BEU's distribution circuit around Robertson's Ready Mix's expanded mining site that was previously removed. BEU will regain the loss in capacity and redundancy in the system be completing this circuit re-build.

Project Status:

BEU is negotiating a line extension agreement with Roberston's Ready Mix to complete the circuit re-route around the expanded mining area north of Hoffer St and west of Hathaway St. BEU has already completed removal of utility poles in conflict with the new mining activities in anticipation of beginning the construction of the circuit re-rout by 2025. There will be a design/construction cost responsibility for Robertson's that will total 75% or more of total project costs. BEU anticipates construction to commence during FY 26/27 and be completed in the following fiscal year.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$65,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$15,000
Construction	$345,000
Total	**$425,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$106,250		$106,250					**$106,250**
CIAC	$318,750	$318,750						**$318,750**
								$0
Total	**$425,000**	**$318,750**	**$106,250**	**$0**	**$0**	**$0**	**$0**	**$425,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Sun Lakes Blvd Extension - Electric Relocation	**12/30/2027**

Project Description:

BEU will relocate transmission, distribution, and fiber optic infrastructure on Westward Ave/Sun Lakes Blvd due to roadway improvements. This project will include both underground conversion and overhead line hardening as these improvements will occur in the Tier 2 High Fire Threat District (HFTD).

Project Benefit:

This project will accommodate roadway improvements to connect Sun Lakes Blvd from Highland Home Road to Sunset Ave.

Project Status:

Planning and field investigation for this project started in 2021. BEU completed a design to convert overhead facilities to underground construction to accommodate the roadway extension. The project was bid to a construction contractor and approved by City Council in late 2025. Since BEU is obligated to continue fire mitigation efforts, improvements to the overhead infrastructure that will remain will include line hardening elements to protect from and prevent wildfire in the HFTD. BEU anticipates construction to begin toward the end of FY 26/27, and continue thru FY 27/28. Electric improvements for this project will be grant funded.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$125,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$50,000
Construction	$3,325,000
Total	**$3,500,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$0							**$0**
CIAC (Grant)	$3,500,000	$2,500,000	$1,000,000					**$3,500,000**
								$0
Total	**$3,500,000**	**$2,500,000**	**$1,000,000**	**$0**	**$0**	**$0**	**$0**	**$3,500,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

5.6 – Substation Capacity Analysis

The table below represents the substation capacity analysis based on the 2030 substation demand forecast. As shown in the table, the Midway, San Gorgonio, and Sunset summer forecast exceeds the base rating of their respective transformer; however, the forecast does not exceed the max rating of the transformer, therefore, no substation improvements are required in the 5-Year CIP.

The table also shows that the BEU system non-coincident peak exceeds the SCE Banning substation transformer base capacity for the summer and winter forecast and also the max capacity in the summer. Based on the non-coincident forecast, the total BEU system load is expected to exceed the max capacity by the summer of 2026. It is recommended that BEU continue to coordinate with SCE on the substation transformer capacity and develop a plan to increase the substation transformer capacity through the end of the forecast period.

Table 5.6-1 – Substation Capacity Analysis

		2030 kW Demand Forecast	Transformer Base MVA	Transformer Max MVA	Transformer High Side kV	Transformer Low Side kV	Transformer % Capacity Base	Transformer % Capacity Max
22nd Street	S	11,270	15	25	34.4	12.47	75%	45%
	W	8,672	18	29			48%	30%
Ivy	S	6,598	15	25	69x34.4	12.47	44%	26%
	W	5,604	18	29			31%	19%
Midway	S	17,197	2 x 7.5	2 x 9.375	34.4	12.47	115%	92%
	W	11,040	18	22			61%	51%
San Gorgonio	S	21,465	2 x 10	2 x 14	69x34.5	12.47	107%	77%
	W	19,809	24	32			83%	62%
Stagecoach	S	7,397	10	12.5	69x34.5	12.47	74%	59%
	W	4,196	12	14			35%	29%
Sunset	S	15,077	15	25	69x34.5	12.47	101%	60%
	W	10,064	18	29			56%	35%
SCE-Banning	S	63,576	2 x 21	2 x 28		34.5	151%	114%
	W	53,737	50.4	64			107%	83%

Notes:

1. Individual substation kW Demand forecast shown as the non-coincident peak.
2. SCE-Banning kW Demand forecast shown as the coincident peak.
3. Base winter rating determined by IEEE C57.91-1995, Table 4 (1% increase per °C)
4. Max winter rating determined by IEEE C57.91-1995, Table 4 (0.75% increase per °C)

5.7 – Distribution System Analysis

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include 14 projects to switch load to adjacent lines to reduce single-phase line loading at a total estimated cost of $41,700, 2 projects for new line construction of 600' totaling $336,400, 9 projects for single-phase to three-phase line rebuild of 10,107' totaling $2,142,100, and 2 projects for three-phase line rebuild using larger conductor of 2,130' totaling $285,500. The total estimated cost for distribution system improvements is $2,805,700.

The following pages detail the recommended distribution system improvements by substation and circuit.

22ND STREET SUBSTATION

CKT 63

CIP-1

Issue: UG146168, 1Ø, #2 URD line with 36 amps, 94 thru consumers.

Resolution: Close switch at vault 143589 at the intersection of Weather Way and Spring Pl. and open at the transformer at pad 146130 at the intersection of Summer Set Cir. and Amper Sky St. and feed load along Autumn Ln. from SW145671-B. Estimated cost: $2,300 (2030).

Image 5.7-1 – CIP Project 1

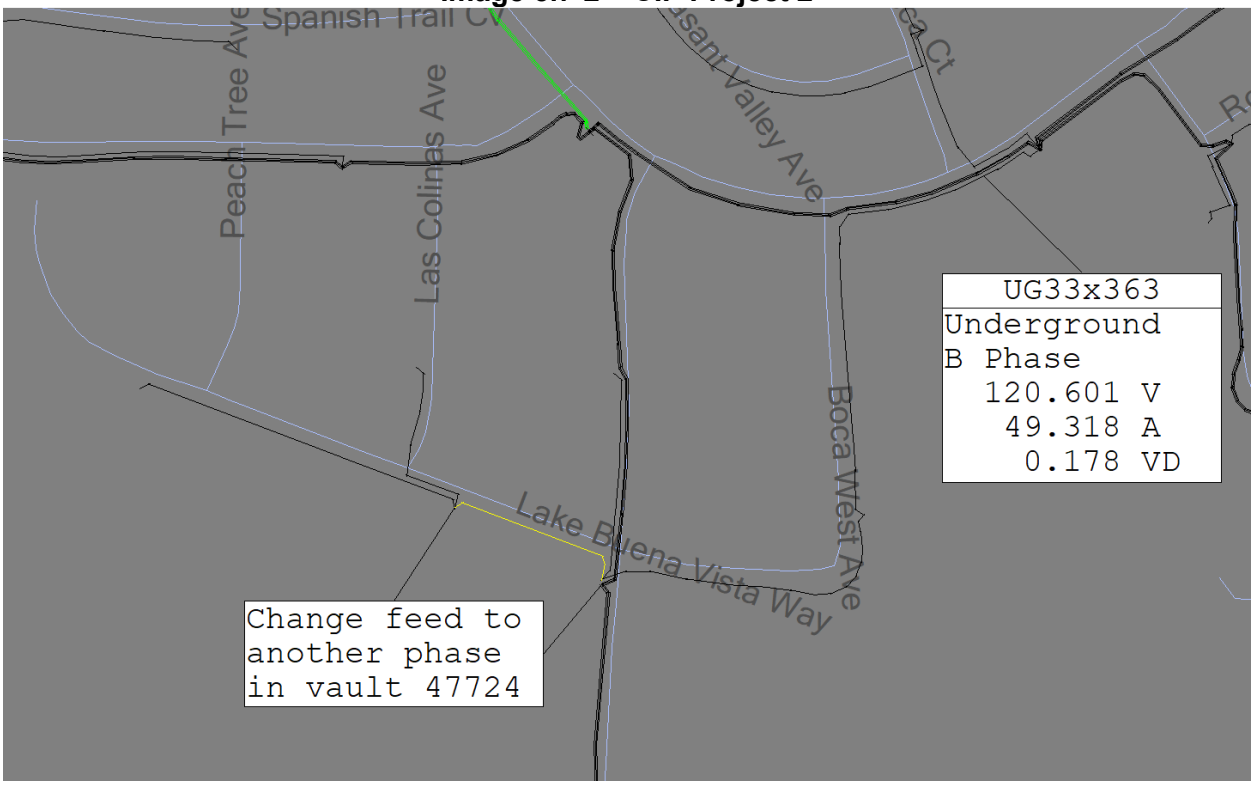


CIP-2

Issue: UG33x363, 1Ø, 1/0 URD line with 49 amps, 102 thru consumers.

Resolution: BEU will inspect the facilities at the intersection of Lake Buena Vista Way and Birdie Dr. and switch some of this B phase load along Lake Buena Vista Way west of Birdie Dr. to the 3Ø line that runs along Birdie Dr. Estimated cost: $2,000 (2028).

Image 5.7-2 – CIP Project 2



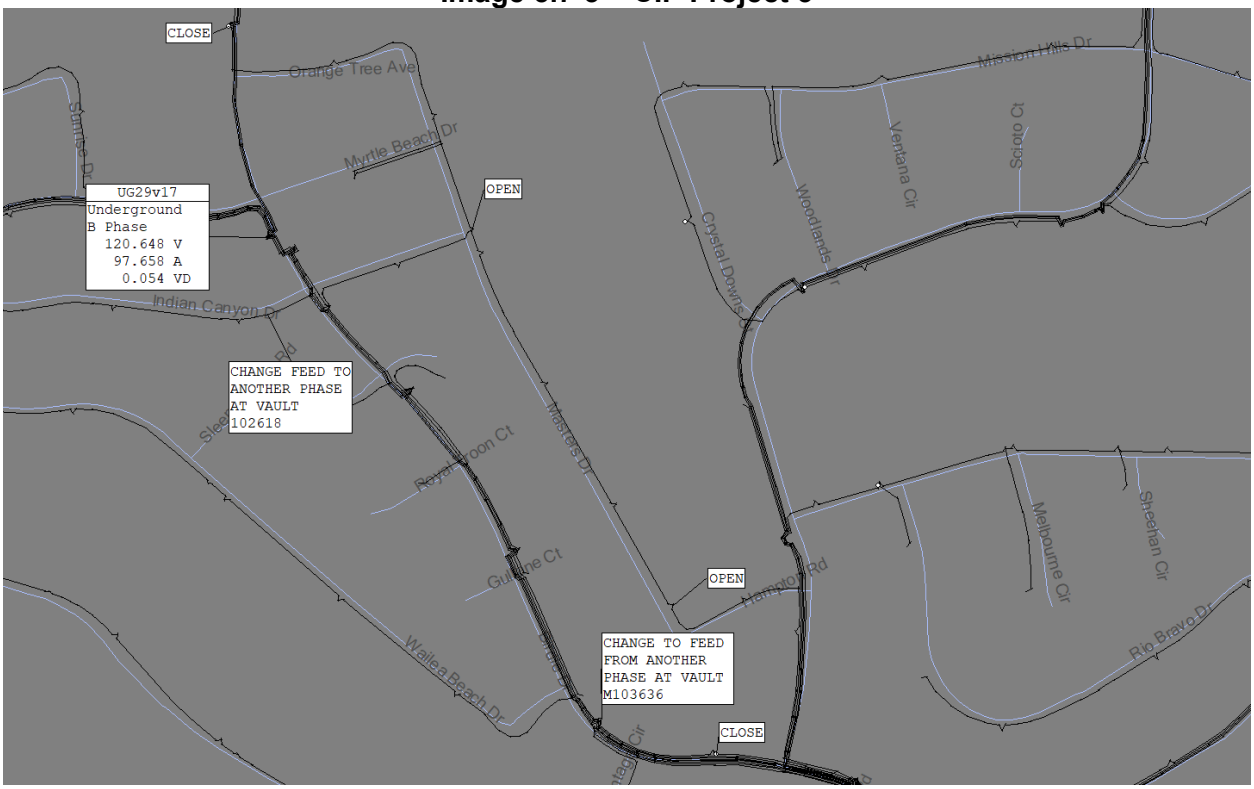
CIP-3

Issue: UG29v17, 1Ø, 1/0 URD with 97 amps, 239 thru consumers.

Resolution:

- Close switch at vault 101946 and open at vault 102621 at the intersection of Indian Canyon Dr. and Masters Dr. and backfeed all load north from SW103762-A.
- Close switch at pad 103628 and open at pad 103513 to switch load south from pad 103628A.
- Install 3Ø vault at the intersection of Indian Canyon Dr. and Birdie Dr. and change feed of UG33x433 from 3Ø line along Birdie Dr. to feed all load along Indian Canyon Dr. west of Birdie Dr. from the 3Ø vault. Estimated cost: $5,900 (2026).

Image 5.7-3 – CIP Project 3



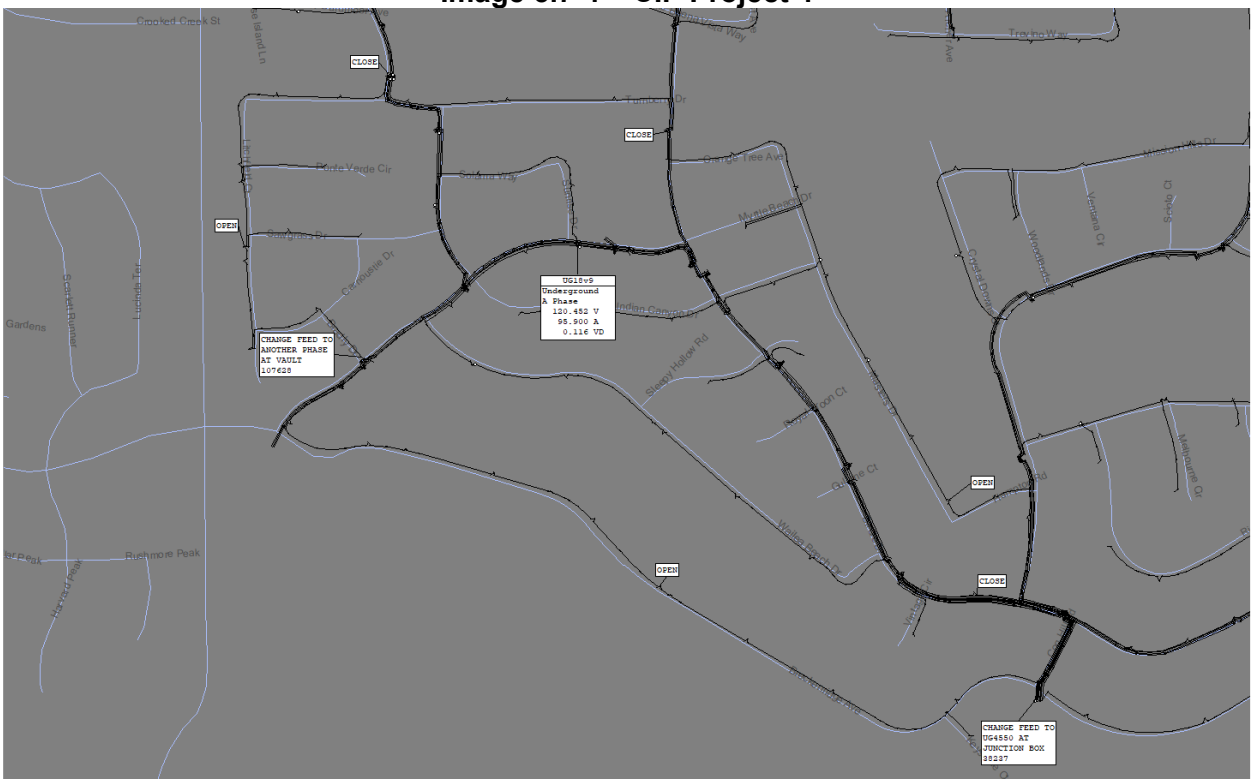
CIP-4

Issue: UG18v9, 1Ø, 1/0 URD with 96 amps, 230 thru customers.

Resolution:

- Change feed of line along Bradley St. to feed from 3Ø junction box and connect UG133185 by closing a switch at vault 103523 and open at the intersection of Sawgrass Dr. and Litchfield Ct. to serve all load north of vault 103523.
- Backfeed UG109597 from 3Ø UG4550 and open around UG33x474 along Brackenridge Ave. Estimated cost: $4,000 (2027).

Image 5.7-4 – CIP Project 4



CKT 64

Issue: None

IVY SUBSTATION

CKT 11

Issue: None

CKT 12

Issue: None

CKT 13

Issue: None

MIDWAY SUBSTATION

CKT 21

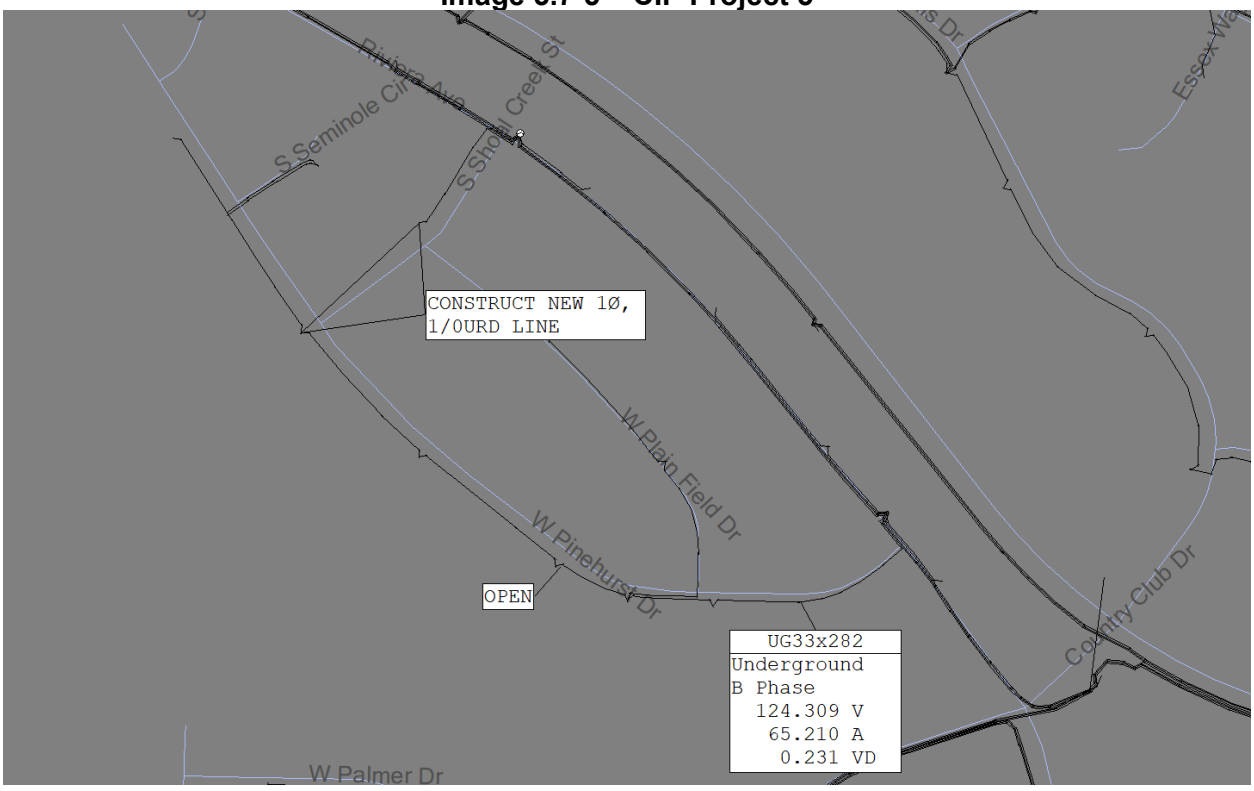
CIP-5

Issue: UG33x282, 1Ø, #2 URD with 65 amps, 97 thru consumers.

Resolution:

- Construct a new, 300', 1Ø, 1/0 AL URD primary voltage tie from pad 42503 to pad 42498, crossing W. Pinehurst Dr. and following S. Shoal Creek St.
- Open the line at pad 42491 and serve all load to the west from the 1Ø line at S. Shoal Creek St. and Riveria Ave. Estimated cost: $114,600 (2027).

Image 5.7-5 – CIP Project 5

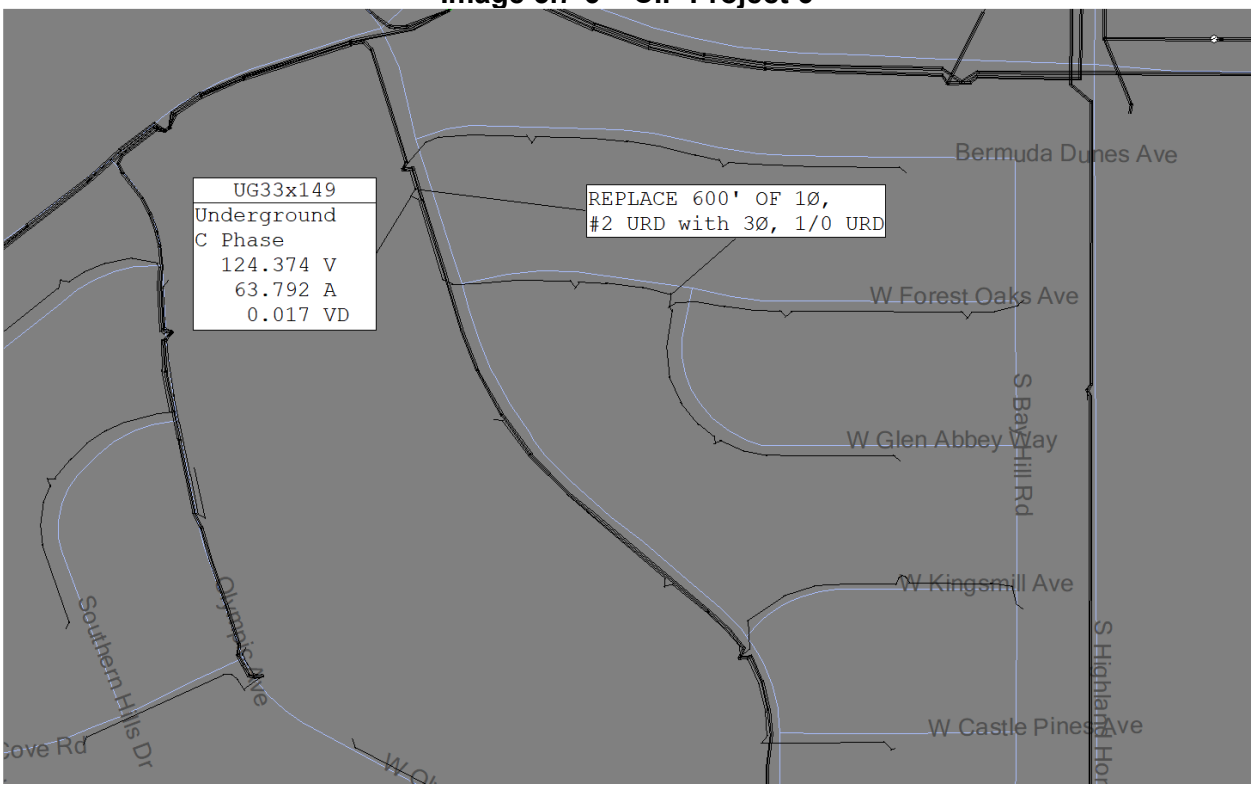


CIP-6

Issue: UG33x149, 1Ø, 2 URD with 64 amps, 86 thru consumers.

Resolution: Replace 600' of 1Ø, #2 URD line with 3Ø, 1/0 URD line from vault 36857 along Rivera Ave. just south of Bermuda Dunes Ave to vault 36879 at the intersection of W. Forest Oaks Ave and W. Glen Abbey Way and split the load between multiple phases. Estimated cost: $223,300 (2027).

Image 5.7-6 – CIP Project 6

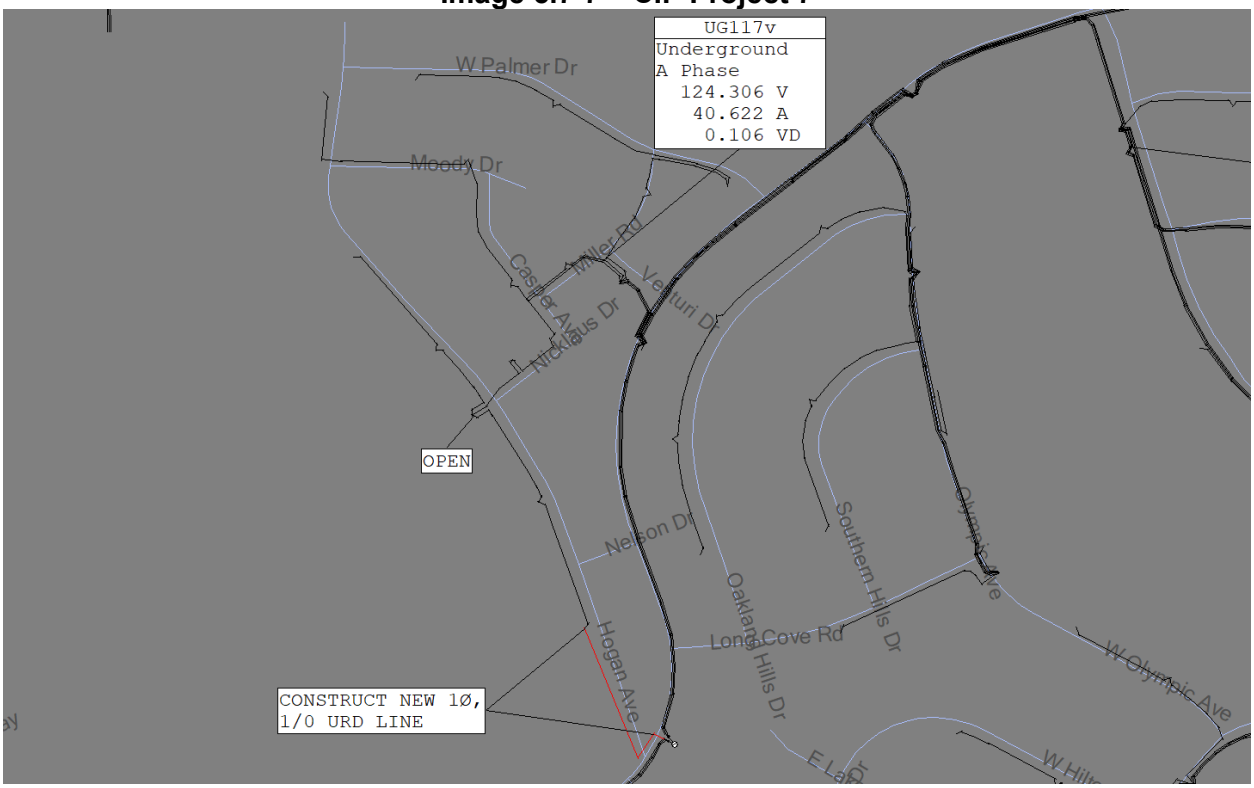


CIP-7

Issue: UG117v, 1Ø, #2 URD with 41 amps, 65 thru consumers.

Resolution: Construct a new, 600', 1Ø, 1/0 URD primary voltage tie from vault 41797 to pad 41823. Open at pad 41830 and switch all load southeast of Nicklaus Dr. along Hogan Ave. to feed from pad 41797. Estimated cost: $221,800 (2028).

Image 5.7-7 – CIP Project 7

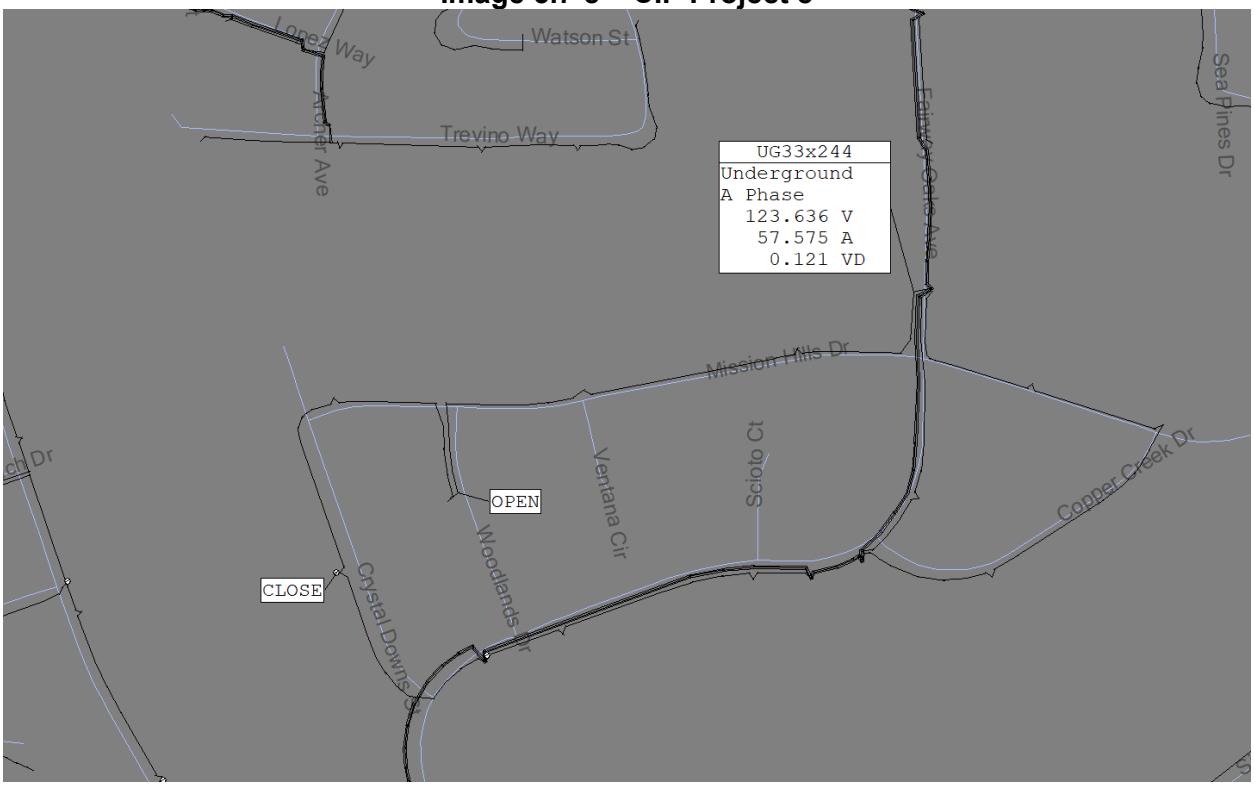


CIP-8

Issue: UG33x244, 1Ø, 1/0 URD with 58 amps, 84 thru consumers.

Resolution: Close switch at vault 40252 and open at pad 40237 along Woodland Dr. to split west of Woodland Dr. to feed from vault 40252. Estimated cost: $2,100 (2028).

Image 5.7-8 – CIP Project 8

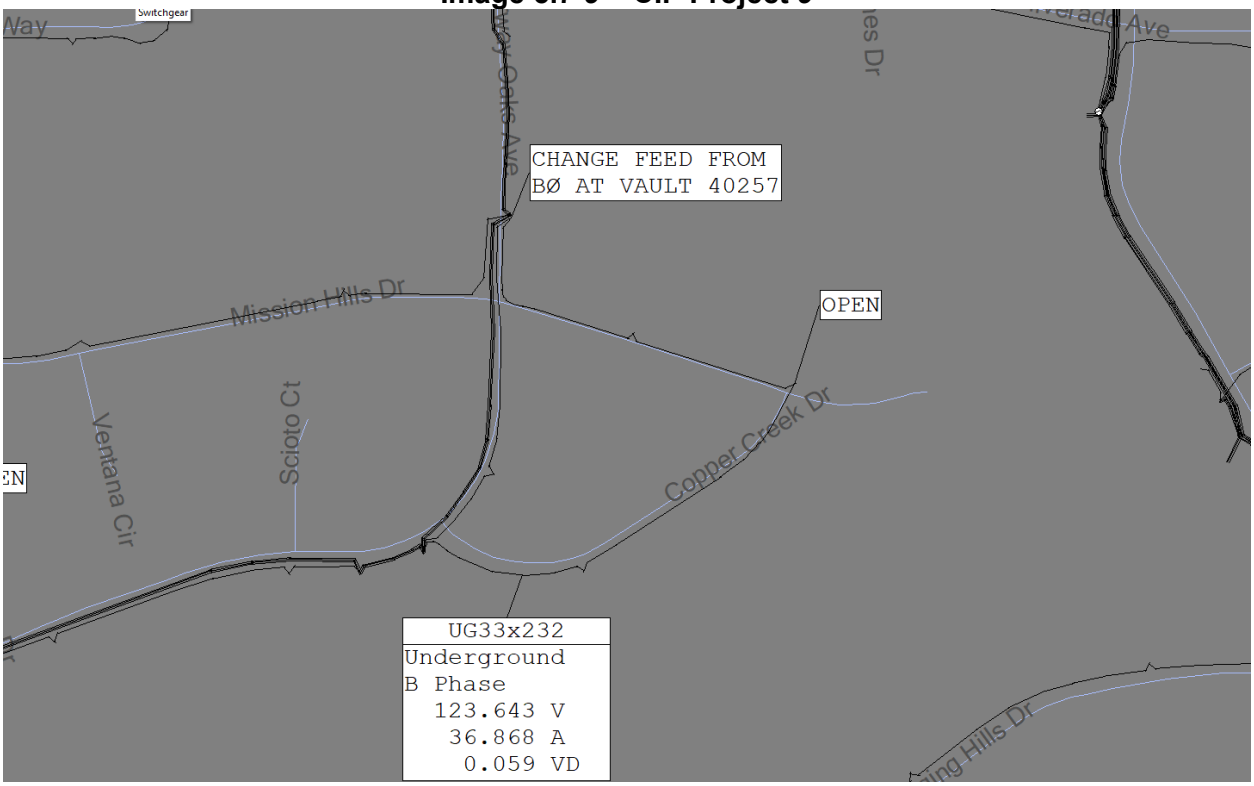


CIP-9

Issue: UG33x232, 1Ø, 1/0 URD with 37 amps, 41 thru consumers.

Resolution: Close BØ at pad 40257 along Fairway Oaks Ave. and open Transformer303 at the intersection of Mission Hills Dr. and Cooper Creek Dr. and feed load along Mission Hills Dr. from pad 40257. Estimated cost: $2,100 (2030).

Image 5.7-9 – CIP Project 9



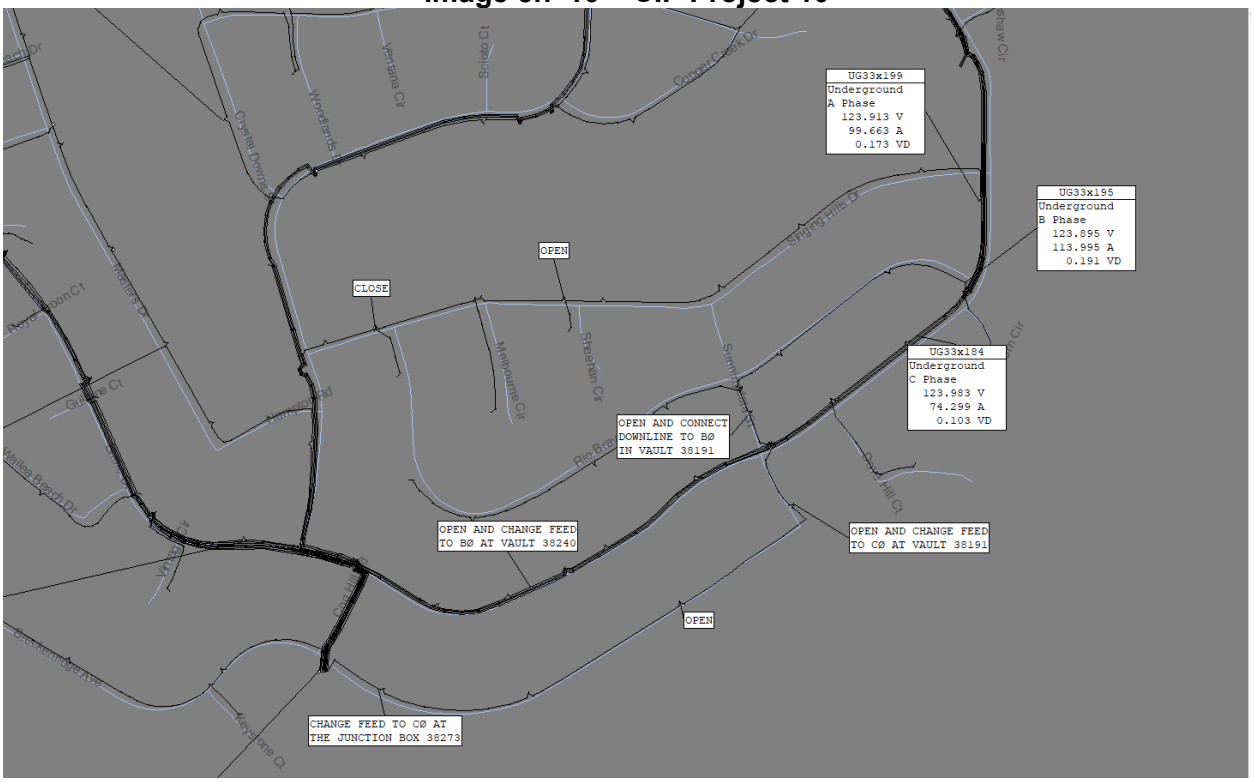
CIP-10

Issue: UG33x199, 1Ø, 1/0 URD with 100 amps, 98 thru consumers (A phase), UG33x195, 1Ø, 1/0 URD with 114 amps, 162 thru consumers (B phase), and UG33x184, 1Ø, 1/0 URD with 74 amps, 99 thru consumers (C phase).

Resolution:

- Close switch at vault 38245 and open at vault 38212 at the intersection of Spring Hills Cr. And Sheehan Cir. and backfeed all load west of Sheehan Cir. from vault 38245.
- Change the feed of UG33x189 to feed from another phase at the 3Ø vault 38191 at the intersection of Riveria Ave. and Sunningdale St.
- Change feed of UG33x190 to feed from another phase at the 3Ø vault 38240 along Birdie Dr.
- Change feed of UG33x212 to feed from another phase at the 3Ø vault 38191 at the intersection of Riveria Ave. and Sunningdale St.
- Change feed of UG33x211 to feed from the 3Ø pad 38237 at the intersection of Cog Hill Rd. and Breckenridge Ave. and open at pad 38248 and feed all load to the west along Breckenridge Ave. to feed from pad 38237. Estimated cost: $6,700 (2026).

Image 5.7-10 – CIP Project 10



CKT 22

Issue: None

CKT 23

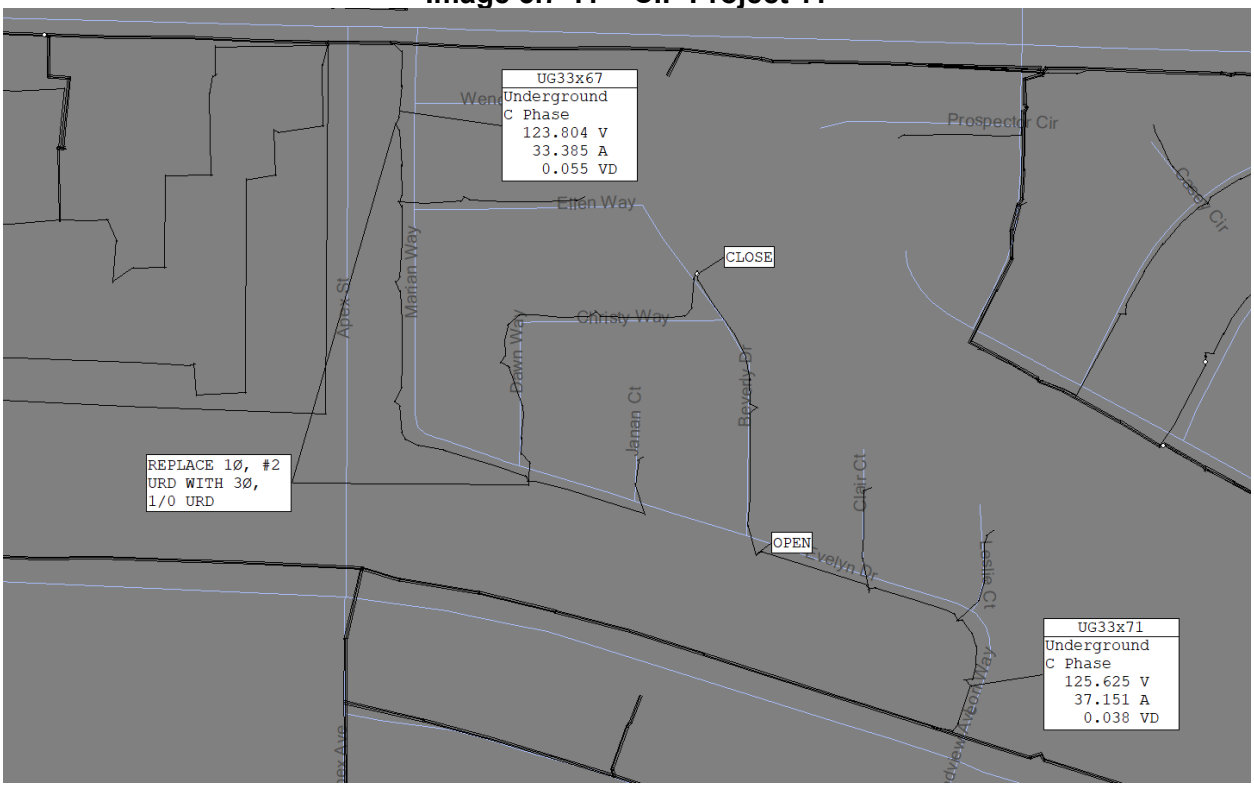
CIP-11

Issue: UG33x71, 1Ø, 1/0 URD with 37 amps, 77 thru consumers.

Resolution:

- Replace 1,300' of 1Ø, #2 URD line with 3Ø, 1/0 URD line from pullbox Pb32117 along W. Wilson St. to vault 32103 at the intersection of Marian Way and Dawn Way.
- Close switch at marker M32898 along Beverly Dr. and open at pad 35930 along Evelyn Dr. Estimated cost: $547,600 (2030).

Image 5.7-11 – CIP Project 11



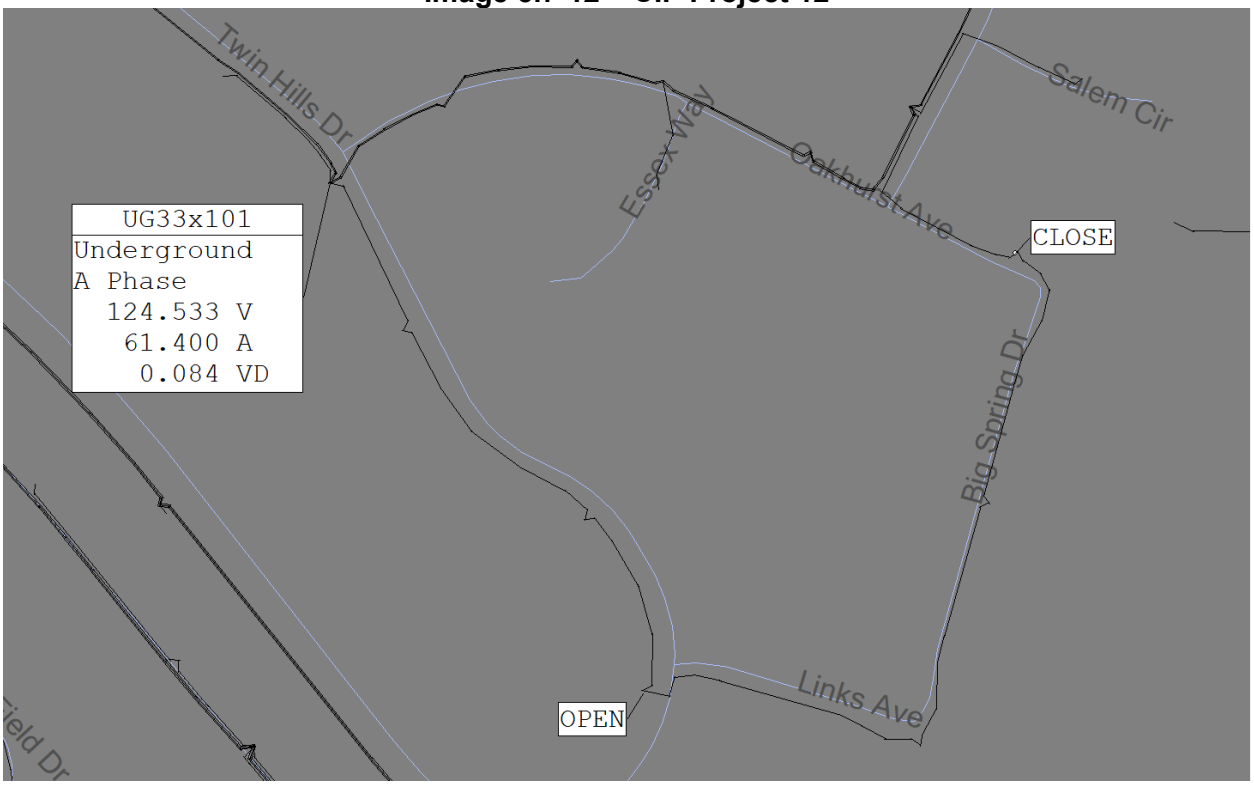
CKT 24

CIP-12

Issue: UG33x101, 1Ø, 1/0 URD with 61 amps, 93 downline customers.

Resolution: Close switch at pad 34934 and openUG33x118 at pad 34956 the intersection of Twin Hills Dr. and Links Ave. and backfeed load along Big Springs Dr. to feed from 3Ø lie to north at switch pad 34934. Estimated cost: $2,100 (2027).

Image 5.7-12 – CIP Project 12



SAN GORGONIO SUBSTATION

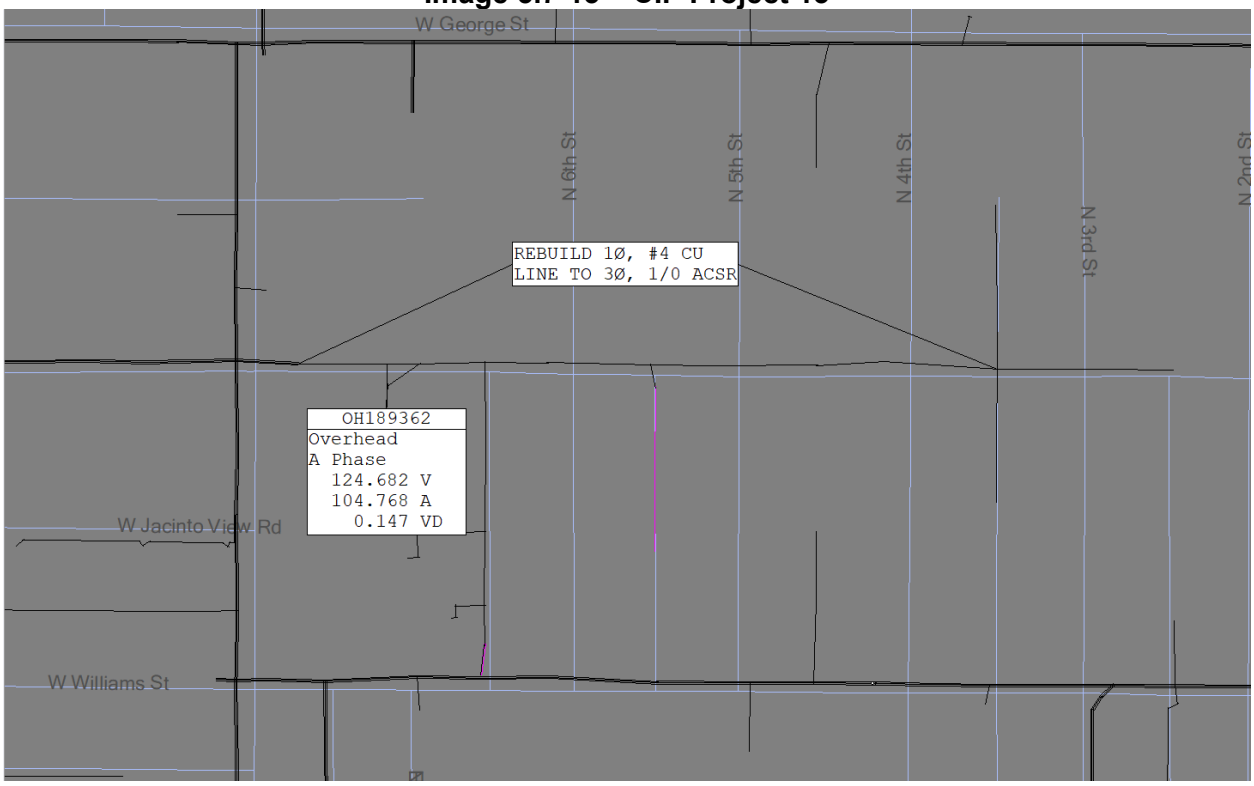
CKT 51

CIP-13

Issue: OH189362, 1Ø, #4 CU line with 105 amps, 174 thru consumers.

Resolution: Rebuild 1,391' of 1Ø, #4 Cu line to 3Ø, 1/0 ACSR along W. Nicolet St. from pole number 189371 to pole number 192590. Estimated cost: $172,200 (2026).

Image 5.7-13 – CIP Project 13

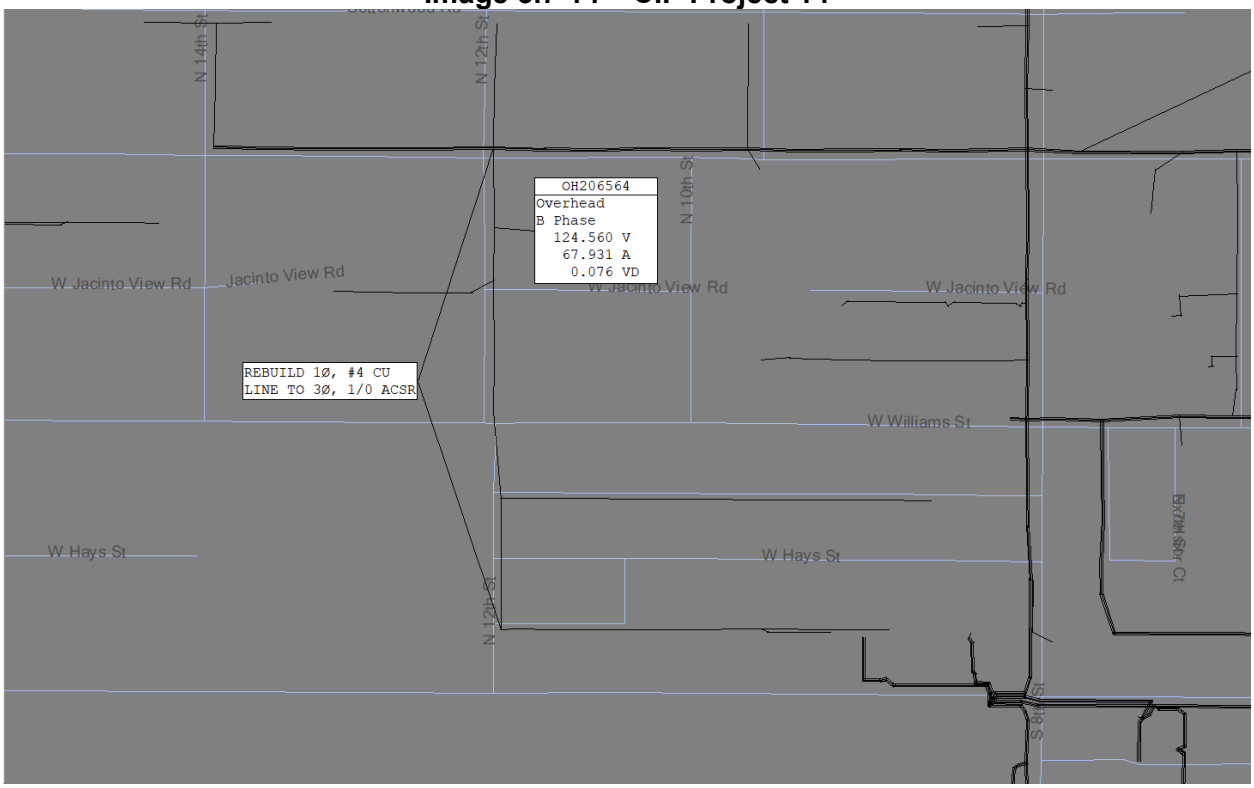


CIP-14

Issue: OH206564, 1Ø, #4 CU line with 68 amps, 106 thru consumers.

Resolution: Rebuild 1,183' of 1Ø, #4 and #6 CU line to 3Ø, 1/0 ACSR along N. 12th St. from pole number 190013 to pole number 158883. Estimated cost: $148,700 (2027).

Image 5.7-14 – CIP Project 14



CKT 52

Issue: None

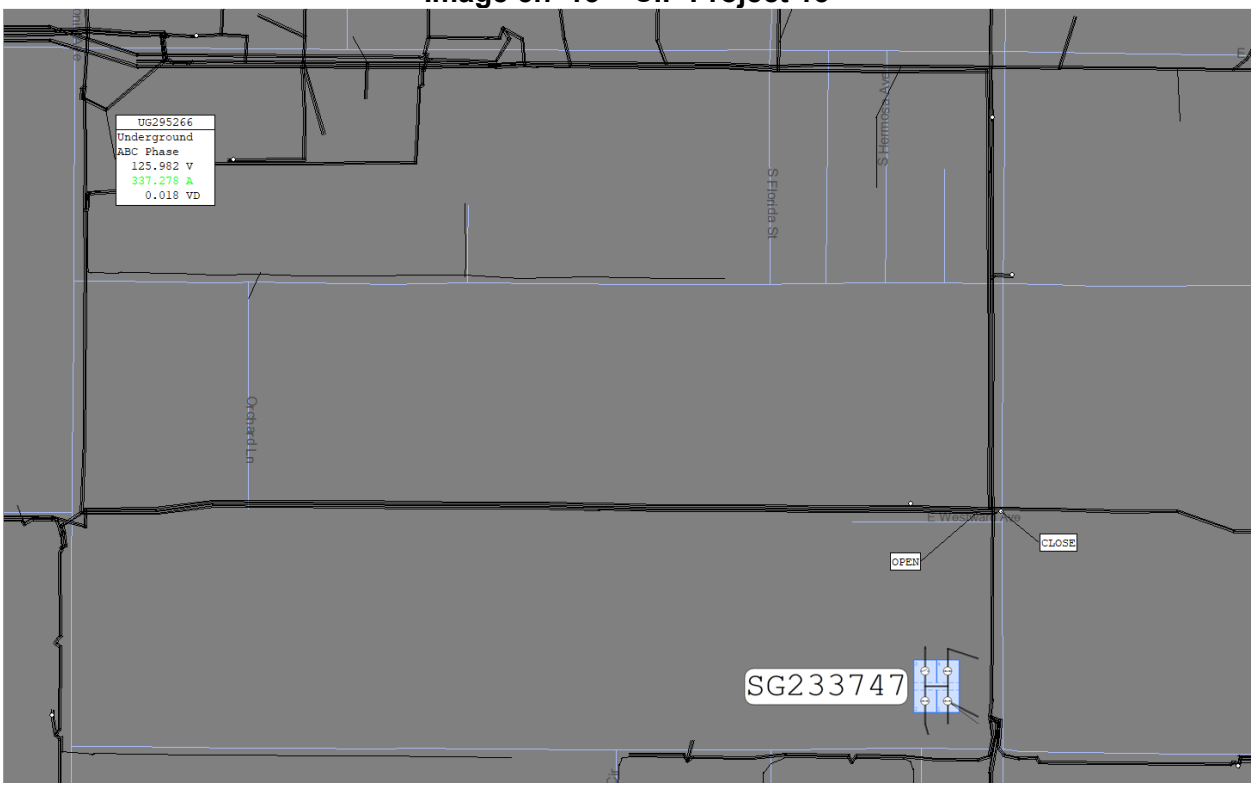
CKT 53

CIP-15

19 Issue: UG295266, 3Ø, 750 MC URD conductor reaches 63% capacity.

Resolution: Open after OH240725 and close switch at Pole23857 and reconfigure SG233747 to 4=CLOSED, 3=CLOSED, 2=CLOSED and 1=OPEN to switch load to the Ivy substation. Estimated cost: $2,000 (2026).

Image 5.7-15 – CIP Project 15



CKT 54

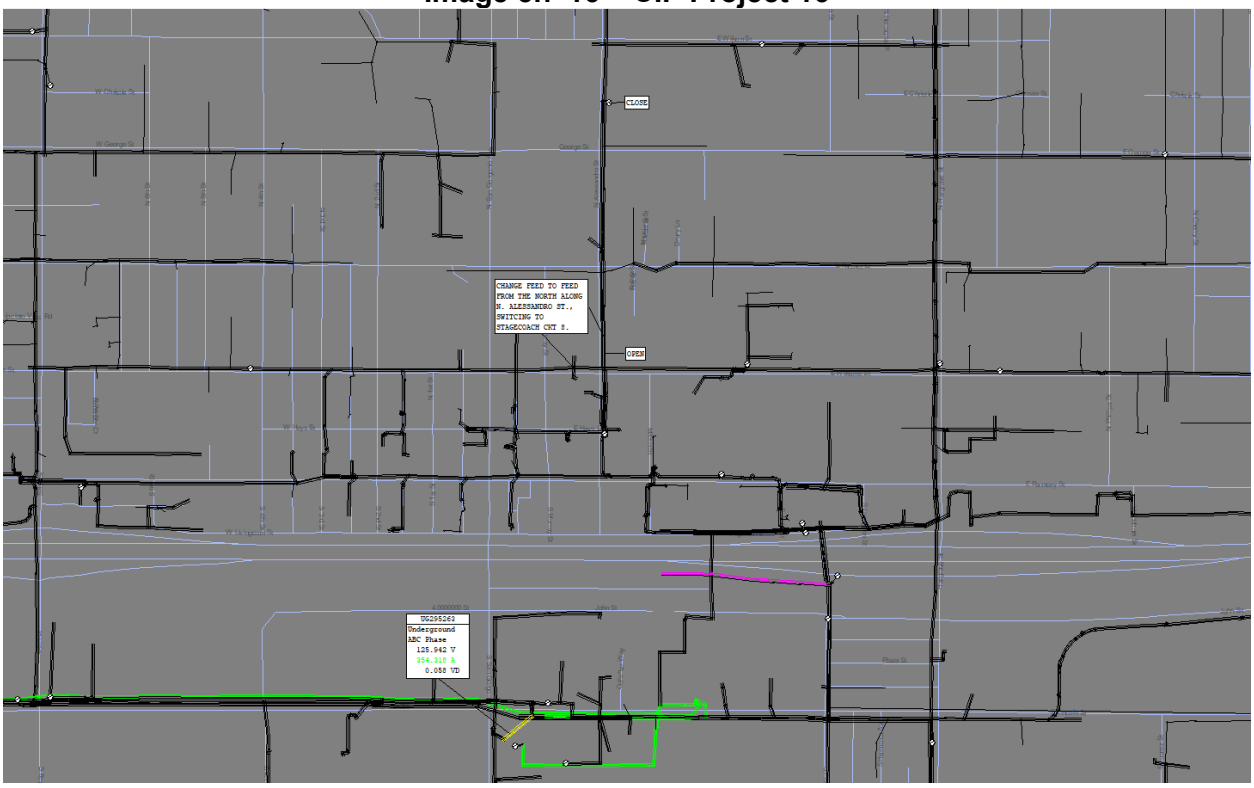
CIP-16

Issue: UG295263, 3Ø, 750 MCM feeder exit and 336 ACSR exceeds 60% capacity thru OH252561 (67% capacity is the highest).

Resolution:

- Disconnect line section OH2138 from OH2137 (line heading north on N. Alessandro St. north of E. Williams St.) and close switch at Pole284048 (along N. Alessandro St. between George St. and E. Wilson St.).
- Change the feed of line section OH194778 to feed from OH2138 (which will now be fed from Stagecoach CKT 8) and serve all the load along E. Williams St. west of N. Alesandro St. to feed from Stagecoach CKT8. Estimate cost: $3,400 (2029).

Image 5.7-16 – CIP Project 16



STAGECOACH SUBSTATION

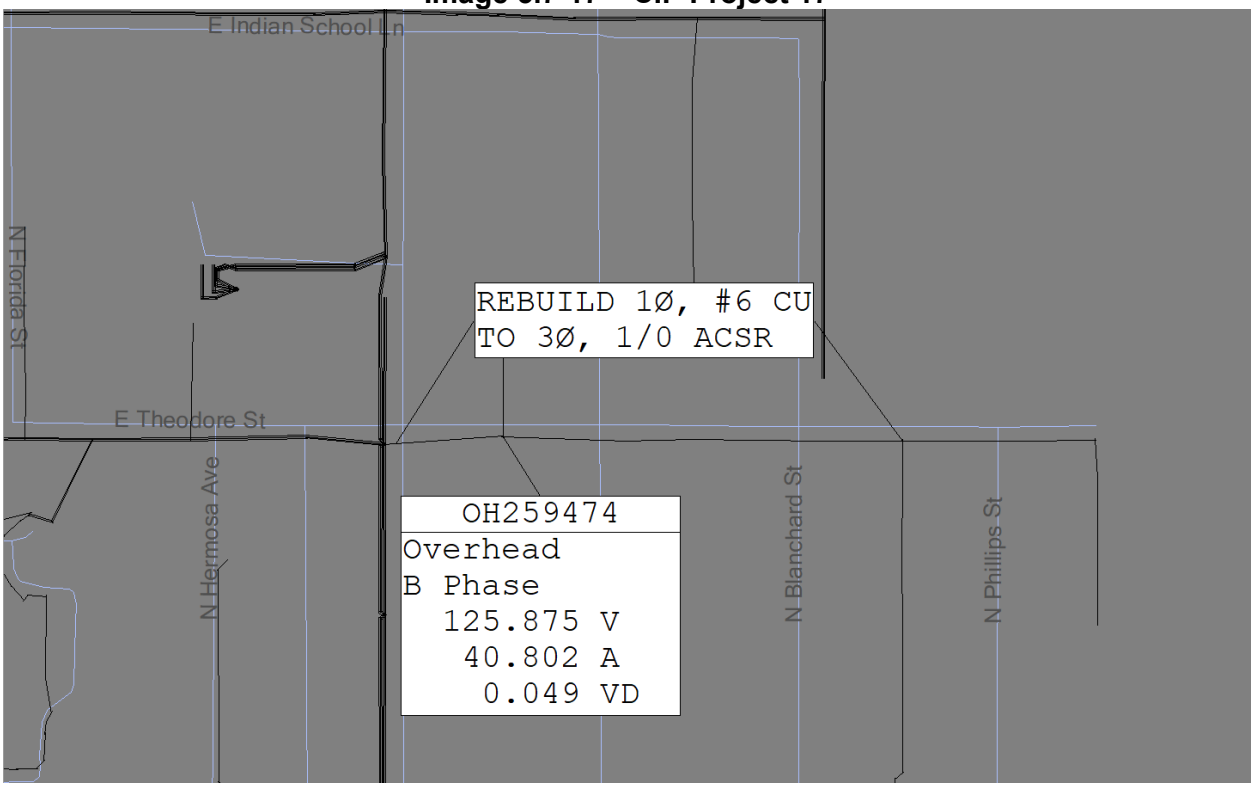
CKT 7

CIP-17

Issue: OH259474, 1Ø, #6 Cu line with 41 amps, 80 thru consumers.

Resolution: Rebuild 871' of 1Ø, #6 CU line to 3Ø, 1/0 ACSR along E. Theadore St. from pole number P6970COB to pole number P2891COB. Estimated cost: $119,800 (2029).

Image 5.7-17 – CIP Project 17

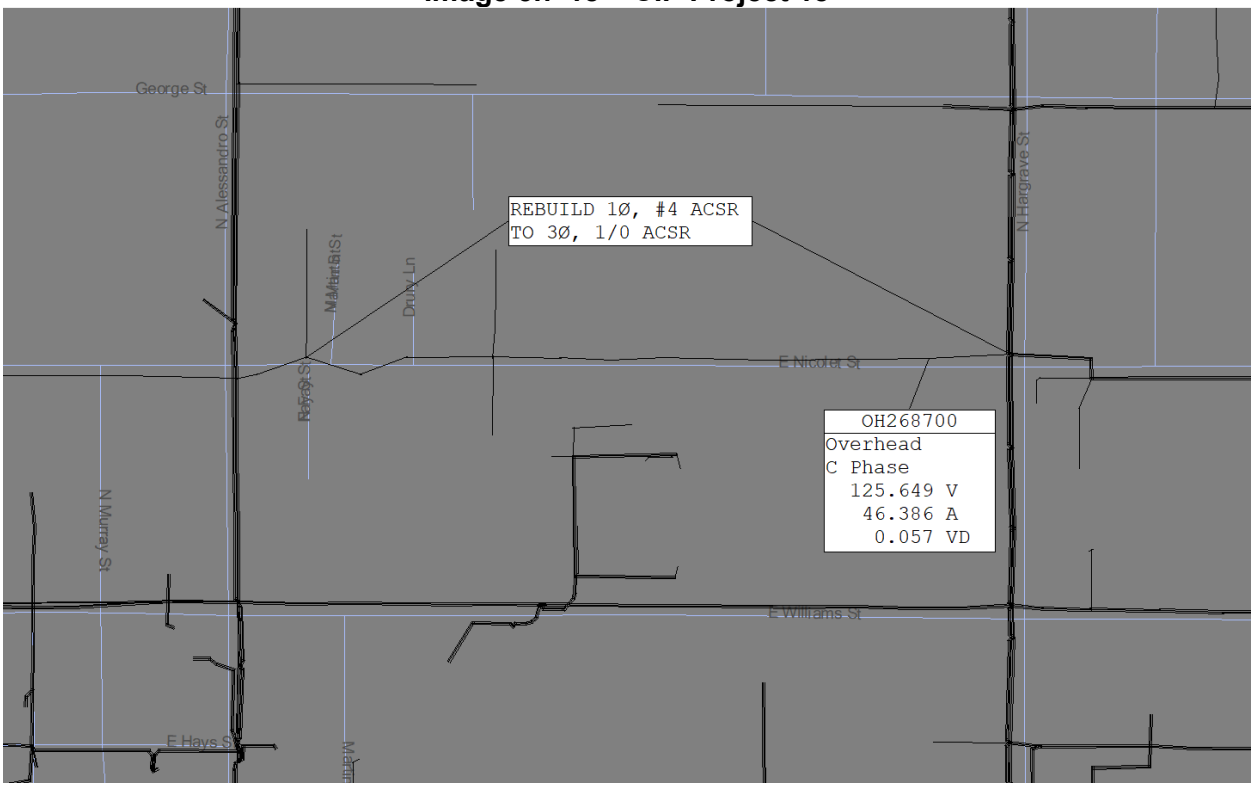


CIP-18

Issue: OH268700, 1Ø, #4 ACSR line with 46 amps, 105 thru consumers.

Resolution: Rebuild 1,790' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR along E. Nicolet St. from pole number P6956COB to pole number Pole194713. Estimated cost: $236,700 (2029).

Image 5.7-18 – CIP Project 18

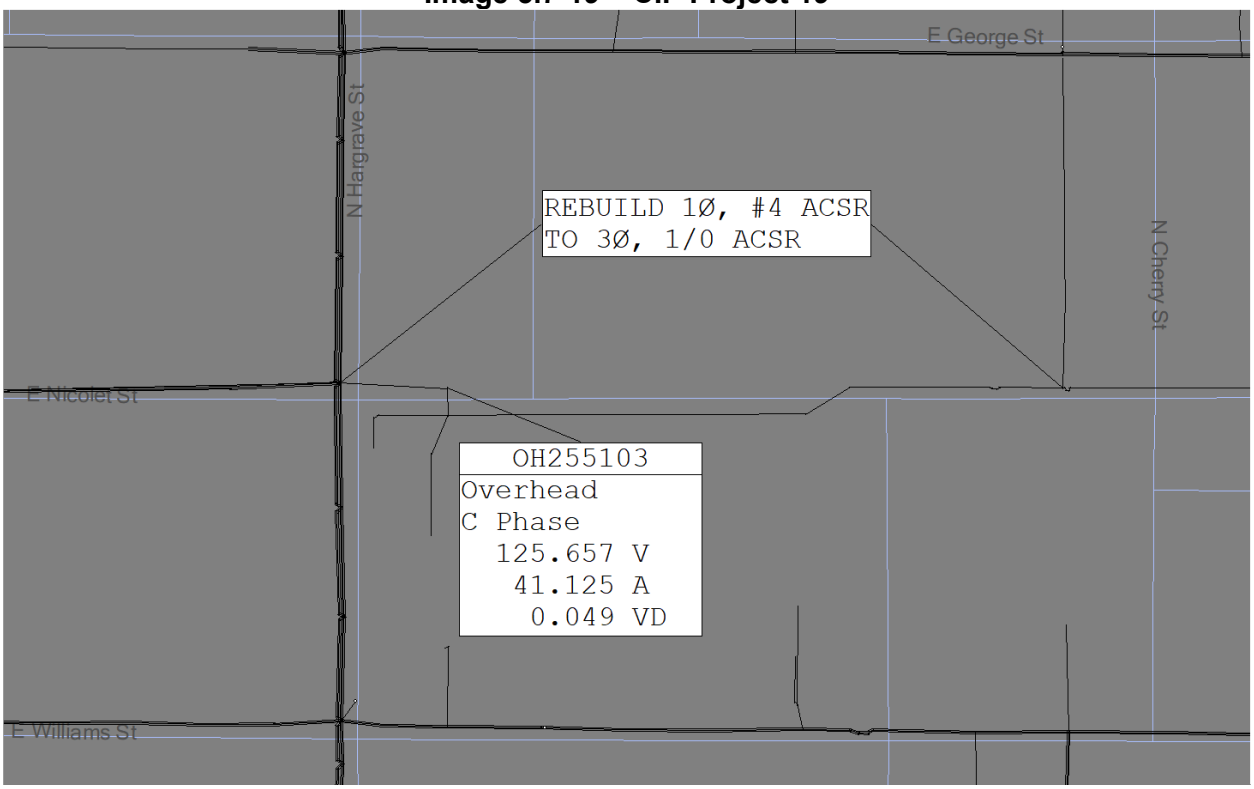


CIP-19

Issue: OH255103, 1Ø, #4 ACSR line with 41 amps, 80 thru consumers.

Resolution: Rebuild 1,417' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR along E. Nicolet St. from pole number P6956COB to pole number FP255128. Estimated cost: $193,400 (2029).

Image 5.7-19 – CIP Project 19



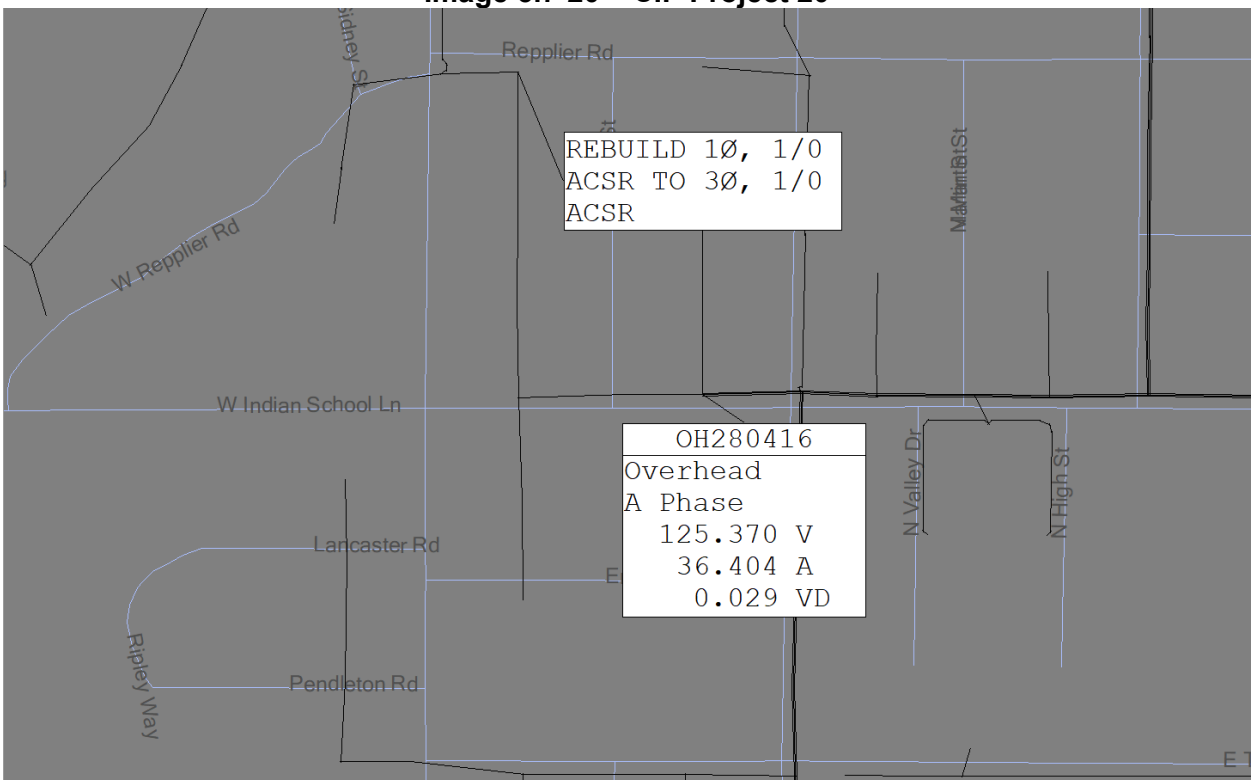
CKT 8

CIP-20

Issue: OH280416, 1Ø, 1/0 ACSR line with 36 amps, 61 consumers.

Resolution: Rebuild 955' of 1Ø, 1/0 ACSR and #2 ACSR line to 3Ø, 1/0 ACSR beginning on E. Indian School Ln. then heading north to E. Repplier Rd. from pole number P1344COB to pole number 280435. Estimated cost: $134,300 (2030).

Image 5.7-20 – CIP Project 20



SUNSET SUBSTATION

CKT 72

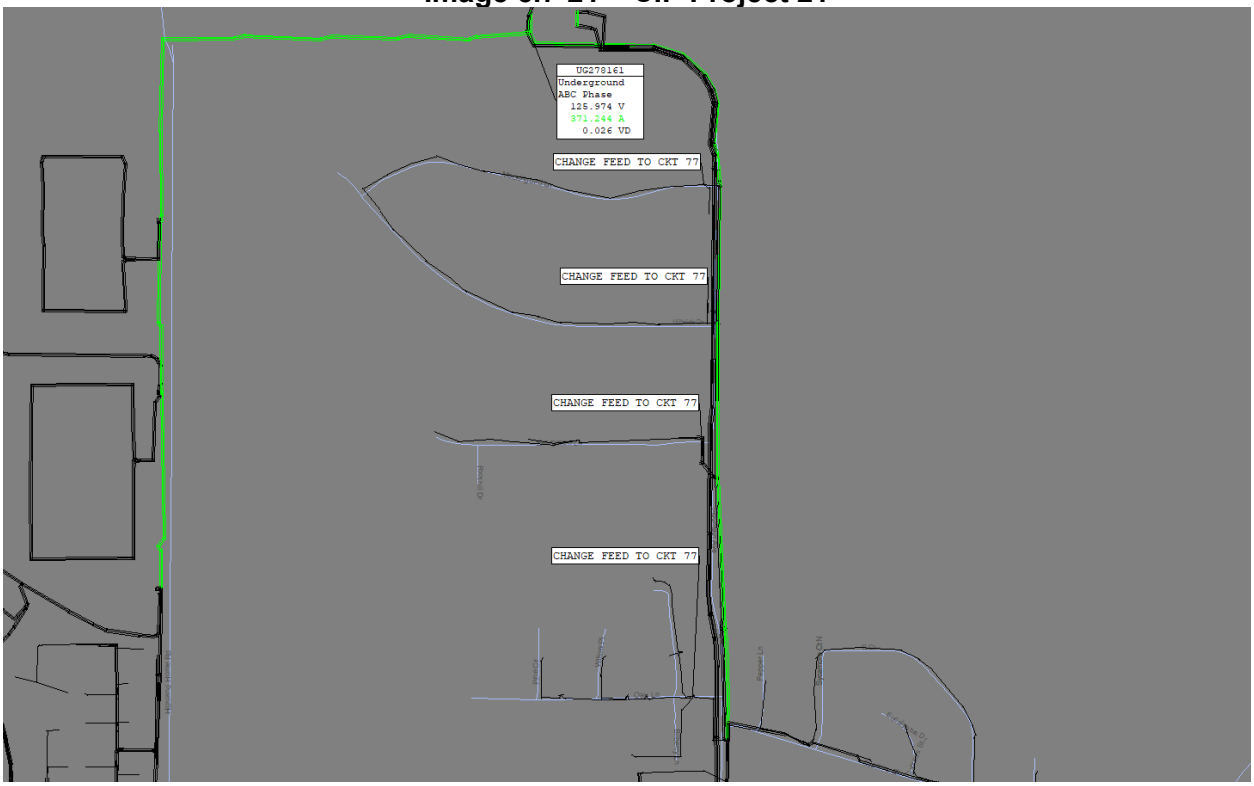
CIP-21

Issue: UG278161 Feeder Exit, 3Ø, 750 MCM URD conductor reaches 70% capacity.

Resolution: It is recommended to serve the Crestwood Communities load addition from CKT 77 at UG3.

- Change the feed of UG6 for the load along Mocking Bird Ln. to CKT 77 at vault SV100086.
- Change the feed of UG18 for the load along Hillside Dr. to CKT 77 at vault SV100180.
- Change the feed of UG33 for the load along Evergreen Ln. to CKT 77 at vault SV100084.
- Change the feed of UG82 for the load along Oak Ln. to CKT 77 at junction box Pb20340. Estimated cost: $2,800 (2026).

Image 5.7-21 – CIP Project 21

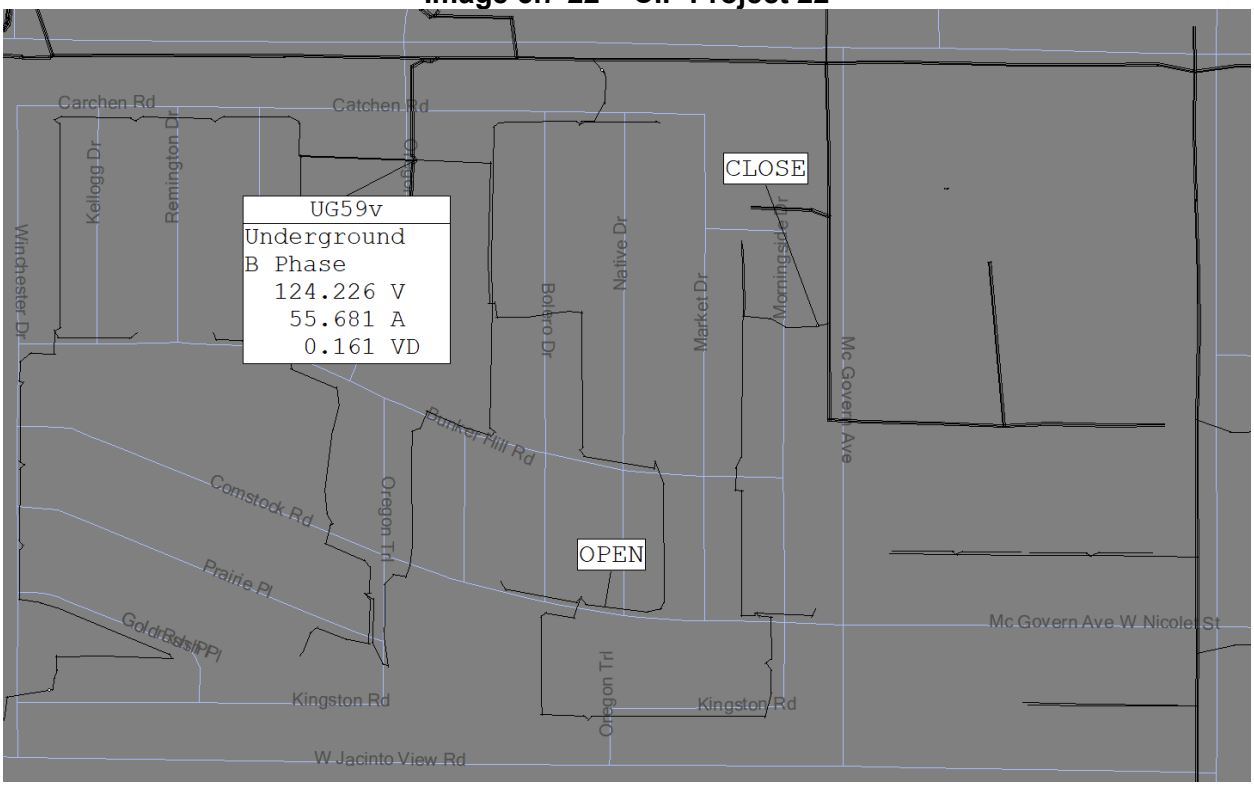


CIP-22

Issue: UG59v, 1Ø, 1/0 URD with 56 amps, 177 thru consumers.

Resolution: Close switch at pad 23132 along Mc Govern Ave. and open at pad 253139 and switch all load south and east to serve from pad 23132 along Mc Govern Ave.. Estimated cost: $2,100 (2028).

Image 5.7-22 – CIP Project 22

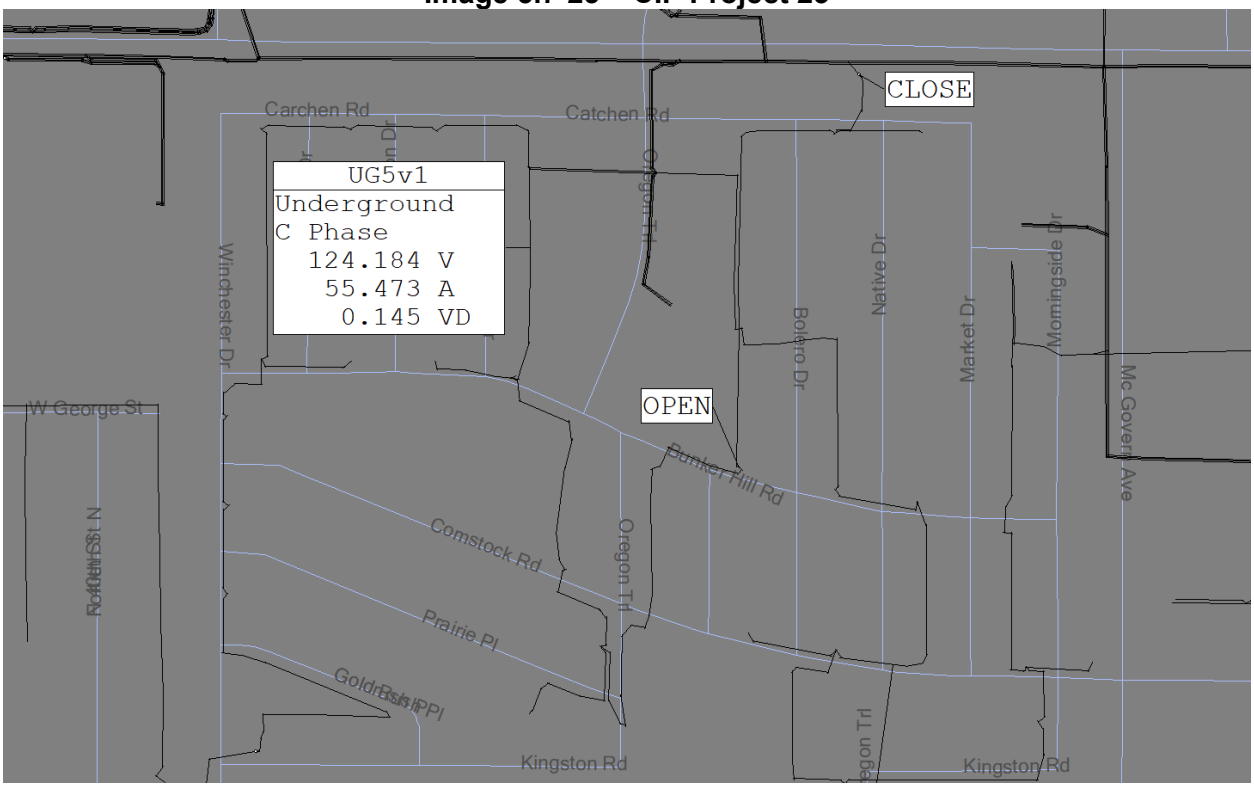


CIP-23

Issue: UG5v1, 1Ø, 4/0 URD with 55 amps, 174 thru consumers.

Resolution: Close switch at pad 23137 along W. Wilson St. and open at PAD 23138 along Bunker Hill Rd. and serve all load along Catchen Rd. from pad 23137. Estimated cost: $2,100 (2028).

Image 5.7-23 – CIP Project 23

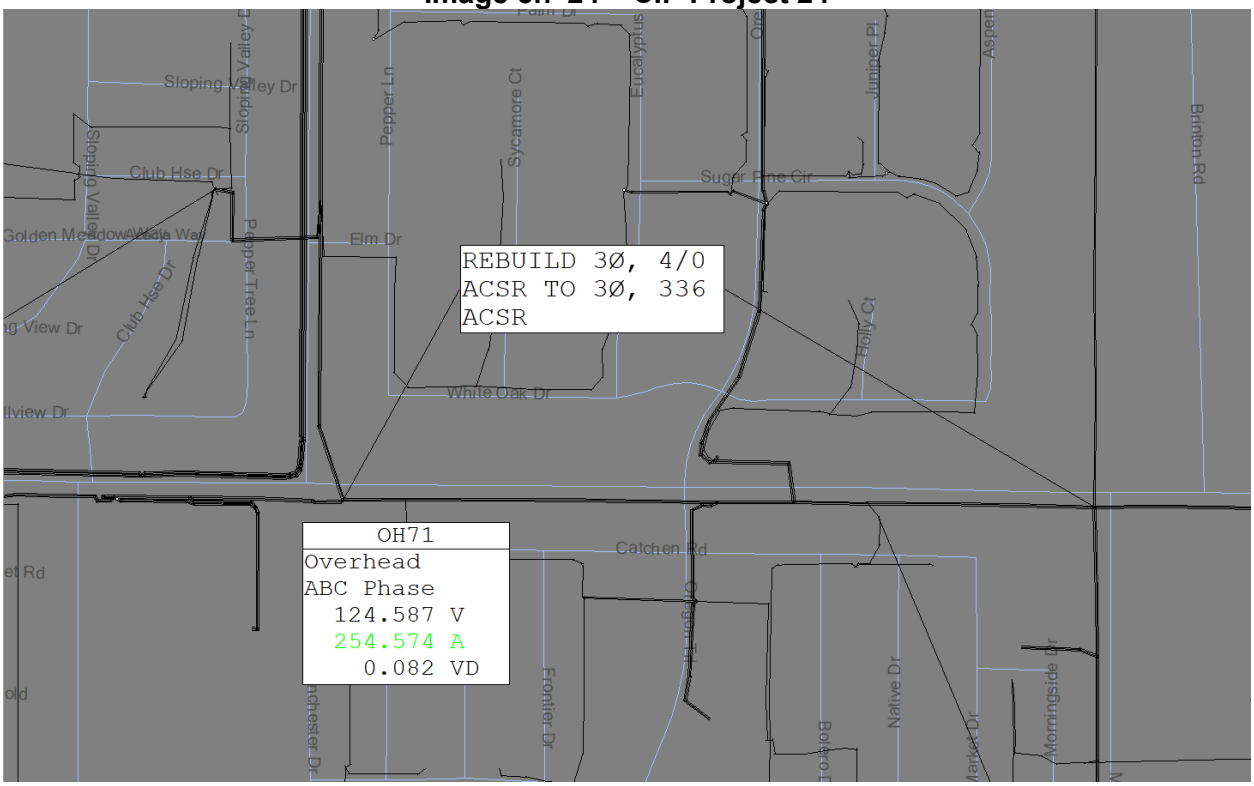


CIP-24

Issue: OH71, 3Ø, 4/0 ACSR conductor reaches 75% capacity and continued to be greater than 60% capacity thru OH143.

Resolution: Rebuild 1,693; of 3Ø, 4/0 ACSR line to 3Ø, 336 ACSR along W. Wilson St. from pole number 14759 to pole number 14817. Estimated cost: $219,300 (2026).

Image 5.7-24 – CIP Project 24

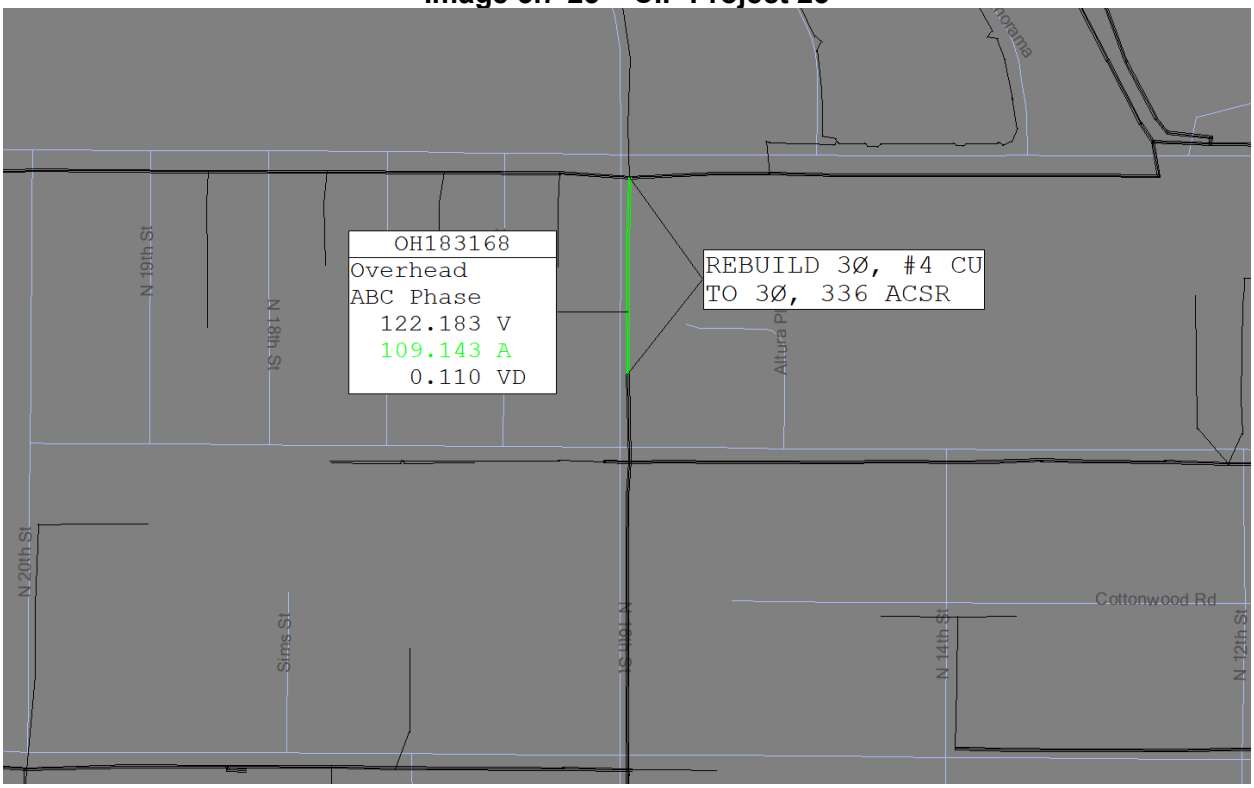


CIP-25

Issue: OH183168, OH183140, and OH183149, 3Ø, #4 ACSR conductor reaches 60% capacity.

Resolution: Rebuild 437' of 3Ø, #4 CU line to 3Ø, 336 ACSR along N. 16th St. between W. Nicolet St. and W. Wilson St. from pole number 183146 to pole number Pole183139. Estimated cost: $66,200 (2030).

Image 5.7-23 – CIP Project 25



CKT 74

Issue: None

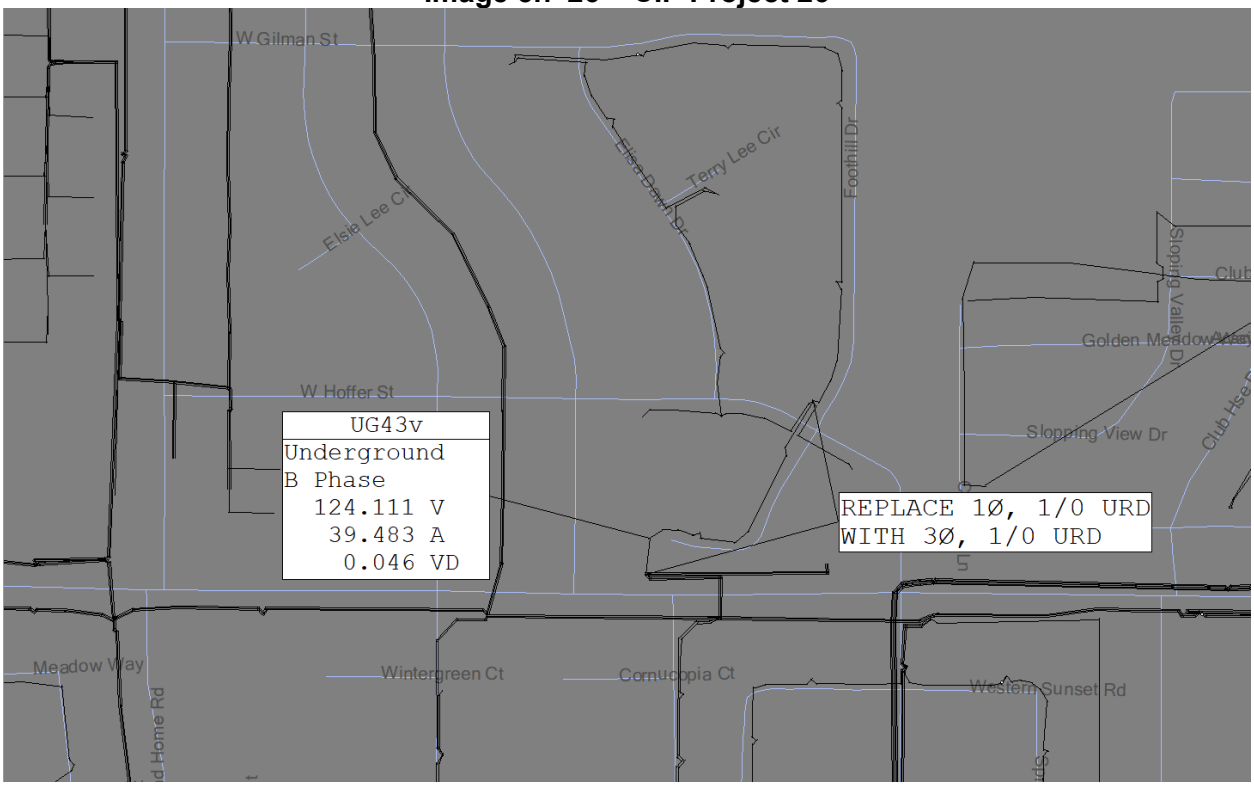
CKT 76

CIP-26

Issue: UG43v, 1Ø, 1/0 URD with 39 amps, 95 thru consumers.

Resolution: Replace 650' of 1Ø, 1/0 URD line with 3Ø, 1/0 URD line from vault 28573 along W. Wilson St. to vault 28595 at the intersection of W. Hoffer St. and Foothill Dr. Estimated cost: $336,100 (2029).

Image 5.7-26 – CIP Project 26



CKT 77

Note: The feeder extends along Mountain Ave. along with CKT 72 but does not have any load connected. SEE CKT 72 recommendations.

BANNING SUBSTATION (34.5 kV Analysis)

CKT 1

Issue: None

CKT 2

Issue: None

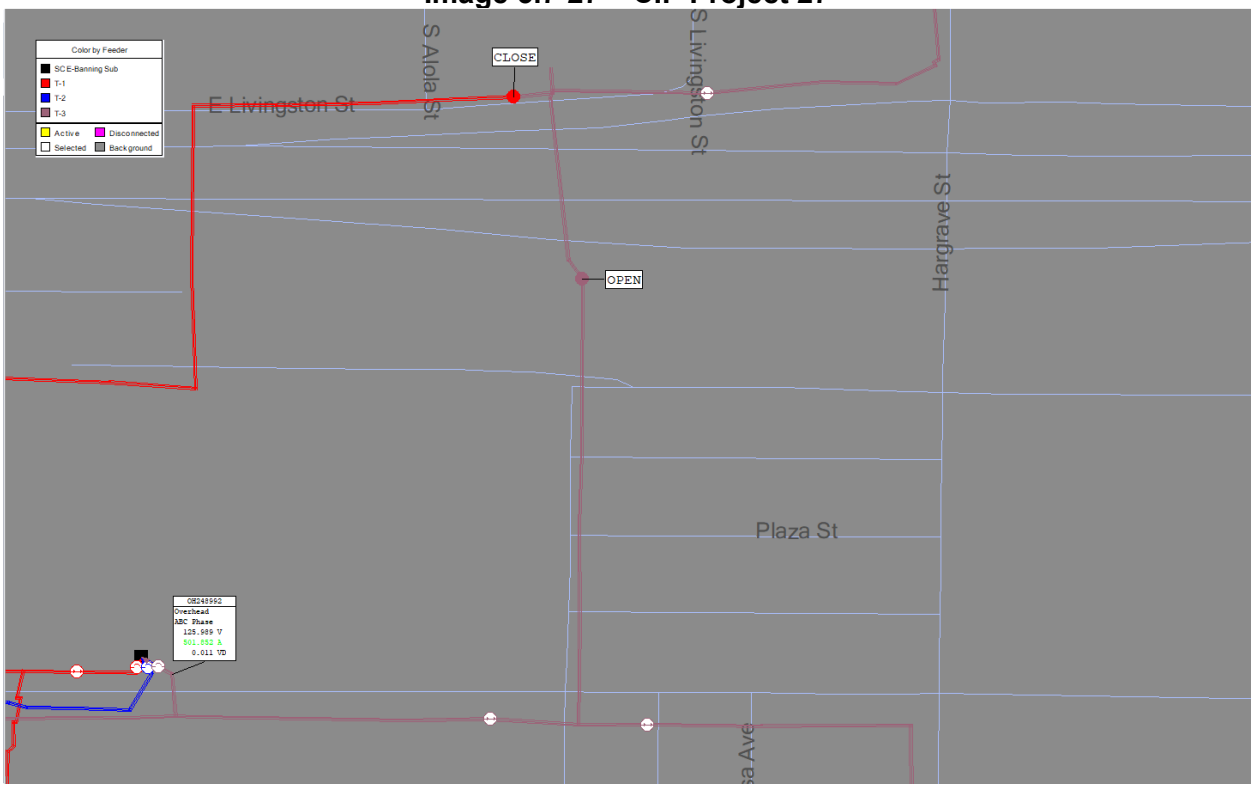
CKT 3

CIP-27

Issue: The model shows CKT 3 feeding the Midway, Ivy, and Stagecoach substations. OH248992 Feeder Exit, 3Ø, 336 ACSR reaches 95% capacity, OH2296, 3Ø, 4/0 ACSR reaches 78% capacity, and OH2316, 3Ø, 4/0 ACSR reaches 62% capacity.

Resolution: Close the tie around Pole241891 and open the line at Pole262449 to switch load from CKT 3 to CKT 1. This will change the feed of the Stagecoach substation to be served by CKT1. Estimated cost: $2,100 (2026).

Image 5.7-27 – CIP Project 27



5.8 – Total Cost Estimate

The table below contains a breakdown of the total estimated cost of the 5-Year CIP.

Table 5.8-1 – Total 5-Year CIP Cost Estimate

	2026-2030 CIP					
	2026	2027	2028	2029	2030	Totals
OH Maintenance Program						
Total Cost	$604,198	$622,324	$640,994	$1,079,272	$1,111,650	$4,058,438
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$604,198	$622,324	$640,994	$1,079,272	$1,111,650	$4,058,438
Capital-Maintenance Projects						
Total Cost	$5,460,000	$3,154,500	$1,690,000	$4,980,000	$5,500,000	$20,784,500
CIAC	$4,918,750	$1,000,000	$0	$2,375,000	$1,000,000	$9,293,750
BEU Funding Cost	$541,250	$2,154,500	$1,690,000	$2,605,000	$4,500,000	$11,490,750
System Improvements Projects						
Total Cost	$411,000	$492,700	$230,100	$919,400	$752,500	$2,805,700
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$411,000	$492,700	$230,100	$919,400	$752,500	$2,805,700
5-year CIP Cost						
Total Cost	$6,475,198	$4,269,524	$2,561,094	$6,978,672	$7,364,150	$27,648,638
CIAC	$4,918,750	$1,000,000	$0	$2,375,000	$1,000,000	$9,293,750
BEU Funding Cost	$1,156,448	$3,269,524	$2,561,094	$4,603,672	$6,364,150	$18,354,888

For the BEU funding cost, 22% is for OH Maintenance Program, 63% is for Capital Maintenance Projects, and 15% is for System-Improvement Projects.

6.0 – 15 – YEAR ESMP

6.1 – Overhead Maintenance Program

The Overhead Maintenance Program includes the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect 20 poles per week for the years 2031 thru 2035 and 25 poles per week for the years 2036 thru 2045. This totals to 1,040 poles inspected per year between 2031 and 2035 and 1,300 poles inspected between 2036 and 2045 for a grand total of 18,200 poles inspected for the duration of the 15-Year ESMP. An estimated cost of $322 per pole inspection was used for 2031 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole inspections for the 15-Year ESMP is $7,350,010.

It is projected that BEU will replace 100 poles per year for the years 2031 thru 2045. This totals to 1,500 poles replaced for the duration of the 15-Year ESMP. An estimated cost of $8,935 per pole replacement was used for 2031 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole replacements for the 15-Year ESMP is $16,618,732.

The total estimated cost for the Overhead Maintenance Program for the 15-year ESMP is $23,968,742. The table below shows a breakdown of the Overhead Maintenance Program.

Table 6.1-1 – Overhead Maintenance Program Costs 2031 thru 2035

	2031	2032	2033	2034	2035	Total
Number of Poles Inspected	1,040	1,040	1,040	1,040	1,040	5,200
Cost per Inspection	□□□□	□□□□	□□□□	□□□□	□□□□	-
Total Cost of Inspection	$335,290	$345,349	$355,709	$366,380	$377,372	$1,780,100
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$8,935	$9,203	$9,479	$9,764	$10,057	-
Total Cost of Replacement	$893,532	$920,338	$947,949	$976,387	$1,005,679	$4,743,885

Table 6.1-2 – Overhead Maintenance Program Costs 2036 thru 2040

	2036	2037	2038	2039	2040	Total
Number of Poles Inspected	1,300	1,300	1,300	1,300	1,300	6,500
Cost per Inspection	$374	$385	$397	$408	$421	-
Total Cost of Inspection	$485,866	$500,442	$515,455	$530,919	$546,847	$2,579,529
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$10,358	$10,669	$10,989	$11,319	$11,659	-
Total Cost of Replacement	$1,035,849	$1,066,924	$1,098,932	$1,131,900	$1,165,857	$5,499,463

Table 6.1-3 – Overhead Maintenance Program Costs 2041 thru 2045

	2041	2042	2043	2044	2045	Total
Number of Poles Inspected	1,300	1,300	1,300	1,300	1,300	6,500
Cost per Inspection	$433	$446	$460	$473	$488	-
Total Cost of Inspection	$563,252	$580,150	$597,554	$615,481	$633,945	$2,990,381
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$12,008	$12,369	$12,740	$13,122	$13,515	-
Total Cost of Replacement	$1,200,833	$1,236,858	$1,273,964	$1,312,182	$1,351,547	$6,375,384

6.2 – CAPITAL MAINTENANCE PROJECTS

BEU has identified 6 Capital Maintenance Projects to include in the 15-year ESMP. The total estimated cost for these projects is $8,350,000. It is projected that BEU will receive $3,000,000 in contributions in aid to these projects bringing the total BEU funding cost to $5,350,000.

The following tables list the Capital Maintenance projects that have been identified for inclusion to the 15-year ESMP.

Table 6.2-1 – Capital Maintenance Project Costs

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement)	2031	$1,000,000	$0	$1,000,000
34.5/12.47/fiber Relocation on 4th St from Westward Ave to Lincoln St	2031	$1,500,000	$1,500,000[1]	$0
Underground Conversion from Apex/Ramsey to Joshua Palmer	2031	$850,000	$0	$850,000
Underground Conversion at Wilson St from Smith Creek to Highland Home Rd	2031	$500,000	$0	$500,000
34.5/12.47/fiber I-10 Crossing at Hathaway from John St to Ramsey St	2031	$1,500,000	$1,500,000[2]	$0
Overhead Transmission System Extension (Hoffer/Hathaway to Stagecoach Substation)	2031-2032	$3,000,000	$0	$3,000,000
Total 15-Year ESMP Capital Maintenance Cost		**$8,350,000**	**$3,000,000**	**$5,300,000**

[1] Up to 100% funding from Rancho San Gorgonio Development
[2] Up to 100% funding from Hillwood Development

6.3 – SUBSTATION CAPACITY ANALYSIS

The table below represents the substation capacity analysis based on the 2045 substation demand after distribution system improvements including adding the new Smith Creek Substation, new feeders out of Stagecoach and Sunset, and load switching recommendations. As shown in the table, the San Gorgonio, Stagecoach, and Sunset substations summer projected peak exceeds the base rating of their respective transformer; however, with the exception of the Stagecoach Substation, the load does not exceed the max rating of the transformer. For the Stagecoach Substation, it is recommended to replace the existing base 10 MVA transformer with a base 15 MVA transformer before the summer 2040 peak. With this improvement, the projected load will not exceed the base rating or the max rating of the new transformer thru the end of this ESMP.

The table also shows that the BEU system non-coincident peak exceeds the SCE Banning substation transformer base capacity for the summer and winter forecast and also the max capacity in the summer. Based on the non-coincident forecast, the total BEU system load is expected to exceed the max capacity by the summer of 2026. It is recommended that BEU continue to coordinate with SCE on the substation transformer capacity and develop a plan to increase the substation transformer capacity through the end of the ESMP period.

Table 6.3-1 – Substation Capacity Analysis

		2045 kW Demand Forecast	Transformer Base MVA	Transformer Max MVA	Transformer High Side kV	Transformer Low Side kV	Transformer % Capacity Base	Transformer % Capacity Max
22nd Street	S	6,250	15	25	34.4	12.47	42%	25%
	W	4,809	18	29			27%	17%
Ivy	S	11,446	15	25	69x34.4	12.47	76%	46%
	W	9,679	18	29			54%	34%
Midway	S	0	2 x 7.5	2 x 9.375	34.4	12.47	0%	0%
	W	0	18	22			0%	0%
Smith Creek	S	32,566	2 x 20	2 x 37.5	69x34.4	12.47	81%	43%
	W	20,906	48	75			44%	28%
San Gorgonio	S	19,996	2 x 10	2 x 14	69x34.5	12.47	100%	71%
	W	18,391	24	32			77%	57%
Stagecoach	S	14,764	10	12.5	69x34.5	12.47	148%	118%
	W	8,374	12	14			70%	58%
Sunset	S	20,920	15	25	69x34.5	12.47	139%	84%
	W	13,441	18	29			75%	47%
SCE-Banning	S	90,738	2 x 21	2 x 28		34.5	216%	162%
	W	75,580	50.4	64			150%	117%

Notes:

1. Individual substation kW Demand forecast shown as the non-coincident peak.
2. SCE-Banning kW Demand forecast shown as the coincident peak.
3. Base winter rating determined by IEEE C57.91-1995, Table 4 (1% increase per °C)
4. Max winter rating determined by IEEE C57.91-1995, Table 4 (0.75% increase per °C)

6.4 – DISTRIBUTION SYSTEM ANALYSIS

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing for the 15-year ESMP. The analysis results include 5 projects to switch load to adjacent lines at a total estimated cost of $17,100, 2 projects for new overhead line construction totaling $1,219,000, 9 projects for rebuilding overhead lines totaling $1,926,600, 10 projects for new underground line construction totaling $7,107,100 and 4 projects for replacing underground line with larger conductor totaling $1,269,500. The total estimated cost for distribution system improvements for the 15-year ESMP is $11,539,300.

The following pages detail the recommended distribution system improvements by substation and circuit.

22ND STREET SUBSTATION

CKT 63

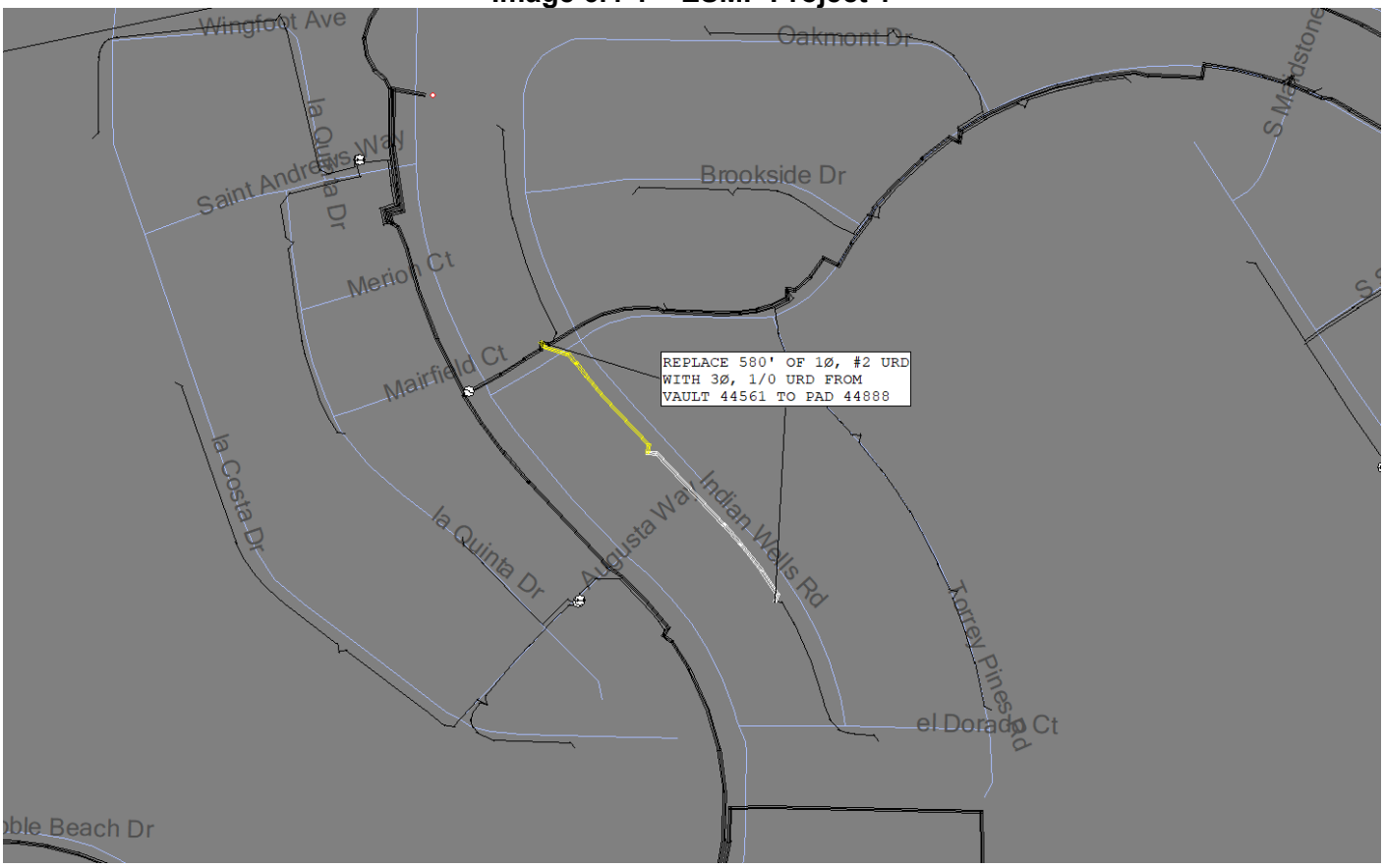
ESMP-1

Issue: UG33x303, 1Ø, #2 URD line with 41 amps, 41 thru consumers.

Resolution:

- Replace 580’ of 1Ø, #2 URD line with 3Ø, 1/0 URD line from vault 44888 to pad 44888 along Indian Wells Rd.
- Split the load between multiple phases.
- Estimated cost: $345,600 (2041).

Image 6.4-1 – ESMP Project 1



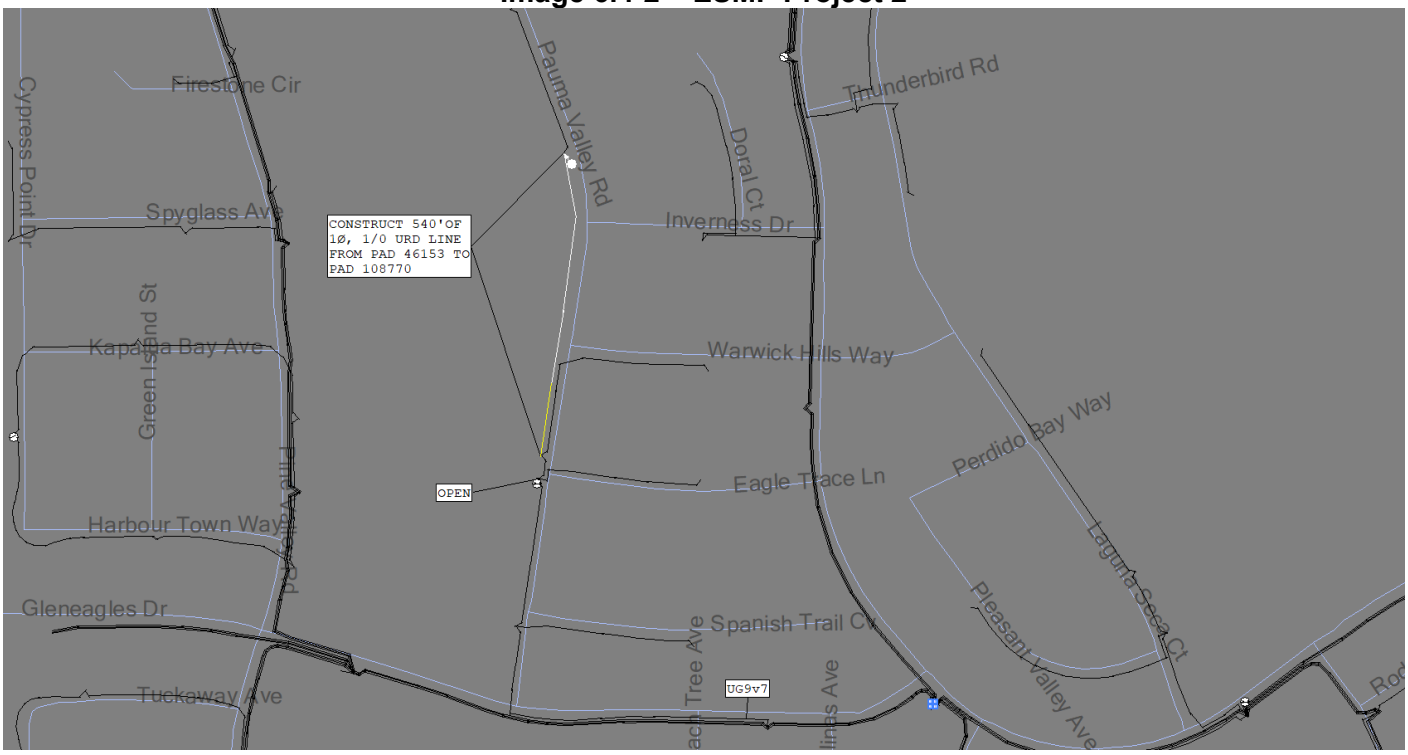
ESMP-2

Issue: UG9v7, 1Ø, 1/0 URD line with 41 amps, 86 thru consumers.

Resolution:

- Construct 540' of 1Ø, 1/0 URD line from pad 46153 to pad 108770 along Pauma Valley Rd. utilizing pull boxes Pb101706, Pb108810, PB108831, and Pb108819
- Open after line section UG9v9 at vault 108834
- Change the feed of line section UG33x490 along Eagle Trace Ln. at vault 108834 to feed from the north.
- Change the feed of UG33x489 along Warwick Hills Way at pad 108770 to feed from the north.
- Estimated cost: $388,100 (2045).

Image 6.4-2 – ESMP Project 2



CKT 64

Issue: None

IVY SUBSTATION

CKT 11

Issue: None

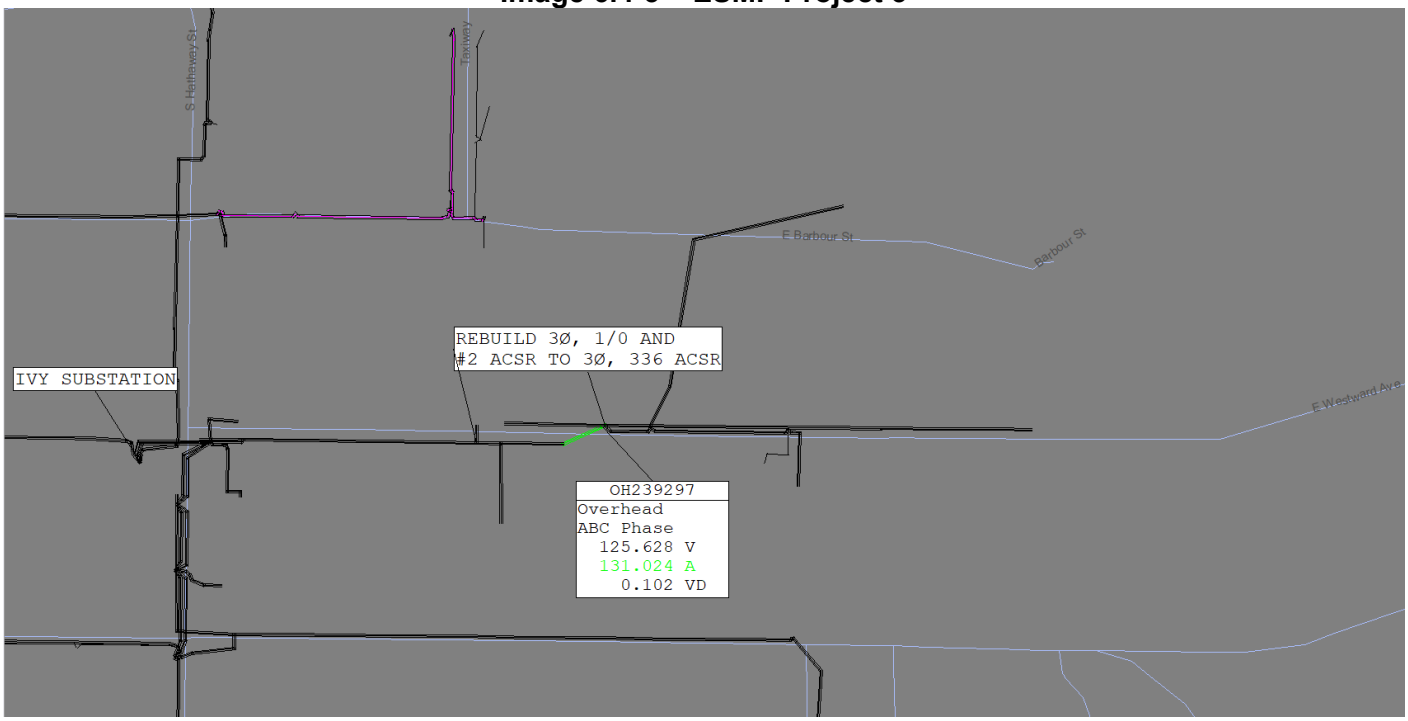
CKT 12

ESMP-3

Issue: OH239297, 3Ø, #2 ACSR OH conductor reaches 73% capacity.

Resolution: Rebuild 423' of 3Ø, 1/0 ACSR and #2 ACSR line to 3Ø, 336 ACSR along E. Westward Ave and crossing E. Woodward Ave from Pole239250 to Pole239296. Estimated cost: $120,400 (2044).

Image 6.4-3 – ESMP Project 3



CKT 13

Issue: None

MIDWAY SUBSTATION

The new Smith Creek Substation is planned for construction beginning in 2030 with a planned energization in 2031. All of the load currently served by the Midway Substation will be switched to Smith Creek. See the Smith Creek Substation writeup for system improvements required to support the load.

SAN GORGONIO SUBSTATION

CKT 51

ESMP-4

Issue: UG295264, 3Ø, 750 MCM conductor at the feeder exit reaches 66% capacity and OH1359, 3Ø, 336 ACSR conductor along W Lincoln St. reaches 62% capacity.

Resolution: Open SW209315-A at FP197794 Along George St. between N. 3rd St. and N 2nd St. and switch a portion of load to the Stagecoach substation. Note: In order for this to be completed without further problems, CKT's 5 and 6 out of the Stagecoach substation will be constructed. See the Stagecoach system improvement recommendations for projects required to complete this load switch. Estimated cost: $3,100 (2041).

Image 6.4-4 – ESMP Project 4

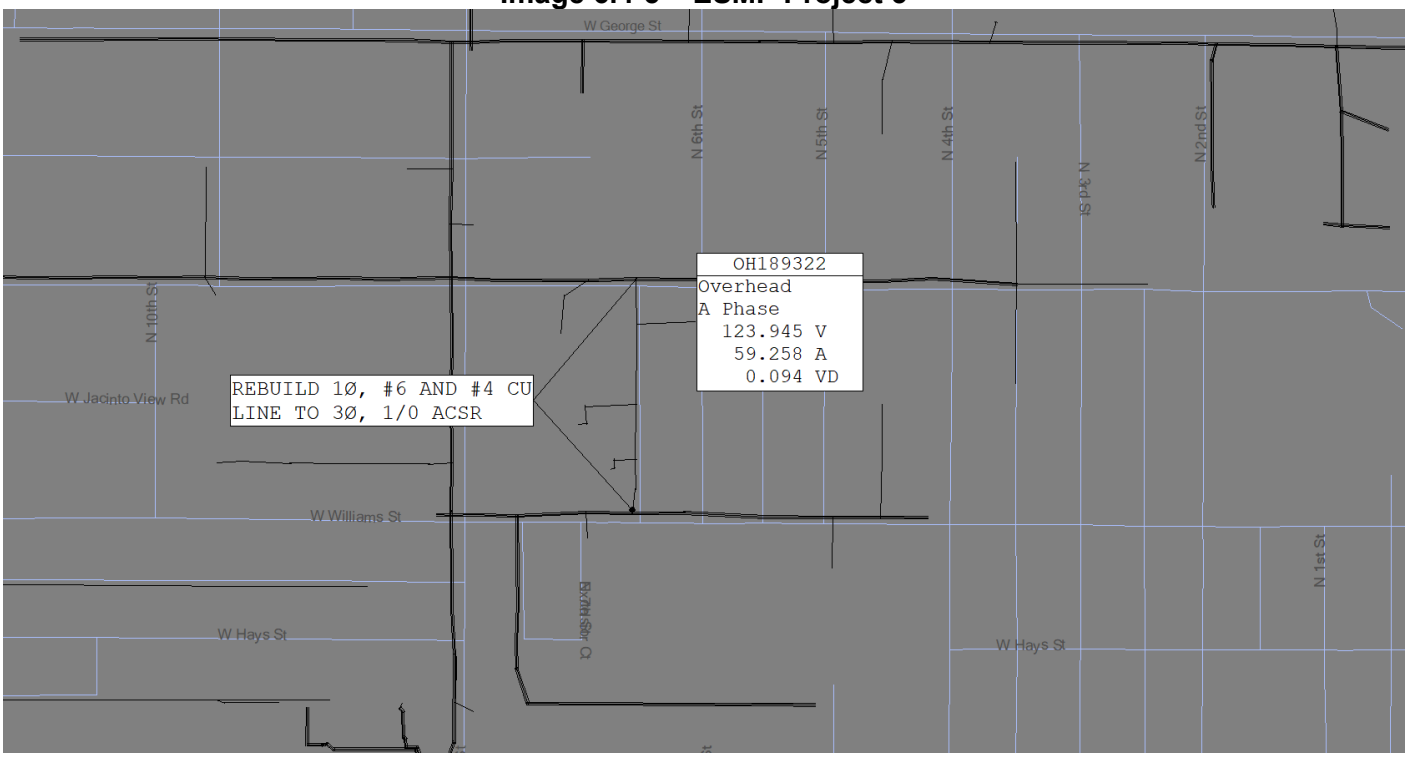


ESMP-5

Issue: OH189322, 1Ø, #6 CU line with 59 amps, 57 thru consumers.

Resolution: Rebuild 625' of 1Ø, #6 and #4 CU line to 3Ø, 1/0 ACSR from Pole189367 to Pole198056 between W. Nicolet St. and W. Williams St. and just west of N. 6th St. Once the line is rebuilt to three-phase, balance the taps between the three phases. Estimated cost: $132,800 (2040).

Image 6.4-5 – ESMP Project 5



CKT 52

Issue: None

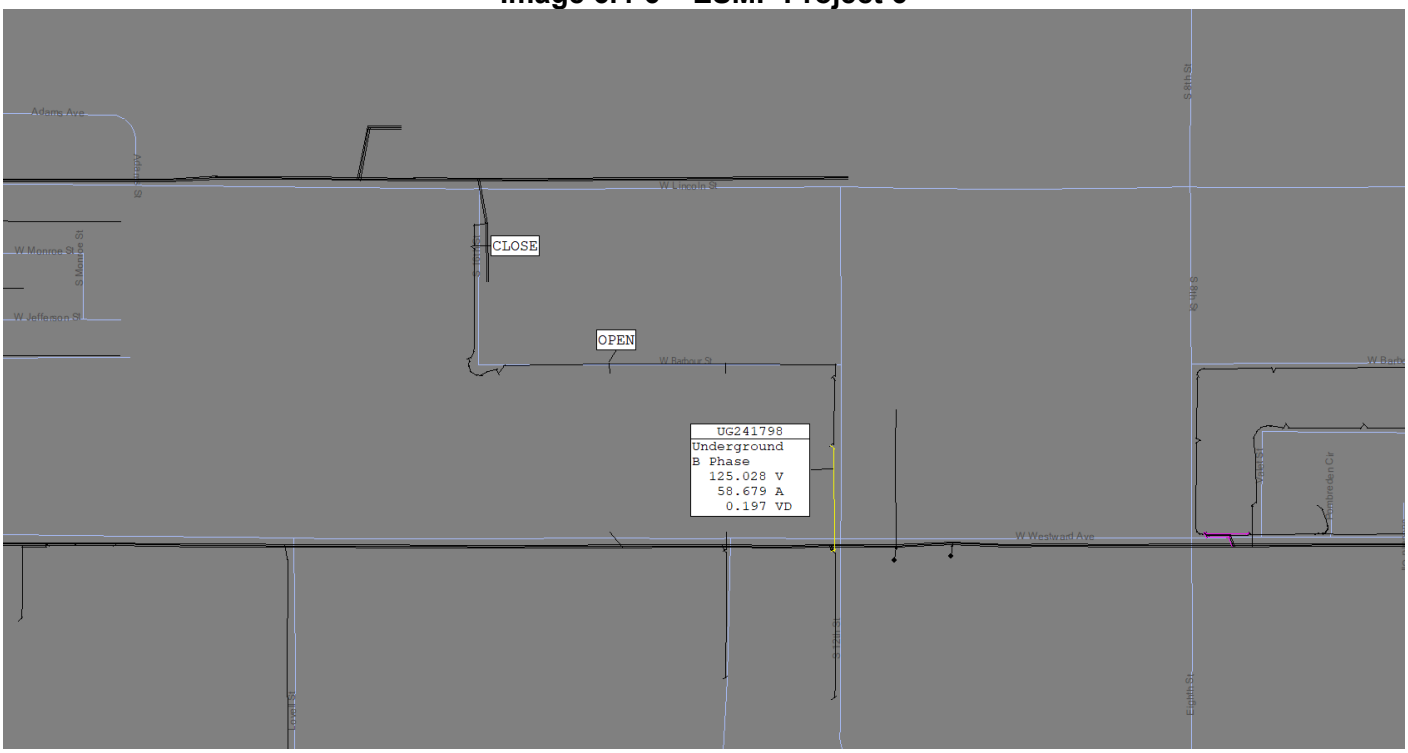
CKT 53

ESMP-6

Issue: UG241798, 1Ø, 2 URD with 59 amps, 46 thru consumers.

Resolution: Open the single-phase line at Vault 146193 and backfeed the line at Pad 146238 to split up the single-phase line and serve from another source. Estimated cost: $2,900 (2039).

Image 6.4-6 – ESMP Project 6

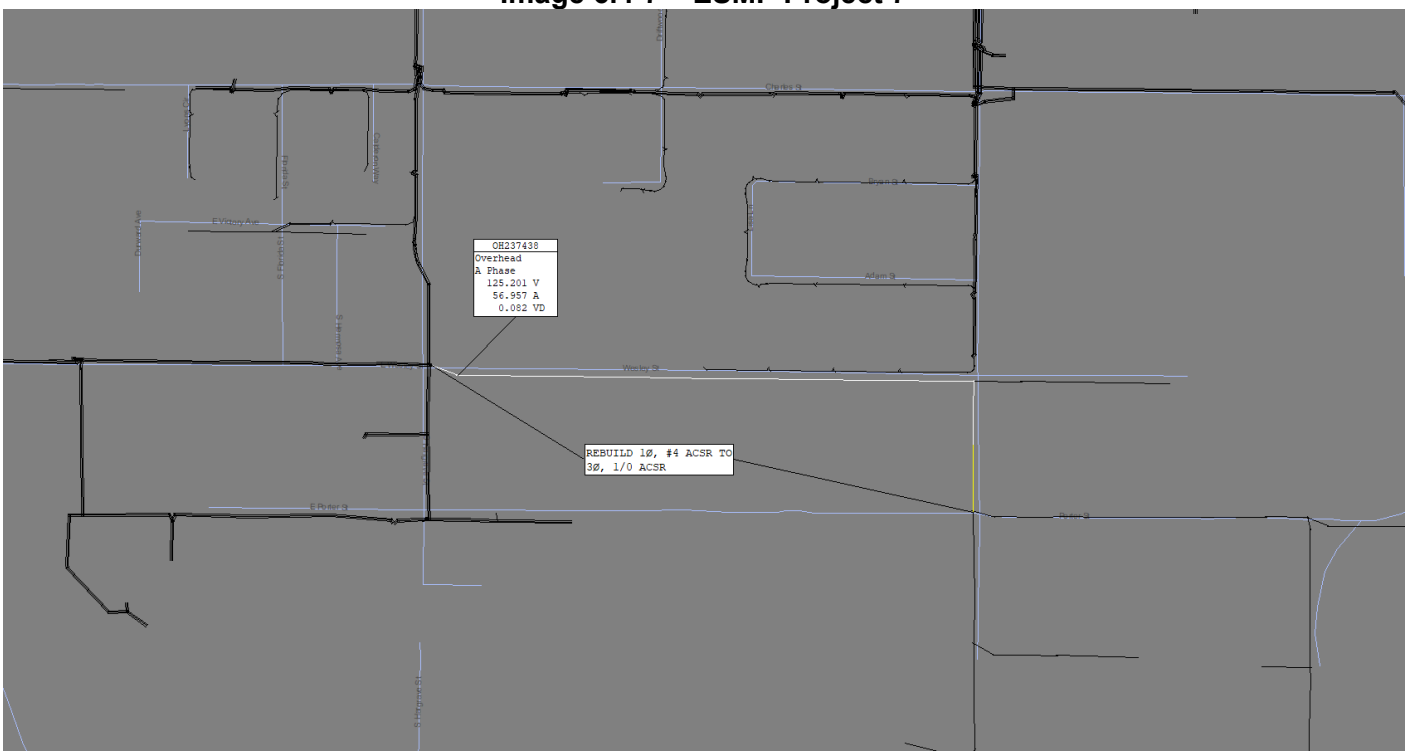


ESMP-7

Issue: OH237438, 1Ø, #4 ACSR line with 57 amps, 34 thru consumers.

Resolution: Rebuild 3,155' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR from FP237936 to Pole237034 beginning at the intersection of S. Hargrave St. and Wesley St. and ending at the intersection of S. Hathaway St. and Porter St. Once the line is rebuilt to three-phase, balance the taps between the three phases. Estimated cost: $539,700 (2038).

Image 6.4-7 – ESMP Project 7



CKT 54

Issue: None

STAGECOACH SUBSTATION

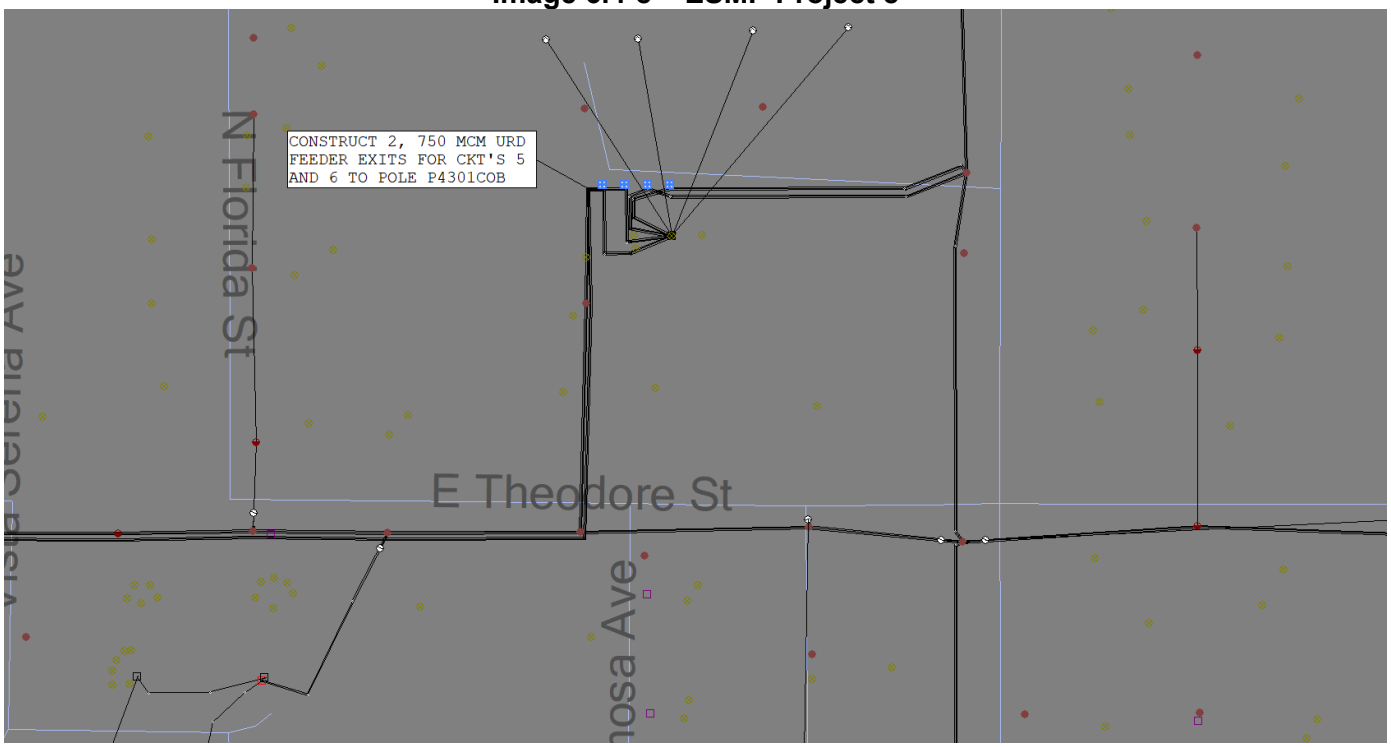
CKT 5 & 6

In order to balance the load at the Stagecoach substation and also to switch load from the San Gorgonio and Sunset substations to reduce conductor loading, it is recommended to build out CKT's 5 and 6 out of the Stagecoach substation. The projects listed below are recommended to construct CKT's 5 and 6 along with switching load from Stagecoach CKT's 7 and 8, San Gorgonio CKT 51, and Sunset CKT 72. The two need circuits will head south from the substation to E. Theodore St., head west on E. Theodore St. to N. Alessandro St., head south on N. Alessandro St. to E. Hoffer St. and then head west on E. Hoffer St. and end just west of N. San Gorgonio Ave. Circuit 5 will be express to this point.

ESMP-8

- Construct 2, 150'; 3Ø, 750 MCM feeder exits from Bay 5 and Bay 6 to pole P4301COB. Estimated cost: $165,800 (2035).

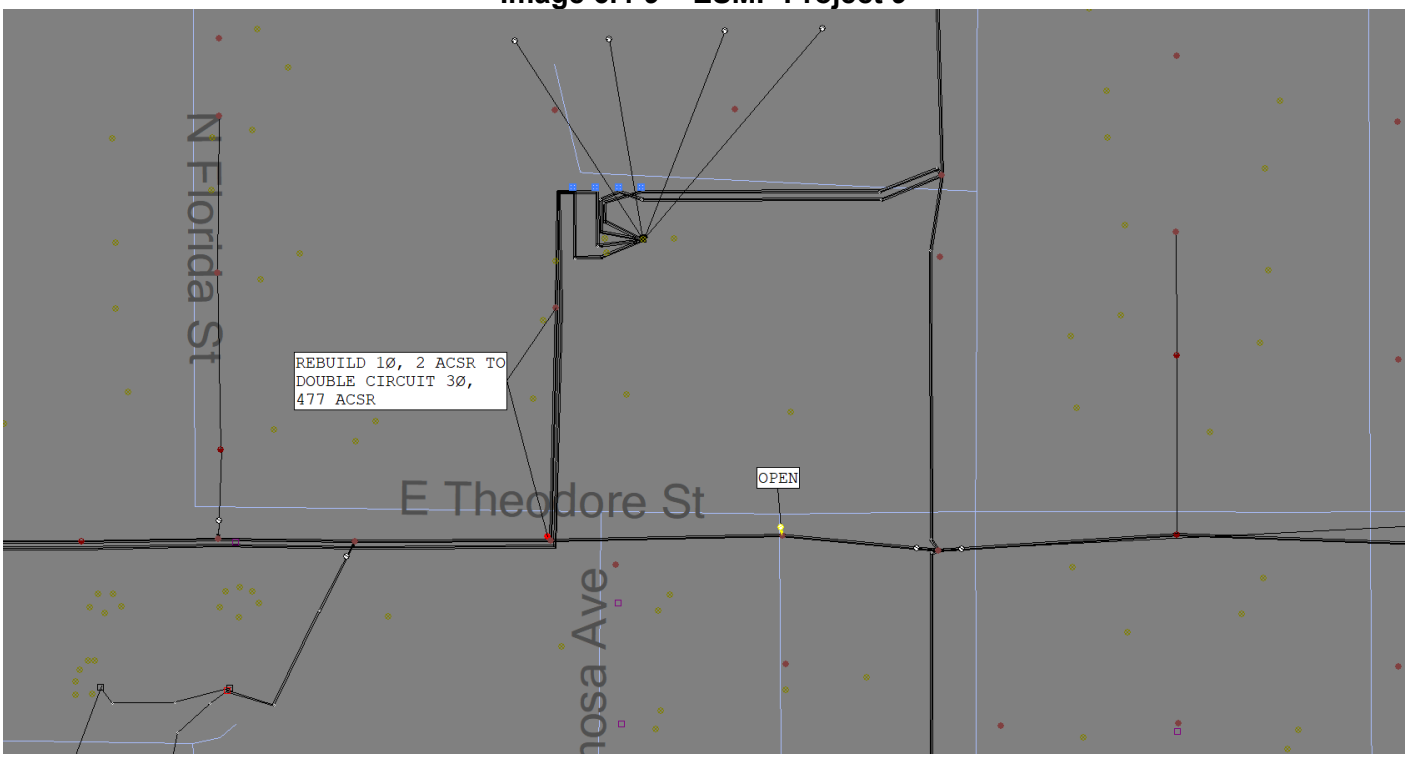
Image 6.4-8 – ESMP Project 8



ESMP-9

- Rebuild 200' of 1Ø, #2 ACSR line to double circuit 3Ø, 477 ACSR from pole P4301COB to pole P4302COB along the substation back entrance road.
- Create open point at pole P2999COB along E. Theodore St. and switch a portion of load from CKT 7 to the new CKT 6.
- Estimated cost: $57,500 (2035).

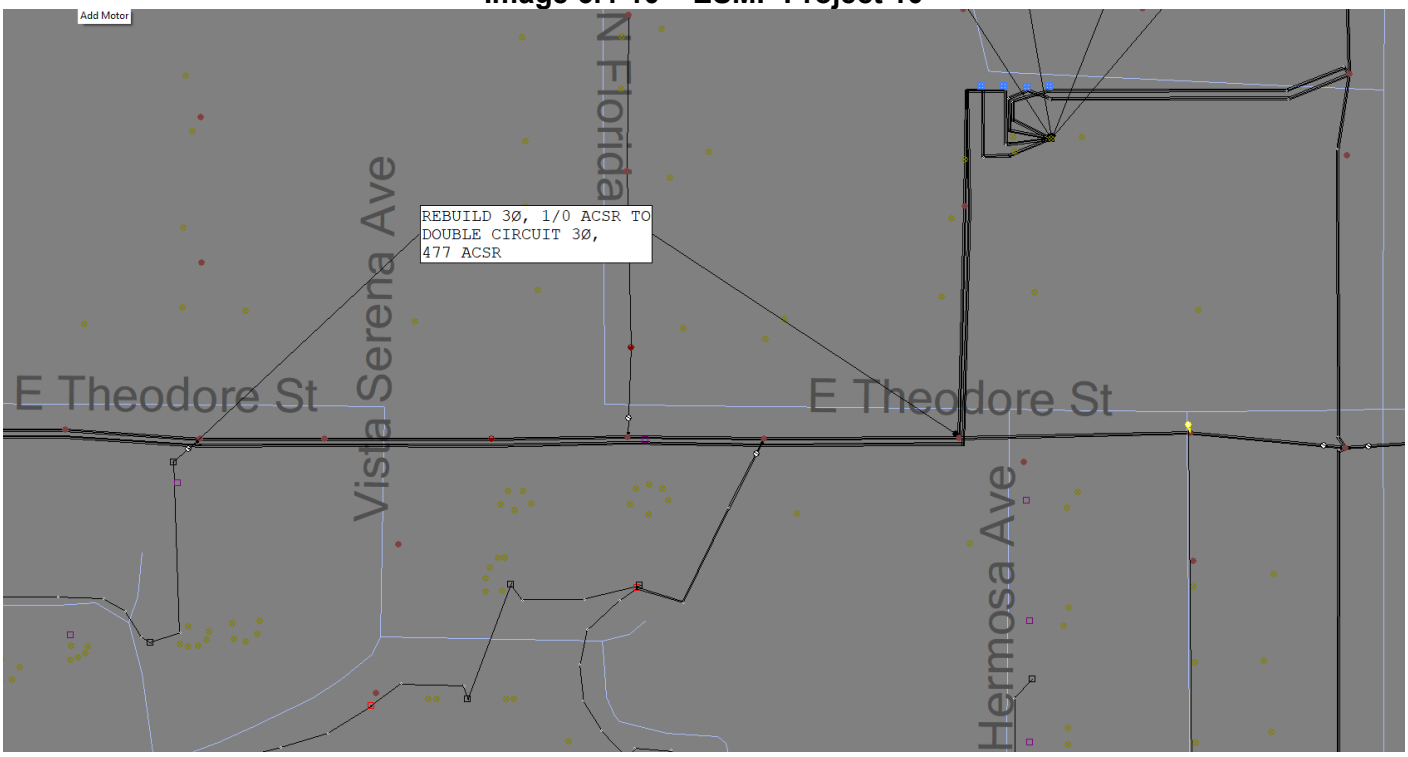
Image 6.4-9 – ESMP Project 9



ESMP-10

- Rebuild 650' of 3Ø, 1/0 ACSR line to double circuit 3Ø, 477 ACSR from pole P4302COB to pole GT68215 along E. Theodore St. from N. Hermosa Ave heading west to just past Vista Serna Ave. Estimated cost: $157,400 (2035).

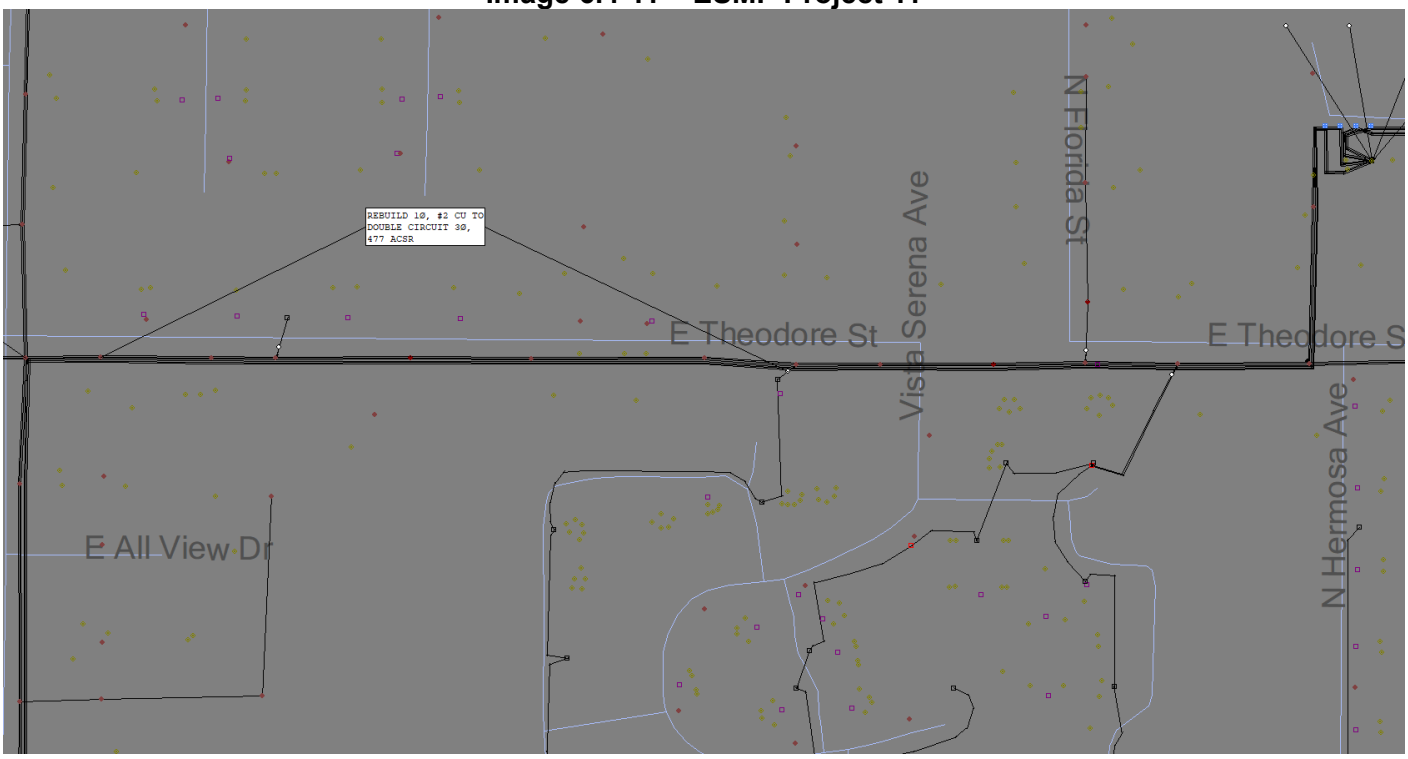
Image 6.4-10 – ESMP Project 10



ESMP-11

- Rebuild 900' of 1Ø, #2 CU line to double circuit 3Ø, 477 ACSR from pole GT68215 to pole P2330COB along E. Theadore St. east of N. Alessandro St. Estimated cost: $181,800 (2035).

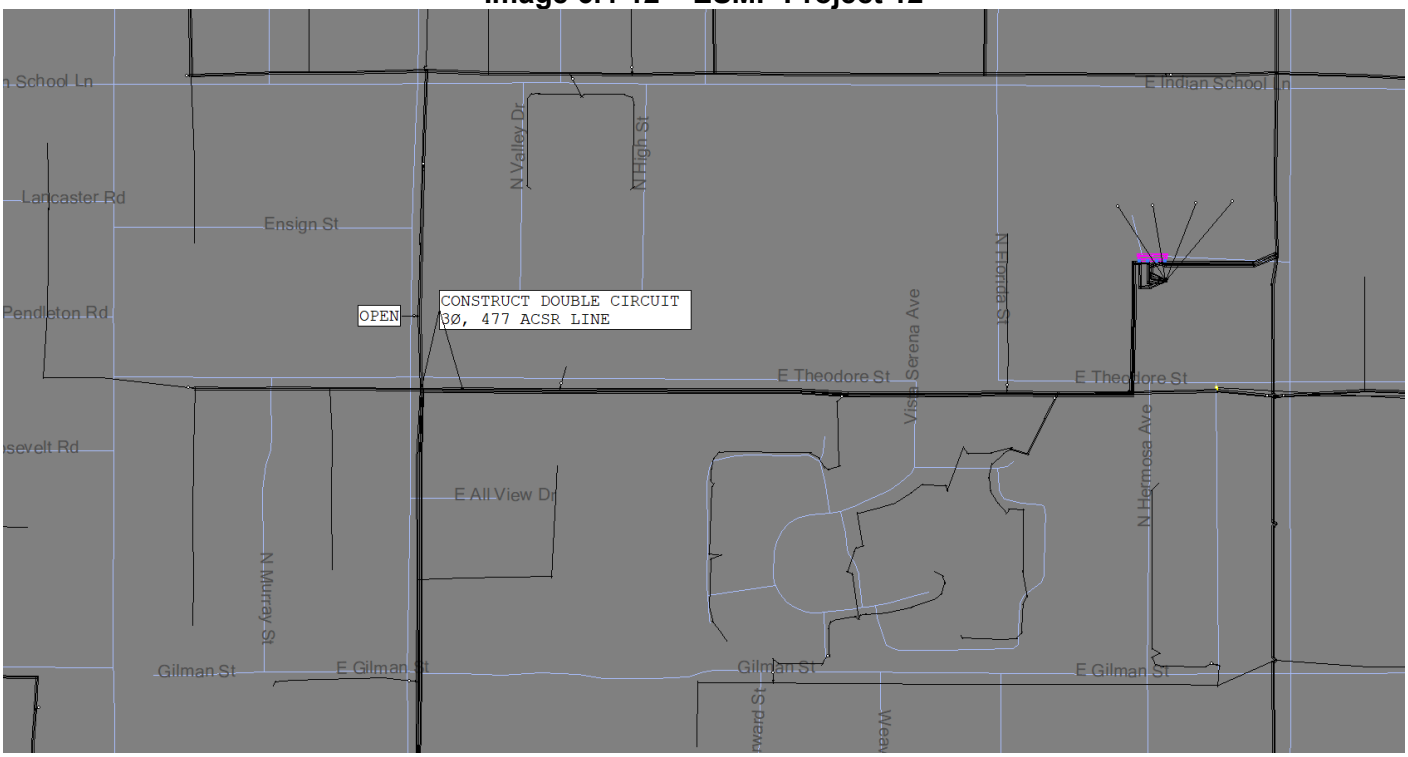
Image 6.4-11 – ESMP Project 11



ESMP-12

- Construct 100' of double circuit 3Ø, 477 ACSR line from pole P2330COB to pole P2331COB along E. Theadore St. east of N. Alessandro St.
- Create open point at Pole282646 along N. Alessandro St. just north of E. Theodore St. and switch a portion of load from CKT 8 to CKT 6.
- Estimated cost: $31,800 (2035).

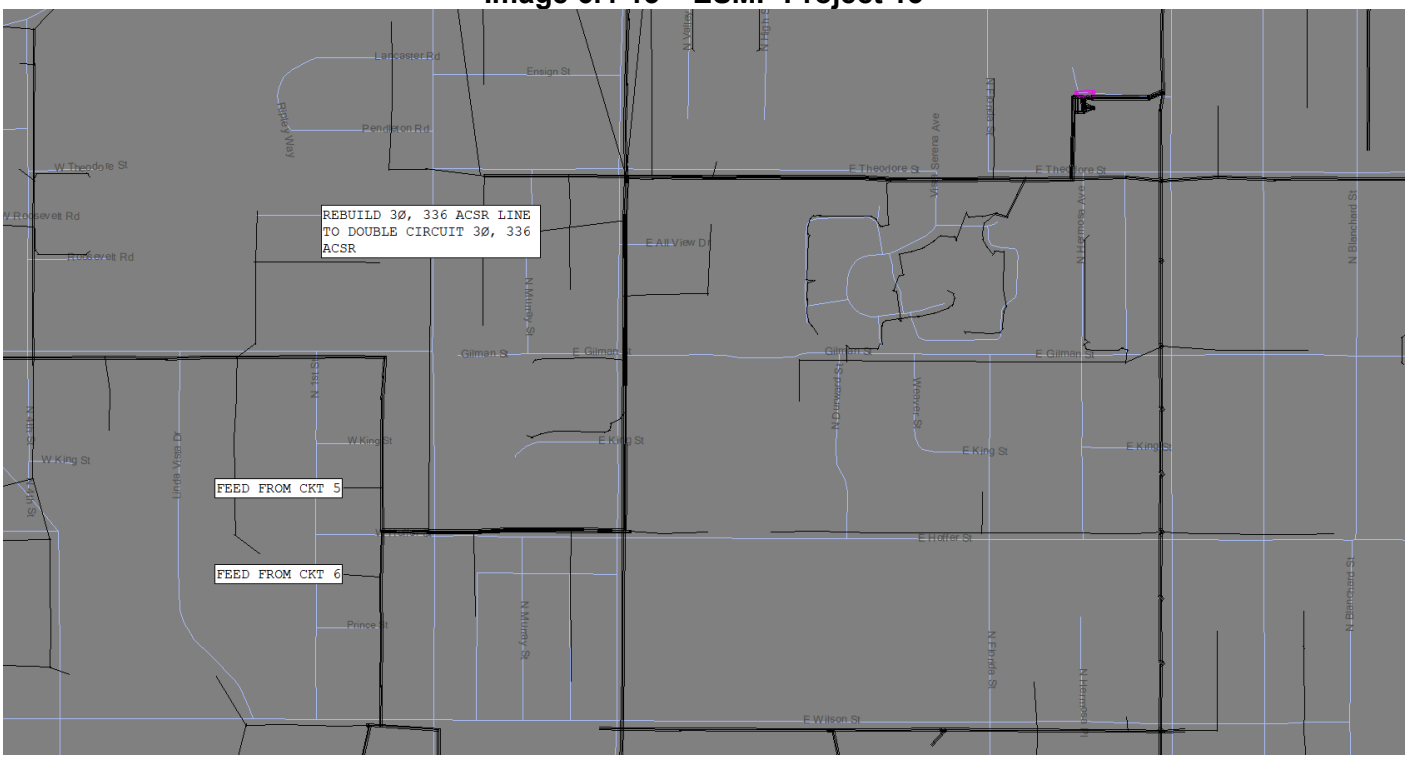
Image 6.4-12 – ESMP Project 12



ESMP-13

- Rebuild 2,150' of 3Ø, 336 ACSR line to double circuit 3Ø, 336 ACSR from pole P2331COB to Pole283017 heading south along N. Alessandro St and then west along W. Hoffer St.
- At Pole283017, switch the tap heading north towards W. Gillman St. to CKT 5 and switch the tap heading south towards E. Wilson St. to CKT 6.
- Estimated cost: $455,400 (2035).

Image 6.4-13 – ESMP Project 13



CKT 7

Issue: None

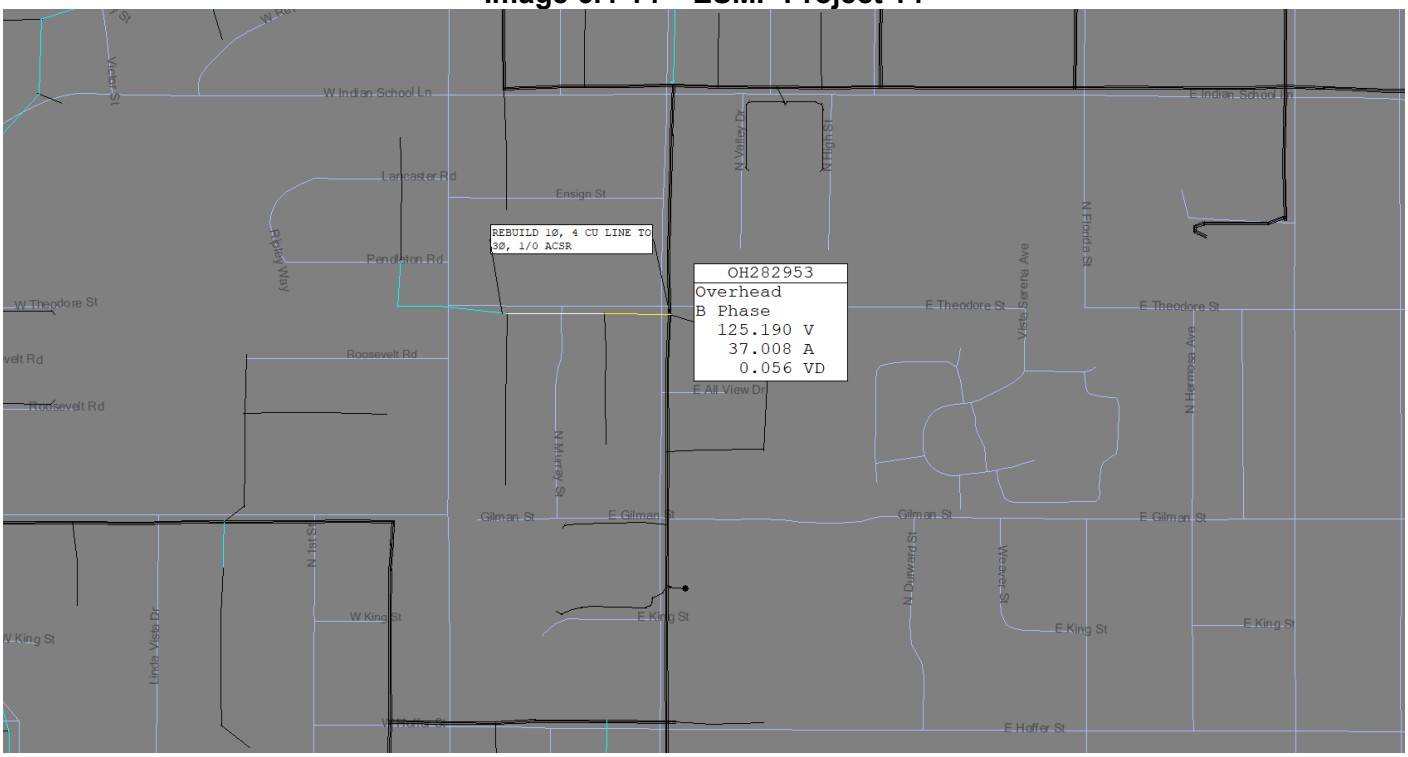
CKT 8

ESMP-14

Issue: OH282953, 1Ø, #4 CU line with 37 amps, 52 consumers.

Resolution: Rebuild 510' of 1Ø, #4 CU line to 3Ø, 1/0 ACSR along E. Theodore St. west of N. Alessandro St from pole P2331COB to pole 30733CWT. Estimated cost: $115,200 (2043).

Image 6.4-14 – ESMP Project 14



SUNSET SUBSTATION

CKT 72

ESMP-15

Issue: UG278161 Feeder Exit, 3Ø, 750 MCM URD conductor reaches 95% capacity and is greater than 80% capacity thru UG20. OH71 3Ø, 336 ACSR reaches 76% capacity and is greater than 60% capacity thru OH165. OH162 3Ø, 4/0 ACSR reaches 80% capacity and is greater than 60% capacity thru OH156.

Resolution: It is recommended to open at Pole175357 at the intersection of N. 22nd St. and W. Nicolet St. and close at Pole200537 along W. Gilman St. just west of N. 8th St. and switch load to the new Stagecoach CKT 5. Estimated cost: $2,800 (2036).

Image 6.4-15 – ESMP Project 15

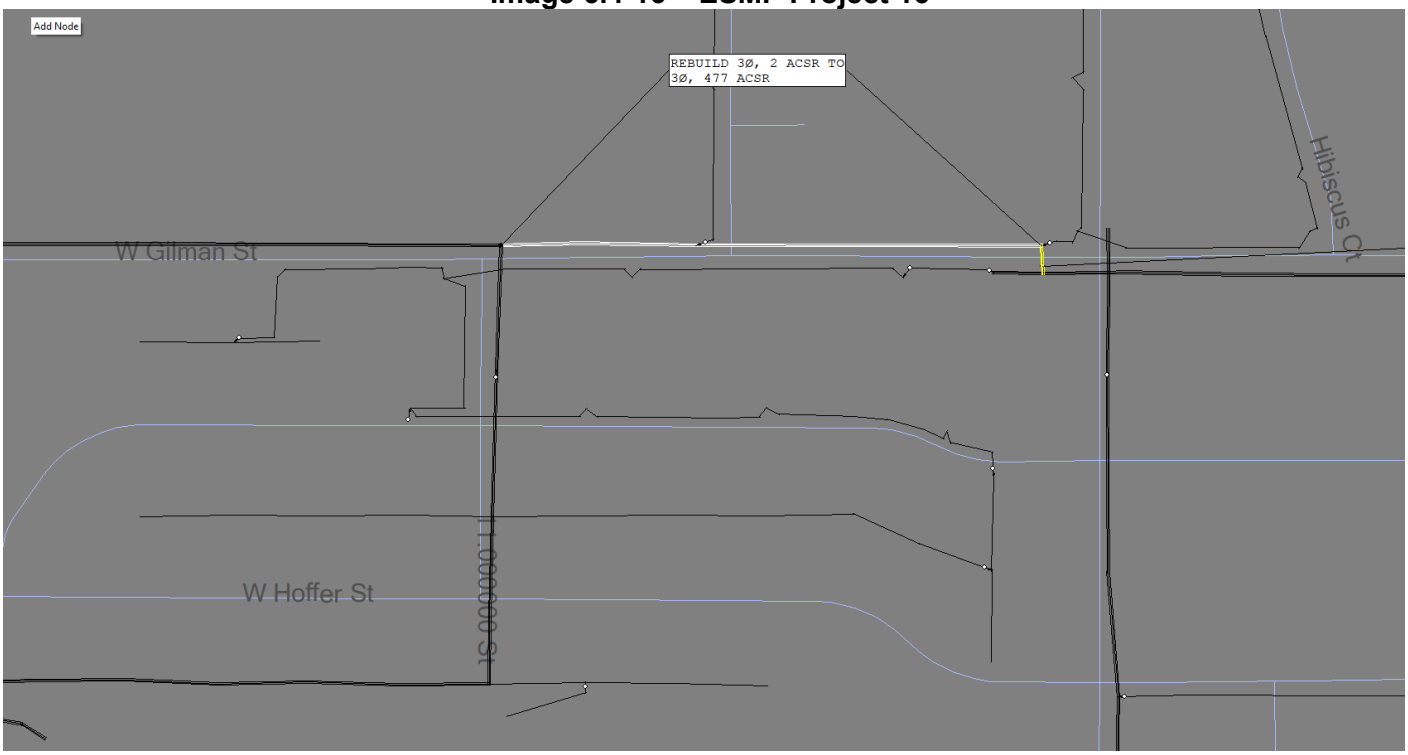


ESMP-16

Issue: With the load switch from Stagecoach CKT 72 to Stagecoach CKT 5 as described in ESMP-15, the 3Ø, #2 ACSR line at OH200538 reaches 101%

Resolution: Rebuild 875' of 3Ø, #2 ACSR line to 3Ø, 477 ACSR from Pole200537 to Pole213210 along W. Gilman St. between N. 8th St and 11th St. Estimated cost: $166,400 (2037).

Image 6.4-16 – ESMP Project 16

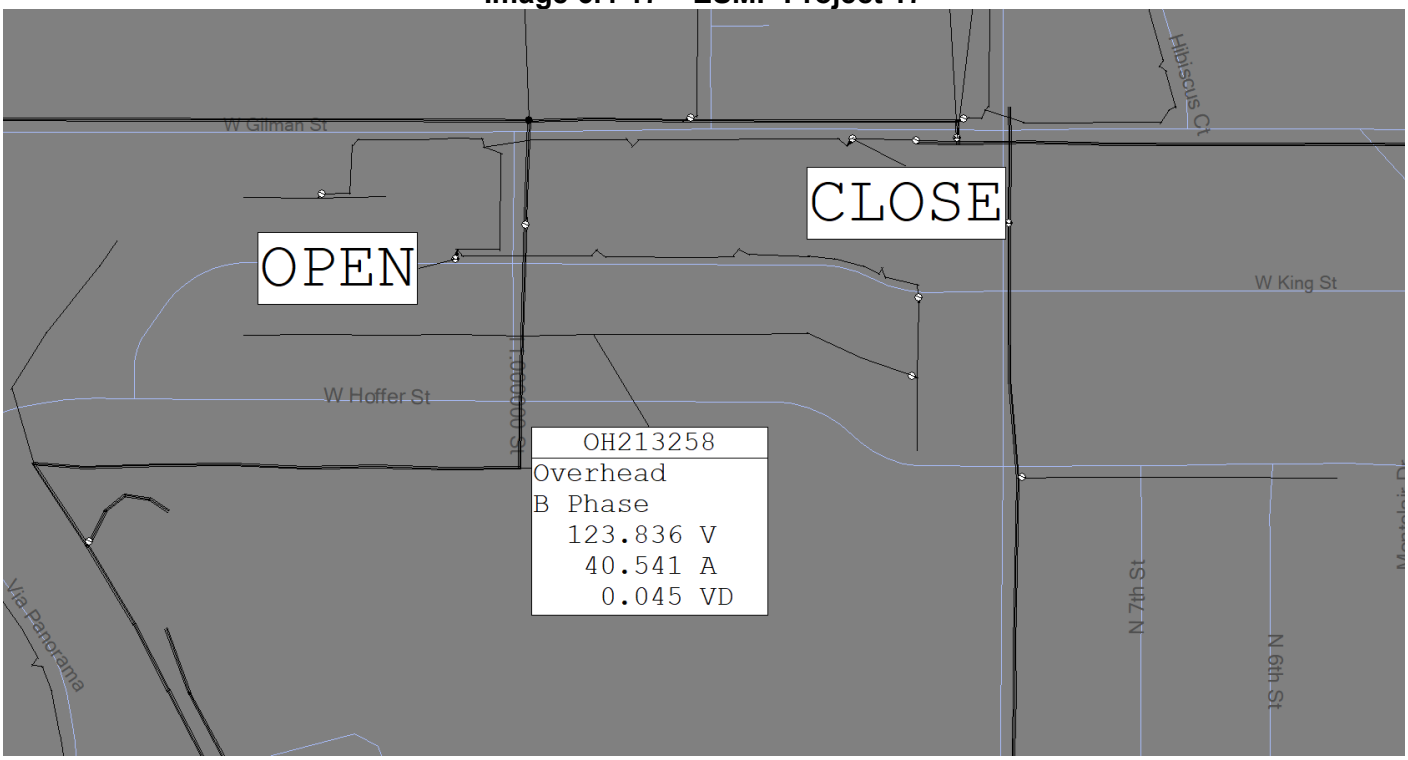


ESMP-17

Issue: OH213258, 1Ø, #2 ACSR line with 41 amps, 73 consumers

Resolution: It is recommended to open at Pad 28196 and close at Pad 28229 and split the load between W. Gilman St. and W Hoffer St. west of N. 8th St. from two different three-phase lines. Estimated cost: $3,400 (2042).

Image 6.4-17 – ESMP Project 17



CKT 74

Issue: None

CKT 76

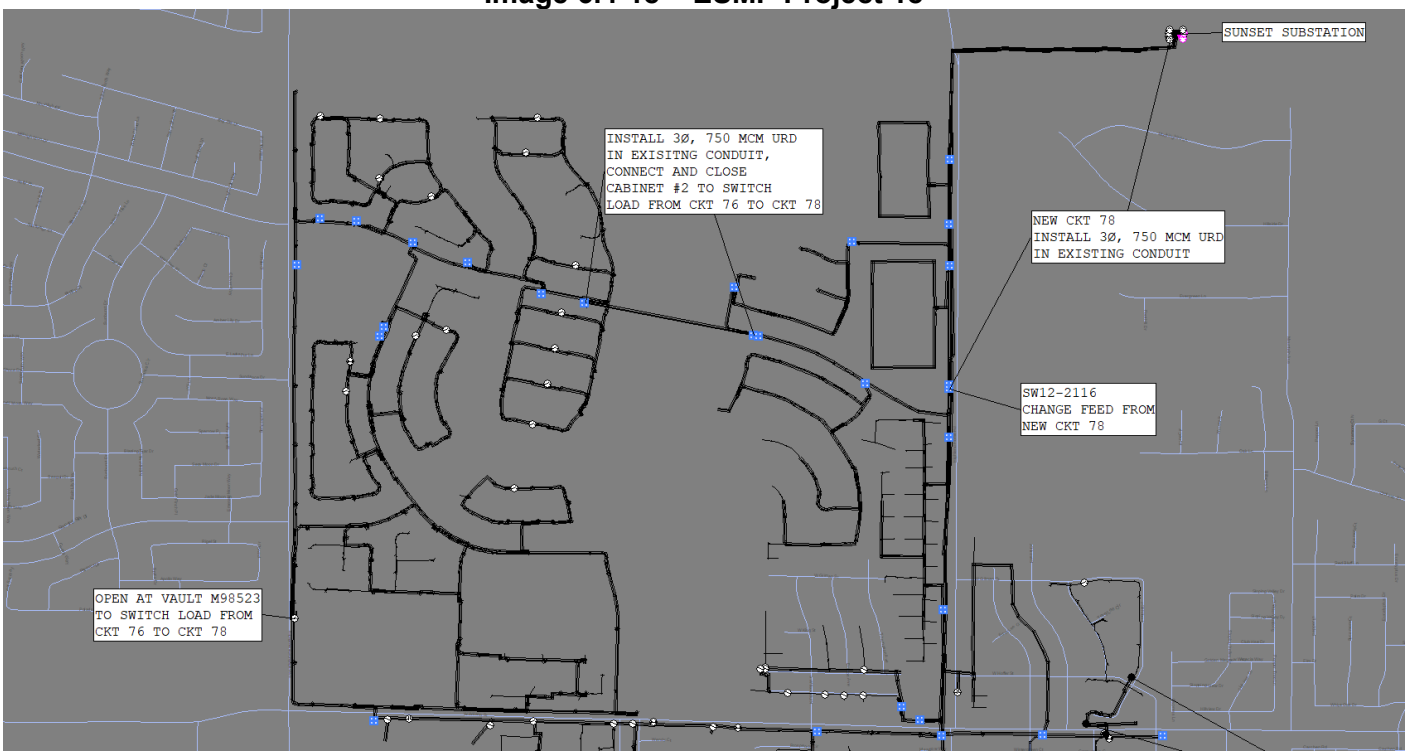
ESMP-18

Issue: Underground feeder exit, 3Ø, 750 MCM reaches 110% capacity and is greater than 60% capacity through UG2vQ6 at Vault 31064.

Resolution:

- Utilize CKT 78 and create a new feeder to serve the south west side of the Atwell Subdivision. See Image 6.4-20 below for the feeder plan recommendation.
- Using the existing empty conduit that is in the same trench as CKT 76:
  - Install 1,862' of 3Ø, 750 MCM from the feeder bay exit to Vault LV100172 at the intersection of Highland Home Rd. and Mountain Ave. using the existing conduit.
  - Install 2,706' of 3Ø, 750 MCM from Vault LV100172 to Vault SP100103 along Highland Home Rd. north of Meadowline Way using the existing conduit and connect to cabinet #2 in switchgear SW12-2116 while removing the connection between Vault SP100102 cabinet #1 and Vault SP100103 cabinet #2. This will switch all load along Meadowline Way west of Highland Home Rd. to CKT 78.
  - Install 1,400' of 3Ø, 750 MCM from Vault SP100109 cabinet 1 to Switchgear SG290766 following Meadowline Way.
  - Open at Vault M98523 along N. Highland Springs Ave. and close SG290766 cabinet #2 along Meadowline Way and switch all load currently served from CKT 76 to the new CKT 78.
  - Estimated cost: $927,000 (2031).

Image 6.4-18 – ESMP Project 18



EMSP-19

Issue: Despite the load switch to the new CKT 78, the underground feeder exit, 3Ø, 750 MCM is still over 60% capacity through Vault SP100105

Resolution:

- Utilize CKT 75 and create a new feeder to serve the south side of the Atwell Subdivision. See Image 6.4-20 below for the feeder plan recommendation.
- Using the existing empty conduit that is in the same trench as CKT 76:
  - Install 1,862' of 3Ø, 750 MCM from the feeder bay exit to Vault LV100172 at the intersection of Highland Home Rd. and Mountain Ave. using the existing conduit.
  - Install 2,706' of 3Ø, 750 MCM from Vault LV100172 to Vault SP100103 along Highland Home Rd. north of Meadowline Way using the existing conduit.
  - Install 2,953' of 3Ø, 750 MCM from Vault SP100103 to Vault 30985 along W. Wilson St. west of Highland Home Rd.
  - At Vault 30985, switch the conductor heading west along W. Wilson St. to feed from the new CKT 75.
  - Estimated cost: $1,032,400 (2032).

Image 6.4-19 – ESMP Project 19

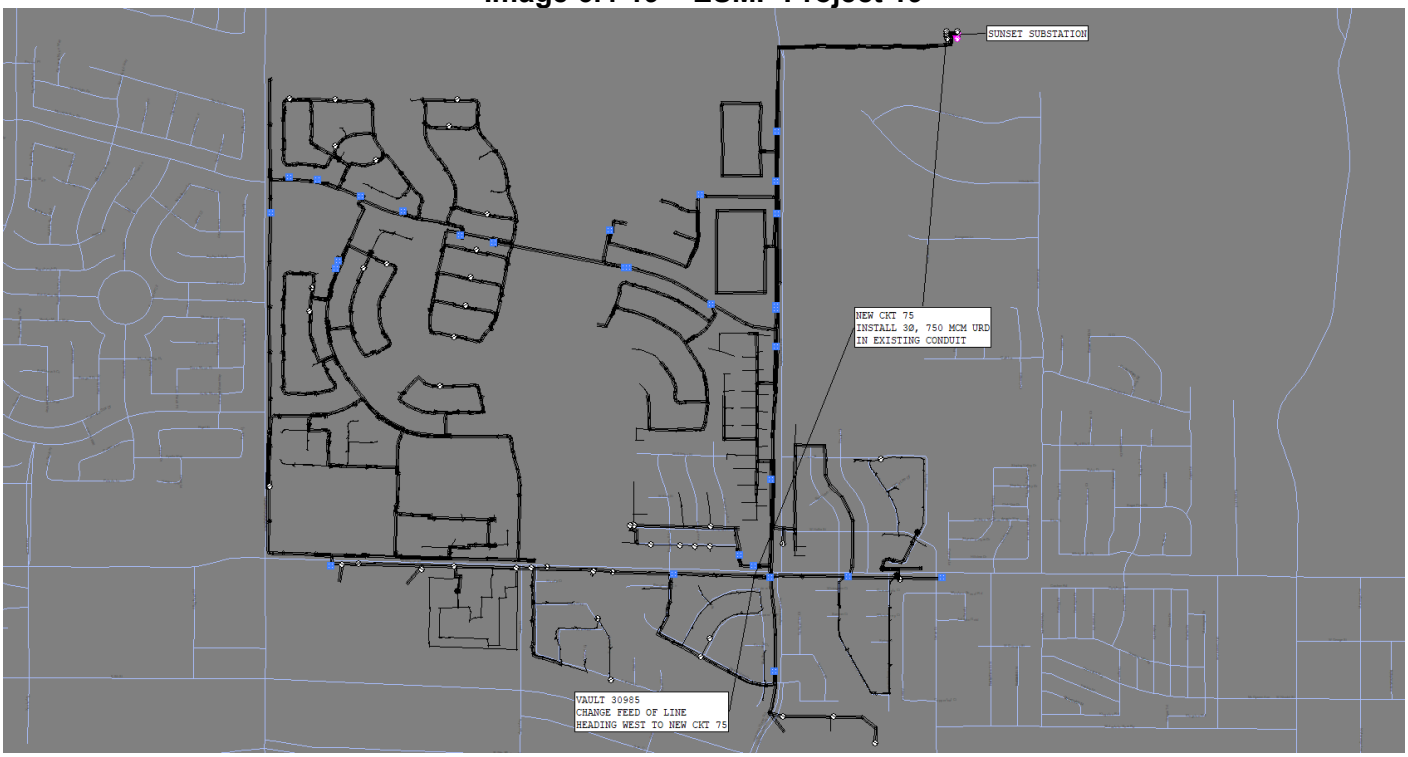
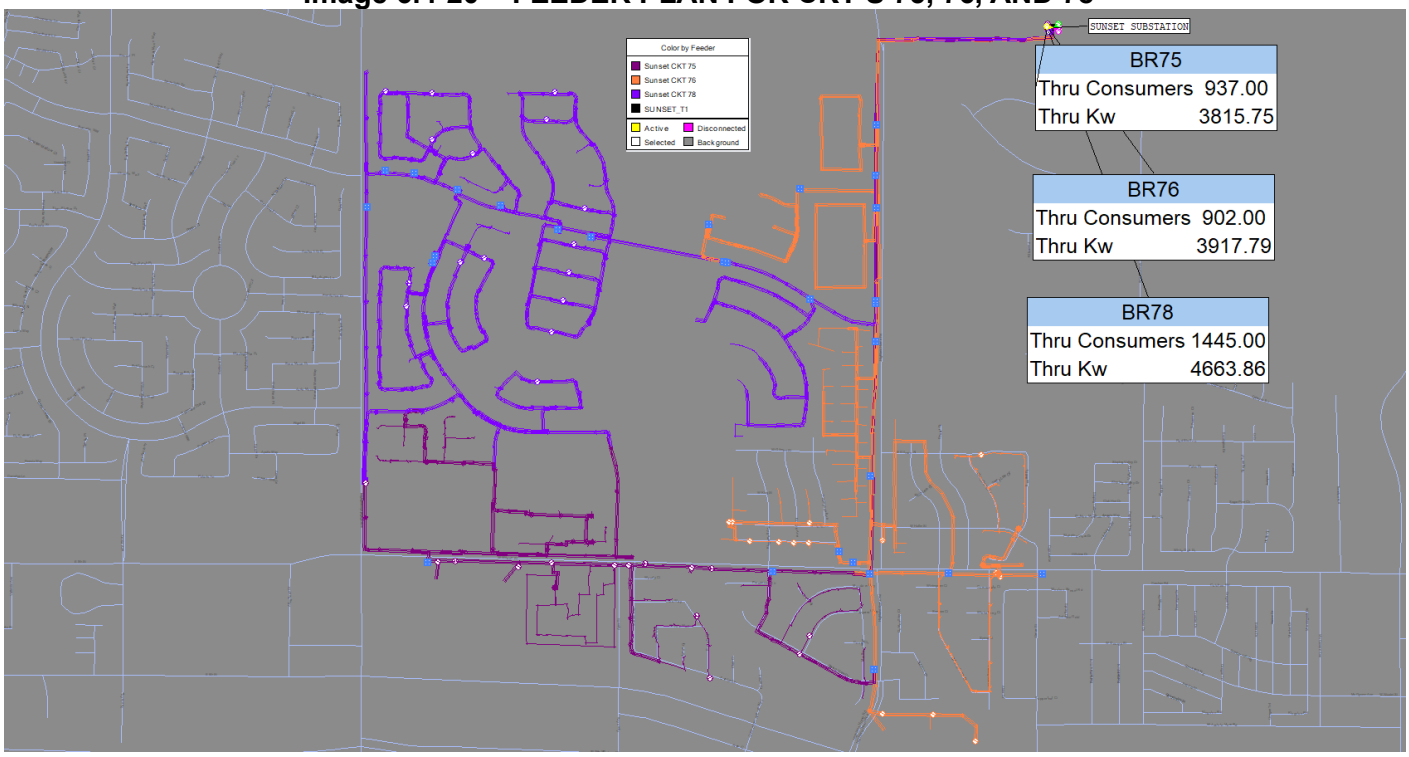


Image 6.4-20 – FEEDER PLAN FOR CKT'S 75, 76, AND 78



CKT 77

Issue: None

NEW SMITH CREEK SUBSTATION

The new Smith Creek substation is planned to be constructed at a property owned by the City of Banning on the south side of Interstate 10 and will replace the Midway substation on the north side of Interstate 10. Construction for the new Smith Creek substation will begin in 2030 with an energization date in 2031. All four feeders currently served by Midway will be switched to Smith Creek. Additionally, four new feeders will be added at Smith Creek to served planned load additions between Interstate 10 and Westward Ave. The projects below are recommended to construct the new feeders out of Smith Creek to serve the existing Midway feeders and support existing and future load additions. Refer to Image 6.4-32 for the Smith Creek feeder plan.

Smith Creek CKT 21

Circuit 21 will be constructed to serve the existing Midway CKT 21.

ESMP-20

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104936.
- Create open point at Pole104876 and serve the load on the south side of Interstate 10.
- Create an open point at Pole104926 along Highland Home Rd. between CKT 21 and 25
- Create an open point at pole P6554COB along Westward Ave. between CKT 21 and 25
- Create an open point at Vault 40257 along Fairway Oks Ave. just north of Mission Hills Dr. between CKT 21 and 25
- Tie the three-phase line together at Vault 38231 at the intersection of Birdie Dr. and Cog Hill Rd.
- Estimated cost: $144,400 (2031).

Image 6.4-21 – ESMP Project 20



Smith Creek CKT 22

Circuit 22 will be constructed to serve the existing Midway CKT 22 and CKT 23.

ESMP-21

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104876 and use the existing Midway CKT 21 Interstate 10 crossing to serve the existing Midway CKT 22. Estimated cost: $139,600 (2031).

Image 6.4-22 – ESMP Project 21



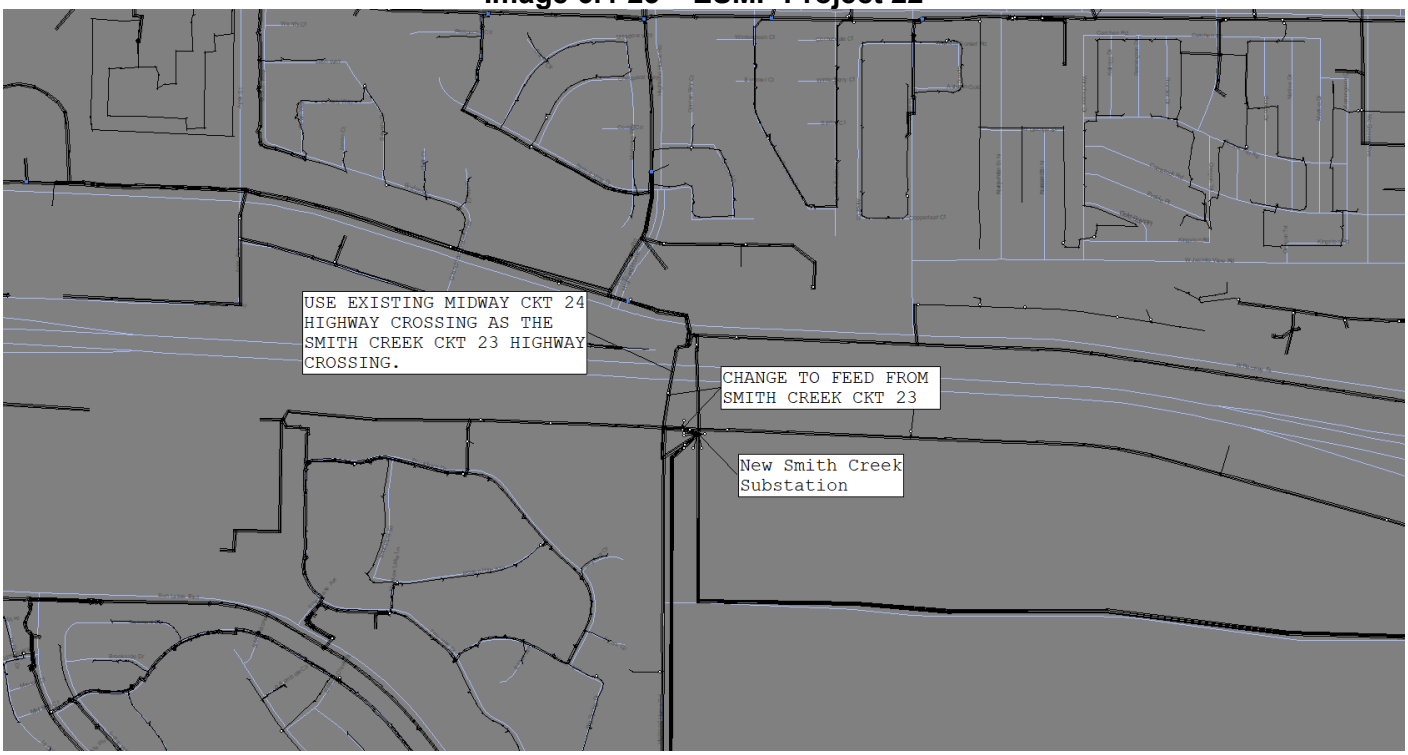
Smith Creek CKT 23

Circuit 23 will be constructed to serve the existing Midway CKT 23.

ESMP-22

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104936
- Chage the feed at Pole104936 from Midway CKT 23 to Smith Creek CKT 23
- Use the existing Midway CKT 24 Interstate 10 crossing as the new Smith Creek CKT 23 highway crossing.
- Tie Midway CKT 23 to Smith Creek CKT 23 inside the current Midway substation to switch all of Midway CKT 23 to Smith Creek CKT 23
- Estimated cost: $144,400 (2031).

Image 6.4-23 – ESMP Project 22



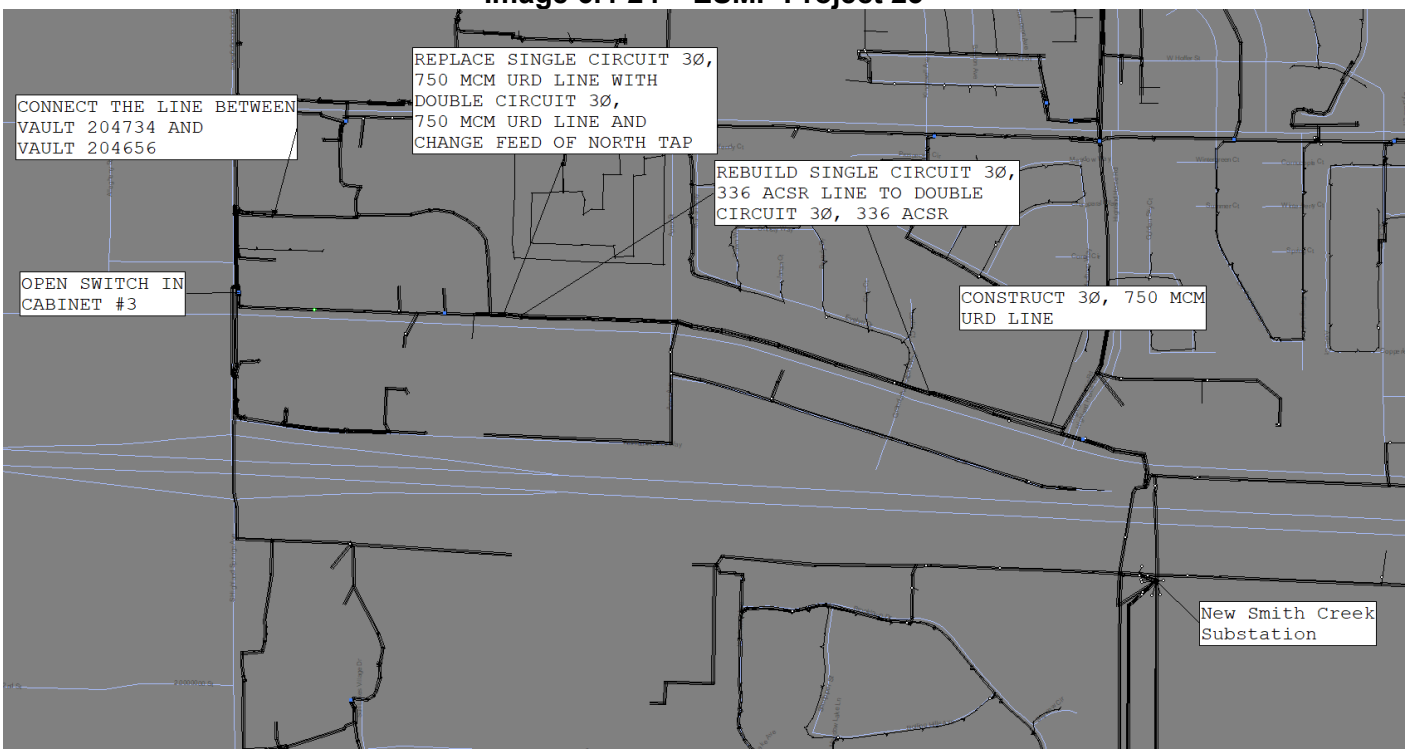
ESMP-23

Issue: The 750 MCM conductor at the feeder exit will reach 79% capacity, the 336 ACSR and 477 ACSR line up to and crossing Interstate 10 will reach 80% capacity and 64% capacity respectively, and the 750 MCM conductor at the current Midway CKT 23 feeder exit and heading along W. Ramsey St. to Lori Way exceeds 60% capacity.

Resolution:

- Construct 800' of 3Ø, 750 MCM URD line from Vault 320963 to Vault 34038 and up to riser Pole34020 along W. Ramsey St between Highland Home Rd. and Lori Way.
- Rebuild 2,165' of single circuit 3Ø, 336 ACSR to double circuit 3Ø, 336 ACSR from Pole34020 to Pole206642 along W. Ramsey St. between Lori Way and Memorial Dr.
- Rebuild 175' of single circuit 3Ø, 750 MCM URD line to double circuit 3Ø, 750 MCM from riser Pole206642 to Vault 204676 along W. Ramsey St. at Memorial Dr.
- At Vault 204676, leave the tap heading west along W. Ramey St. connected to CKT 23 and change the feed of the tap heading north along Memorial Dr. to CKT 22 using the newly constructed line.
- In SG266801 at the intersection of W. Ramsey St. and N. Highland Springs Ave., open cabinet #3
- Connect the three-phase between Vault 204734 and Vault 204656 to change the feed to Smith Creek CKT 22.
- Estimated cost: $1,187,200 (2036).

Image 6.4-24 – ESMP Project 23



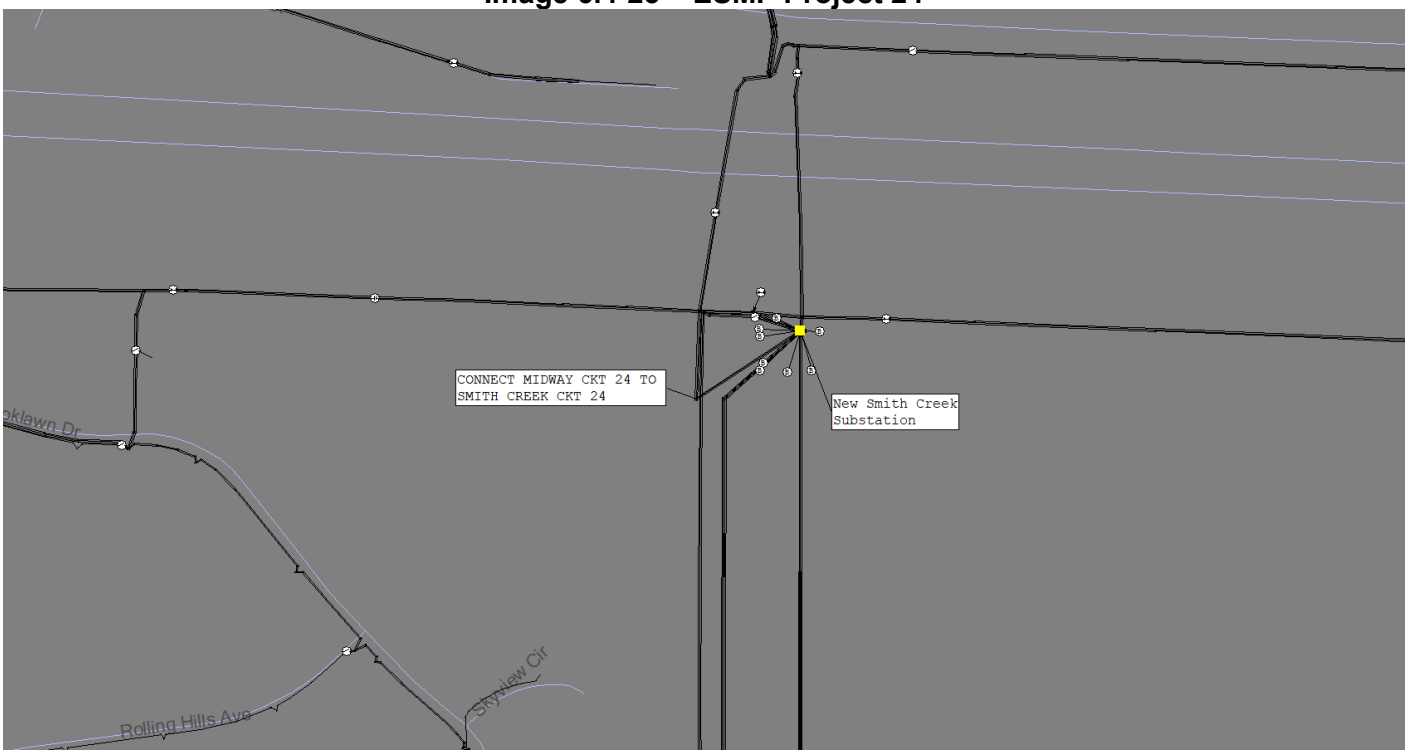
Smith Creek CKT 24

Circuit 24 will be constructed to serve the existing Midway CKT 24.

ESMP-24

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104900 and switch Midway CKT 24 to Smith Creek CKT 24. Estimated cost: $139,600 (2031).

Image 6.4-25 – ESMP Project 24

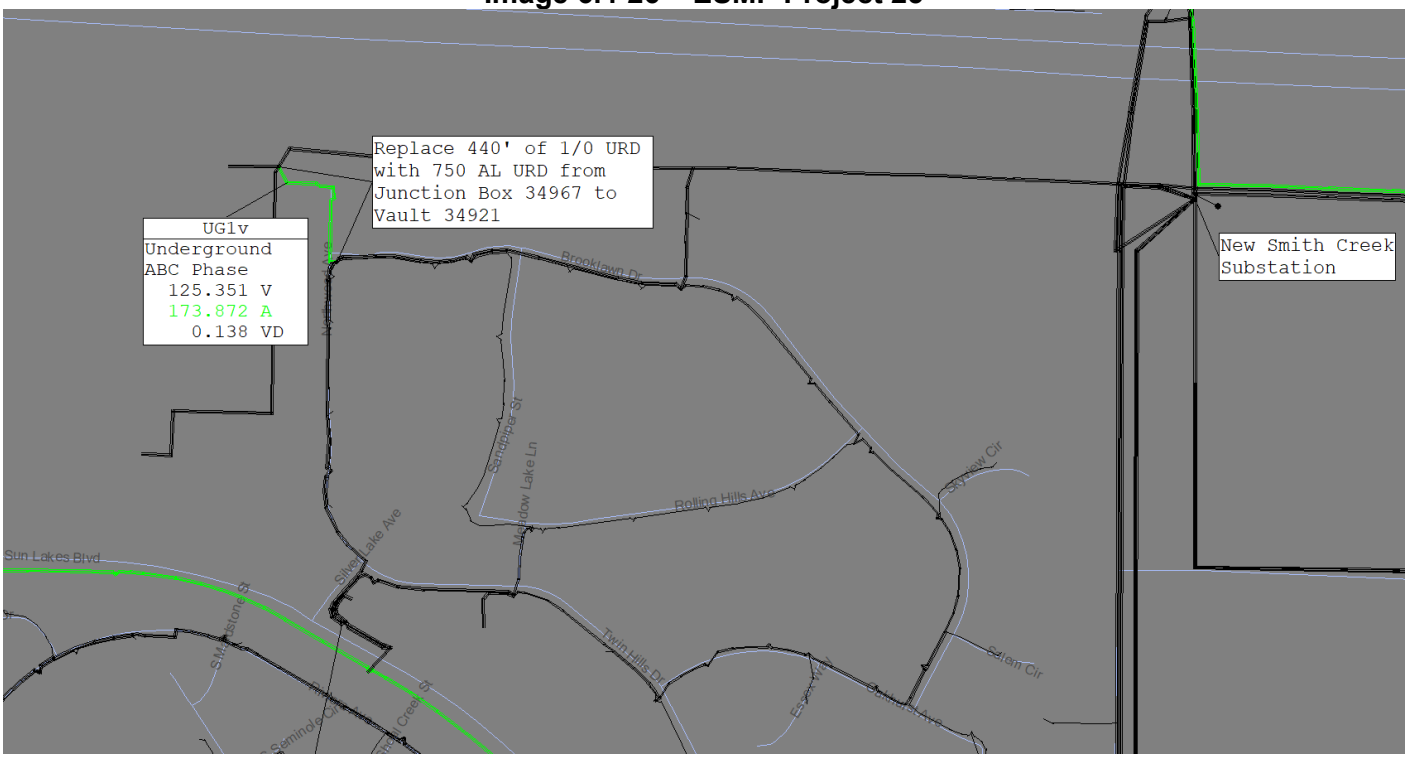


ESMP-25

Issue: UG1v, 3Ø, 1/0 URD line reaches 81% Capacity

Resolution: Replace 440' of 3Ø, 1/0 URD with 3Ø, 750 MCM from Junction Box 34967 to Vault 34921 at the intersection of Northwood Ave. and Brooklawn Dr. Estimated cost: $237,600 (2034).

Image 6.4-26 – ESMP Project 25



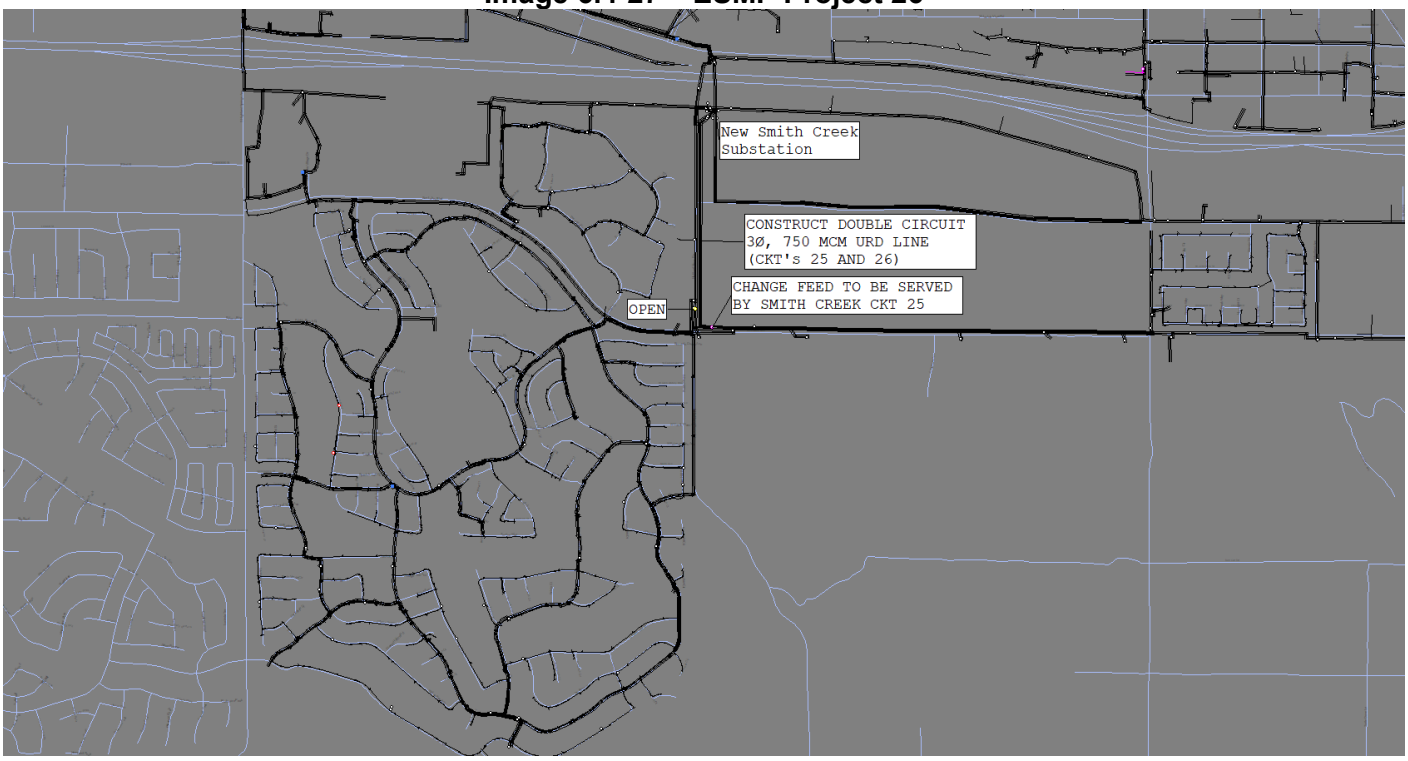
Smith Creek CKT 25

Circuit 25 will be constructed to serve a portion of the existing Midway CKT 21.

ESMP-26

- Construct 2,745’ of double circuit 3Ø, 750 MCM URD line from the feeder bay to pole P6554COB at the intersection of Westward Ave. and S. Highland Home Rd. *Note, this will also be the route for Smith Creek CKT 26.
- At pole P6554COB, change feed from Midway CKT 21 to Smith Creek CKT 25.
- Estimated cost: $1,652,900 (2031).

Image 6.4-27 – ESMP Project 26



ESMP-27

Issue: UG1v24, 3Ø, 350 MCM URD conductor reaches 79% capacity.

Resolution: Replace 2,100' of 3Ø, 350 AL MCM URD conductor with 3Ø, 750 MCM URD conductor from Vault 36923 located at the intersection of Sun Lakes Blvd. and Country Club Dr. and following Country Club Dr. to Vault 41797 at the intersection of Country Club Dr. and Hogan Ave. Estimated cost: $316,000 (2031).

Image 6.4-28 – ESMP Project 27



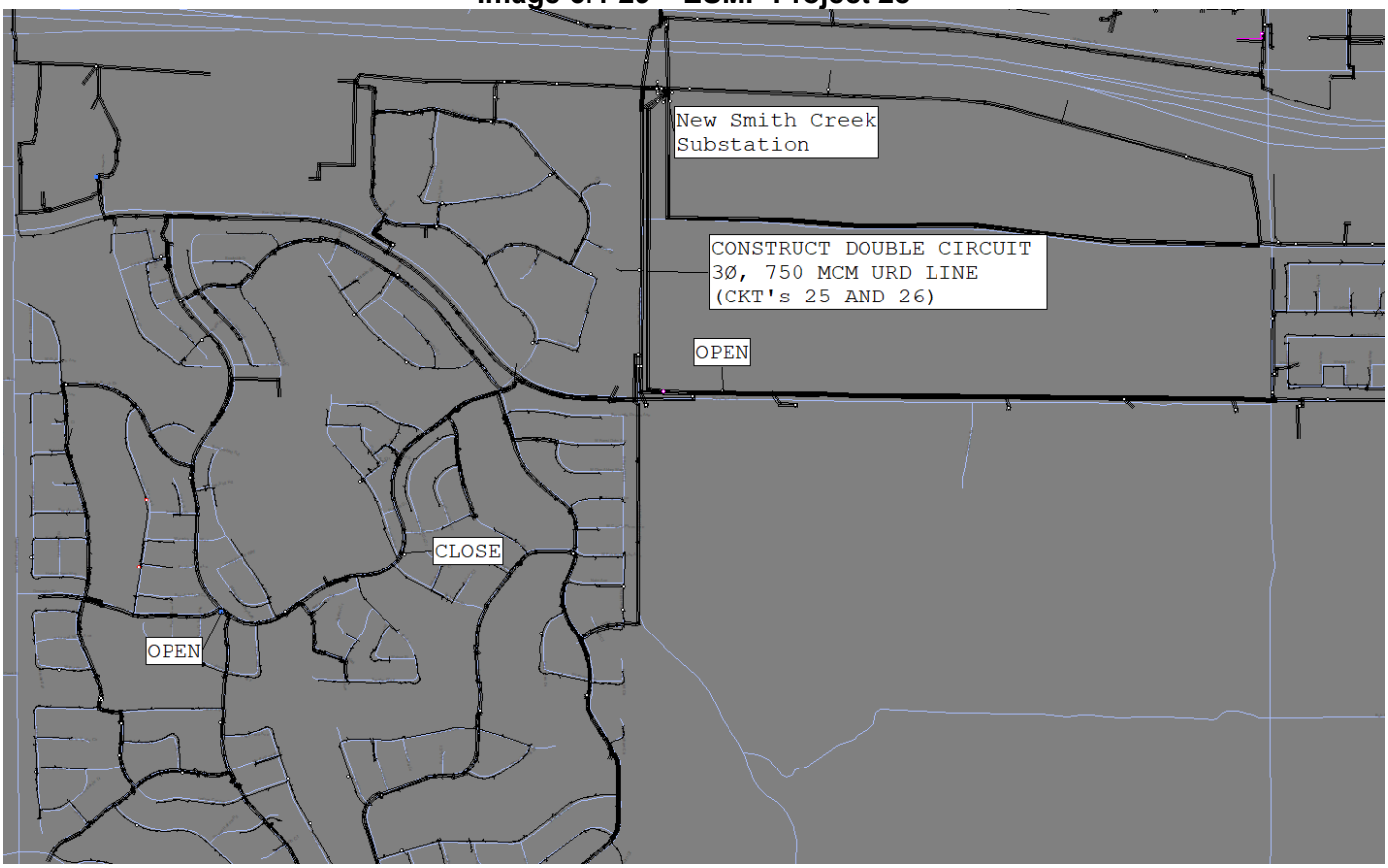
Smith Creek CKT 26

Circuit 26 will be constructed to serve a portion of the existing Midway CKT 21 and 22nd Street CKT 63. See ESMP-26 for project to construct the circuit from Smith Creek.

ESMP-28

- Create open point at Pole104842 along Westward Ave to switch a portion of load from 22nd Street CKT 63
- At SG49762 along Country Club Dr. between Birdie Dr. and Gleneagles Dr., open cabinet #2 and change feed to Smith Creek CKT 25 at Vault 41797 along County Club Dr. at Hogan Ave.
- Estimated cost: $4,900 (2031).

Image 6.4-29 – ESMP Project 28

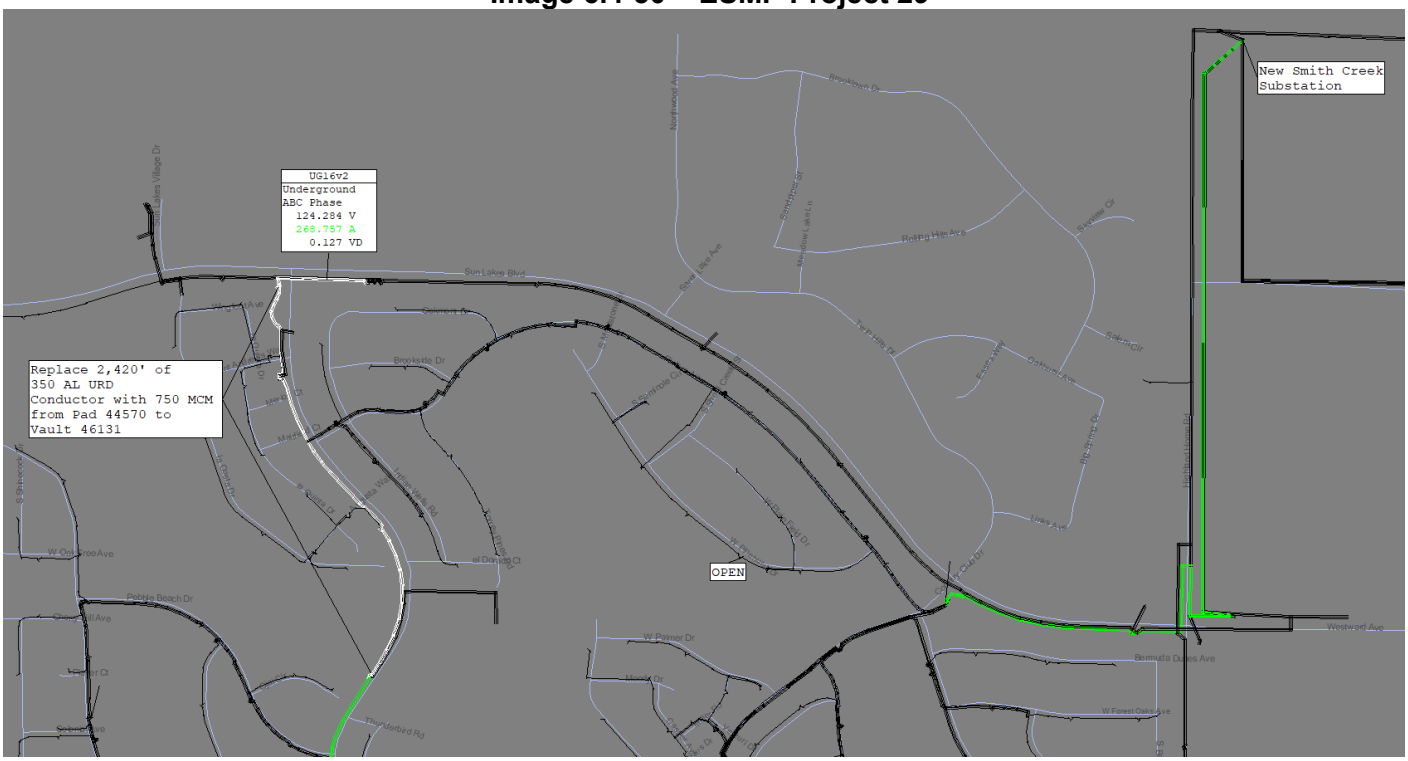


ESMP-29

Issue: UG16v2, 3Ø, 350 MCM URD conductor reaches 70% capacity.

Resolution: Replace 2,420' of 3Ø, 350 MCM URD with 3Ø, 750 MCM URD beginning at Pad 44570 along Sun Lakes Blvd, heading south on Country Club Dr. and ending at Vault 46131. Estimated cost: $370,300 (2033).

Image 6.4-30 – ESMP Project 29



Smith Creek CKT's 27 & 28

Circuits 27 and 28 will be constructed to serve new planned load in an area bordered by Interstate 10 and Westward Ave. on the north and south and Highland Home Rd. and Sunset Ave. on the east and west.

ESMP-30

- Construct 2, 3Ø, 750 MCM URD lines from the feeder bay heading due south from the substation to what will be the extension of W Lincoln St. and then heading east along W. Lincoln St. to Sunset Ave at Pole104911. Estimated cost: $2,372,900 (2032).

Image 6.4-31 – ESMP Project 30

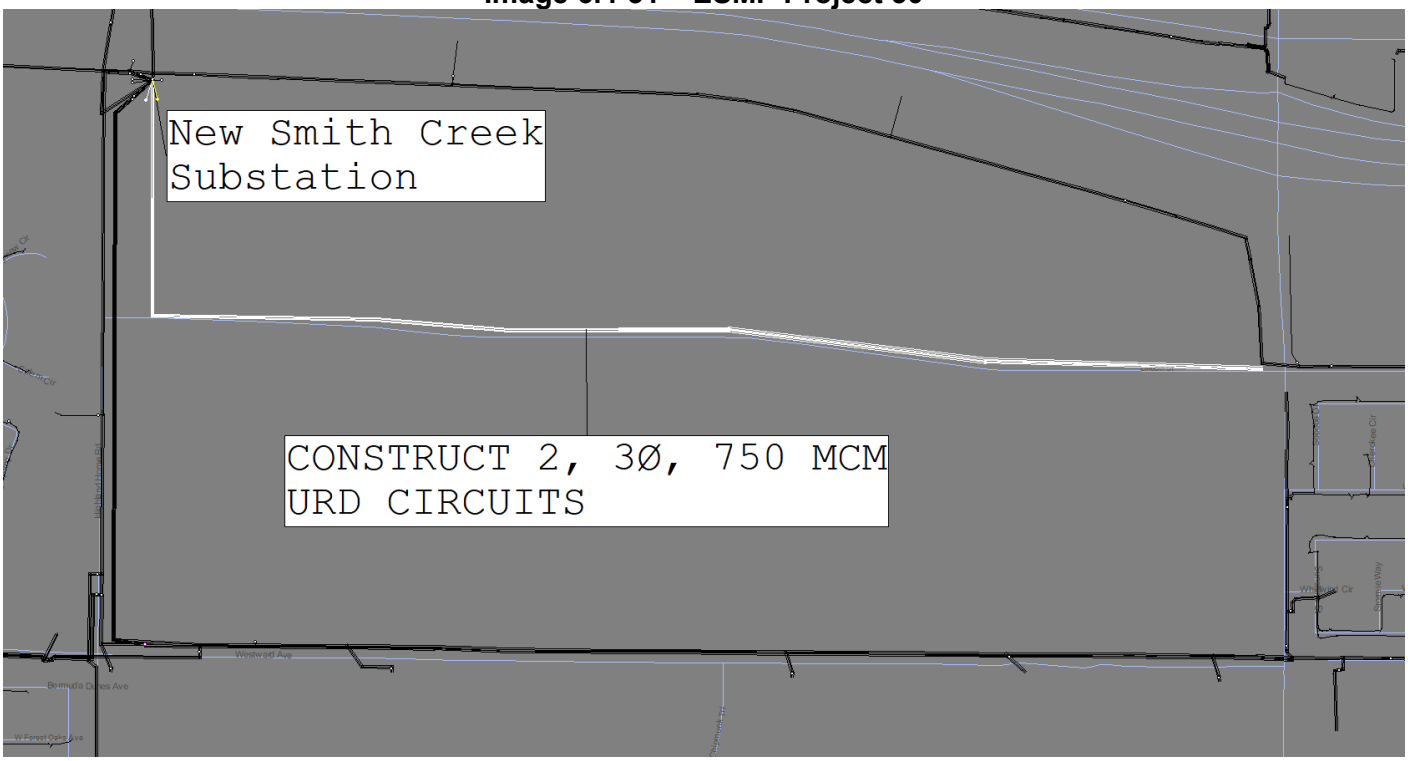
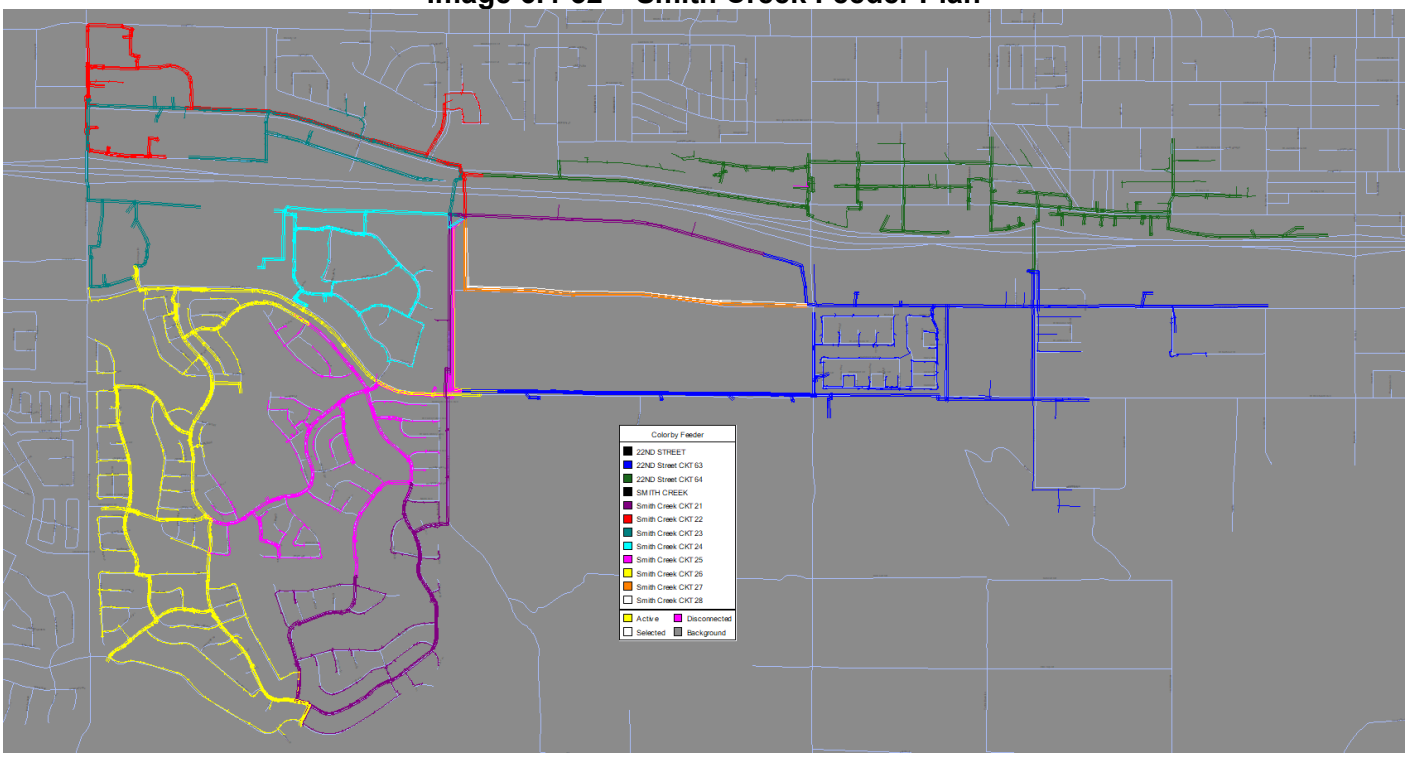


Image 6.4-32 – Smith Creek Feeder Plan



6.5 – TOTAL COST ESTIMATE

The tables below contain a breakdown of the total estimated cost of the 15-Year ESMP.

Table 6.5-1 – 15-Year ESMP Cost Estimate (2031-2035)

	2031	2032	2033	2034	2035
OH Maintenance Program					
Total Cost	$1,228,822	$1,265,687	$1,303,658	$1,342,767	$1,383,050
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,228,822	$1,265,687	$1,303,658	$1,342,767	$1,383,050
Capital-Maintenance Projects					
Total Cost	$6,850,000	$1,500,000	$0	$0	$0
CIAC	$3,000,000	$0	$0	$0	$0
BEU Funding Cost	$3,850,000	$1,500,000	$0	$0	$0
System Improvement Projects					
Total Cost	$3,468,800	$3,405,300	$370,300	$237,600	$1,049,700
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$3,468,800	$3,405,300	$370,300	$237,600	$1,049,700
15-year ESMP Cost					
Total Cost	$11,547,622	$6,170,987	$1,673,958	$1,580,367	$2,432,750
CIAC	$3,000,000	$0	$0	$0	$0
BEU Funding Cost	$8,547,622	$6,170,987	$1,673,958	$1,580,367	$2,432,750

Table 6.5-2 – 15-Year ESMP Cost Estimate (2036-2040)

	2036	2037	2038	2039	2040
OH Maintenance Program					
Total Cost	$1,521,715	$1,567,367	$1,614,387	$1,662,819	$1,712,704
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,521,715	$1,567,367	$1,614,387	$1,662,819	$1,712,704
Capital-Maintenance Projects					
Total Cost	$0	$0	$0	$0	$0
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$0	$0	$0	$0	$0
System Improvement Projects					
Total Cost	$1,190,000	$166,400	$539,700	$2,900	$132,800
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,190,000	$166,400	$539,700	$2,900	$132,800
15-year ESMP Cost					
Total Cost	$2,711,715	$1,733,767	$2,154,087	$1,665,719	$1,845,504
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$2,711,715	$1,733,767	$2,154,087	$1,665,719	$1,845,504

Table 6.5-3 – 15-Year ESMP Cost Estimate (2041-2045)

	2041	2042	2043	2044	2045	Totals
OH Maintenance Program						
Total Cost	$1,764,085	$1,817,007	$1,871,518	$1,927,663	$1,985,493	$23,968,742
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$1,764,085	$1,817,007	$1,871,518	$1,927,663	$1,985,493	$23,968,742
Capital-Maintenance Projects						
Total Cost	$0	$0	$0	$0	$0	$8,350,000
CIAC	$0	$0	$0	$0	$0	$3,000,000
BEU Funding Cost	$0	$0	$0	$0	$0	$5,350,000
System Improvement Projects						
Total Cost	$348,700	$3,400	$115,200	$120,400	$388,100	$11,539,300
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$348,700	$3,400	$115,200	$120,400	$388,100	$11,539,300
15-year ESMP Cost						
Total Cost	$2,112,785	$1,820,407	$1,986,718	$2,048,063	$2,373,593	**$43,858,042**
CIAC	$0	$0	$0	$0	$0	**$3,000,000**
BEU Funding Cost	$2,112,785	$1,820,407	$1,986,718	$2,048,063	$2,373,593	**$40,858,042**

For the BEU funding cost, 22% is for OH Maintenance Program, 63% is for Capital Maintenance Projects, and 15% is for System-Improvement Projects.

7.0 – 2026-2045 ESMP SUMMARY

7.1 – Total Overhead Maintenance Program

The Overhead Maintenance Program includes the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect a total of 22,100 poles for the duration of the ESMP. An estimated cost of $278 per pole inspection was used for 2026 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole inspections for the ESMP is $8,501,657.

It is projected that BEU will replace 1,850 for the duration of the ESMP. An estimated cost of $7,746 per pole replacement was used for 2026 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole replacements for the ESMP is $19,525,523.

The total estimated cost for the Overhead Maintenance Program for the ESMP is $28,027,180.

7.2 – Total Capital Maintenance Program

BEU has identified 23 Capital Maintenance Projects to include in the ESMP. The total estimated cost for these projects is $29,134,500. It is projected that BEU will receive $12,293,750 in contributions in aid to these projects bringing the total BEU funding cost to $16,840,750.

7.3 – Total Distribution System Improvement Projects

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include:

- 19 projects to switch load to adjacent lines at a total estimated cost $58,800
- 12 projects for new underground line construction totaling $7,443,500
- 2 projects for new overhead line construction totaling $1,219,000,
- 9 projects for single-phase to three-phase line rebuild totaling $2,142,100
- 11 projects for overhead line rebuild using larger conductor totaling $2,212,100
- 4 projects for replacing underground line using larger conductor totaling $1,269,500

The total estimated cost for distribution system improvements is $14,345,000.

7.4 – Total 2026-2045 ESMP Cost Estimate

The table below contains a breakdown of the total estimate cost for the 2026-2045 ESMP.

2026-2045 Electric Service Master Plan

		5-year CIP	15- Year ESMP	Totals
OH Maintenance Program				
	Total Cost	$4,058,438	$23,968,742	$28,027,180
	CIAC	$0	$0	$0
	BEU Funding Cost	$4,058,438	$23,968,742	$28,027,180
Capital Maintenance. Projects				
	Total Cost	$20,784,500	$8,350,000	$29,134,500
	CIAC	$9,293,750	$3,000,000	$12,293,750
	BEU Funding Cost	$11,490,750	$5,350,000	$16,840,750
System Improvement Projects				
	Total Cost	$2,805,700	$11,539,300	$14,345,000
	CIAC	$0	$0	$0
	BEU Funding Cost	$2,805,700	$11,539,300	$14,345,000
Total ESMP Cost				
	Total Cost	$27,648,638	$43,858,042	$71,506,680
	CIAC	$9,293,750	$3,000,000	$12,293,750
	BEU Funding Cost	$18,354,888	$40,858,042	$59,212,930

CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Elizabeth Gibbs, City Manager**

PREPARED BY: **Kenneth Louie,**
Jennifer Terry, Director of Finance

MEETING DATE: **May 12, 2026**

SUBJECT:

Consideration of Resolution 2026-73, amendment to the Professional Services Agreement with Rogers, Anderson, Malody & Scott, LLP (RAMS) providing Oversight Accounting Services and Staff Augmentation to the City's Finance Department

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RECOMMENDATION:

Adopt Resolution 2026-73

BACKGROUND:

On March 17, 2026 the City entered into a contract with Rogers, Anderson, Malody & Scott, LLP (RAMS) for Oversight Accounting Services and Staff Augmentation to the City's Finance Department in an amount not-to-exceed $25,000.

RAMS was founded in 1948 and is located San Bernardino, California. The Firm offers the Full range of services expected of a full-service accounting firm. They are an extremely reputable firm in the Southern California region providing a wide range of services in the governmental accounting arena. These include, but are not limited to,

- Review department systems and processes for the purpose of creating Standard Operating Procedures (SOP)
- Orient and train staff members on proper procedures
- Recommend and implement fiscal policies and procedures
- Clarify relationships/integration of the multitude of financial software
- Other projects as assigned

JUSTIFICATION:

In the very short timeframe that RAMS has been working with staff, primarily in the Fiscal Services Division of the Finance Department, the assigned RAMS Manager, Yolanda Accosta, has made significant strides in learning, documenting and refining the City's basic routine accounting processes. Her services are like that of an internal auditor and help ensure fiscal integrity, consistency and efficiency in processes and procedures. In addition, all processes are being documented with written Standard Operating Procedures (SOPs) which will not only help existing staff but also new staff coming in, as well as being key to the City addressing several of its recent audit findings. Clearing audit findings will benefit

the City in staying in compliance with current grants and securing State and Federal grants in the future.

The recommended First Amendment is to increase the contract amount by $75,000; for a total not-to-exceed $100,000. At this time the term would remain through March 16, 2027.

Strategic Plan – " Banning 2030 – Designing Our Future TODAY"

These services will assist the City in meeting the following top priority initiative:

Strategic Goal 4 – Maintaining Effective and Efficient services

Tier 1 Initiative 4a: Develop and Implement Banning Financial Workout Plan to Sustainability

FISCAL IMPACT:

Funding for this endeavor will come from salary savings incurred due to the vacancies in the Accounting Supervisor and Senior Accountant positions.

ATTACHMENTS:

1. RAMS_reso_to_appropriate (1).docx
2. RAMS - Original Agreement March 2026.pdf
3. Amendment No. - RAMS .docx

RESOLUTION NO. 2026-73

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING ADDITIONAL APPROPRIATIONS FOR PROFESSIONAL SERVICES WITH ROGERS, MALODY & SCOTT, LLP (RAMS)

WHEREAS, on March 17, 2026, the City entered a one-year contract with RAMS for professional accounting and related-consulting services; and

WHEREAS, the one-year agreement carried a not-to-exceed amount of $25,000 to be paid from the General Fund's Finance Department budget; and

WHEREAS the City does recognize the need for continuation of these services and is seeking an additional appropriation of $75,000 with no other change in terms or billable rates.; and

WHEREAS the additional appropriation will be added to the General Fund's Finance Department Professional Services budget; and

WHEREAS, the City's procedures require the City Council first adopt a resolution before authorizing any additional appropriations of funds;

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

SECTION 1: Authorize the Director of Finance to make an appropriation from General Fund reserves in the amount of $75,000 to General Fund Finance Department Professional Services.

SECTION 2: Authorize the Director of Finance to oversee the remainder of the RAMS contract in the interest of fiscal responsibility and accountability.

PASSED, ADOPTED AND APPROVED this 12th day of May 2026

_____
Richard Royce, Mayor
City of Banning

ATTEST:

_____
Sandra Calderon, Deputy City Clerk

APPROVED AS TO FORM:

_____
John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2026-73 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th of May, 2026, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Sandra Calderon, Deputy City Clerk
City of Banning, California

AGREEMENT FOR PROFESSIONAL SERVICES
BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the March 17, 2026 by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and Rogers, Anderson, Malody & Scott, LLP, a California limited liability partnership whose address is 735 E. Carnegie Dr., Suite 100, San Bernardino, CA 92408 ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: general accounting oversight services, including staff augmentation; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: general accounting oversight services, including staff augmentation in accordance with

Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates Gardenya Duran as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of Twenty-Five Thousand Dollars and Zero Cents ($25,000).

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual,

customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein.

In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions, circumstances, difficulties and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate; Contractor agrees to have its insurer

endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required _x_ /Not Required __; Errors and omissions insurance in a minimum amount of $1 million per occurrence and $2,000,000 policy aggregate to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [__x_] (Technology Professional Liability – Errors and Omissions), with limits not less than $2,000,000 per occurrence or claim, and $2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by Contractor or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims, suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City

as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services performed for the City shall become the sole property of City, and Contractor shall promptly deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the

shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
2. Section 1777.4 - Apprenticeship Requirements.
3. Section 1777.5 - Apprenticeship Requirements.
4. Section 1813 - Penalty for Failure to Pay Overtime.
5. Sections 1810 and 1811 - Working Hour Restrictions.
6. Section 1776 - Payroll Records.
7. Section 1773.8 - Travel and Subsistence Pay.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.17 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.18 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.19 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____

Print
Name: Elizabeth Gibbs,
City Manager

Date: _____

CONTRACTOR:

Rogers, Anderson, Malody & Scott, LLP

By:_____

Print

Name: Gardenya Duran

Date: 3/17/2026

EXHIBIT "A"
PROPOSAL

EXHIBIT "B"
CERTIFICATES OF INSURANCE

AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT (C01260) FOR GENERAL ACCOUNTING OVERSIGHT SERVICES, INCLUDING STAFF AUGMENTATION SERVICES BY AND BETWEEN CITY OF BANNING AND ROGERS, ANDERSON, MALODY & SCOTT, LLP.

THIS AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT FOR SERVICES ("Amendment No. 1") by and between the **CITY OF BANNING** ("City") and **ROGERS, ANDERSON, MALODY & SCOTT, LLP**, a California limited liability partnership ("Consultant") is effective as of this day: _____.

RECITALS

A. City and Consultant entered into that certain Contract dated March 17, 2026, for the purpose of providing general accounting oversight services, including staff augmentation ("Agreement").

B. City and Consultant now desire to amend the Agreement to modify the Scope of Services and increase the Contract Sum to One Hundred Thousand Dollars ($100,000.00).

The Parties therefore agree follows:

1. Amended Terms. The Agreement is hereby amended as follows:

1.1 The Scope of Services as set forth in Section 2 of and Exhibit A to the Agreement is hereby amended to include the Services set forth in Exhibit B, attached hereto and incorporated herein.

1.2 The maximum compensation for the Services performed pursuant to this Amendment No. 1 shall not exceed Seventy-Five Thousand Dollars ($75,000.00) thereby increasing the Contract Sum, as set forth in Section 4.01of the Agreement, to One Hundred Thousand Dollars ($100,000.0).

2. Miscellaneous Provisions

2.1 Continued Effect of Agreement. Except as amended by this Amendment No. 1, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment No. 1, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by Amendment No. 1. In the event of a conflict between the provisions

of this Amendment No. 1 and the provisions of the Agreement or Amendment No. 1, the provisions of this Amendment No. 1 shall control.

2.2 Consideration for Amendment. The parties hereby agree that they have each received adequate and independent consideration for the modifications to the Agreement set forth in this Amendment No. 1.

2.3 Authority. The persons executing this Amendment No. 1 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 1 on behalf of said party, (iii) by so executing this Amendment No. 1, such party is formally bound to the provisions of this Amendment No. 1, and (iv) entering into this Amendment No. 1 does not violate any provision of any other agreement to which said party is bound.

2.4 Counterparts. This Amendment No. 1 may be signed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

2.5 Electronic Signatures. Each Party may adopt as its signature an electronic identification consisting of a symbol or code that is affixed to or contained in each document transmitted by such Party ("electronic signature"). The Parties hereto herby agree that electronic signatures are acceptable, shall have the same force and effect under the law as original wet signatures, and shall be sufficient to verify that the Parties have executed this Agreement and such other documents transmitted by the Parties.

[*SIGNATURE PAGE FOLLOWS*]

The Parties are signing this Amendment No. 1 on the date stated in the introductory clause.

CITY OF BANNING	CONSULTANT
Elizabeth Gibbs, City Manager	NAME: TITLE:
City Council Approval: _____	NAME: TITLE:
ATTEST:	
Sandra Calderon Deputy City Clerk	
APPROVED AS TO FORM: Slovak, Baron, Empey, Murphy & Pinkney LLP	
John O. Pinkney City Attorney	

NOTE: PROOF OF AUTHORITY TO BIND CONTRACTING PARTY REQUIRED. APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

SCOPE OF WORK

- Review department systems and processes for the purpose of creating Standard Operating Procedures (SOP)
- Orient and train staff members on proper procedures
- Recommend and implement fiscal policies and procedures
- Clarify relationships/integration of the multitude of financial software
- Other projects as assigned

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Ralph Wright, Parks and Recreation Director , Vince Avilla, Chief of Police**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Consideration of a Fee Waiver Request Not-to-Exceed $ 12,960 for Stagecoach Days Associations Barrels, Brews and Bites Event scheduled for May 15 & 16, 2026.**

RECOMMENDATION:

Approve the fee waiver of no more than $ 12,960

BACKGROUND:

At the November 12, 2025 meeting of the City Council, the Banning City Council adopted Resolution 2025-156, a Resolution updating the City's Master Fee Schedule. The revised fees became effective, January 15, 2026. Included within the updated Master Fee Schedule were additional staffing fees associated with Special Event Permits. These included an hourly rate for Police Officers required as part of certain Special Events. In the past, the Police Department absorbed these officer overtime fees as part of their regular operating budget and did not require reimbursement from the Special Event Applicant.

Historically, special events involving alcohol service have included police staffing to ensure public safety, assist with traffic management, and provide a visible law enforcement presence during the event. As part of the Special Event Application review process for the Barrels, Brews and Bites, it was determined that there would be a requirement to have a minimum of four officers during their event days as they will have a large number of attendees, as well as alcohol being served at the event. For the two day event, this requires seventy-two total officer hours at a cost of $12,960. The Stagecoach Days Association has stated that their event can not absorb the new fees and submitted a letter requesting the police officer fees be waived.

Chapter 3.40.010 of the Banning Municipal Code establishes the protocol for the waiver of fees for non-profit organizations that provide valuable public service to the community. Per this chapter, fee waiver requests above $1,000 require authorization and approval of the Banning City Council.

JUSTIFICATION:

The event organizers have stated that they will not be able to run the event if the police officer fees are not waived as their event does not receive enough revenues to support these costs. The event does provide a community benefit.

FISCAL IMPACT:

The estimated police service costs associated with the event are as follows:

72 Police Officer Overtime Hours - (Four Officers - 4pm to 1am for two days) at $180 per hour for a total estimated cost of $12,960.

Approval of the fee waiver would result in the City absorbing the above estimated costs associated with police staffing and related event services.

ATTACHMENTS:

1. BMC - Chapter 3.40.010 - Waiverof fees for Non Profit organizations.pdf
2. Fee waiver request Barrels, Brews and Bites - May 15 & 16, 2026.pdf
3. 2026 Barrels_Bites and Brews Special Event Permit.pdf

3.40.010 Waiver of fees for non-profit organizations.

A. The payment by a nonprofit organization of any fees required under any provision of this Code, or any code incorporated herein may be waived, if, based upon the evidence submitted, the following findings are made:

1. Said organization is a bona fide non-profit organization based on the tax status and financial report for the period of operation immediately preceding the date of request; and

2. That such organization has or will annually provide to the community a service which has at a minimum, a financial value equivalent to that of the fees sought to be waived and the organization is not otherwise compensated for such value; and

3. That the waiver of the fees is required for the provision of the service to the community; and

4. That the waiver of the fees will not have an adverse fiscal impact on the on-going operations of the city government.

B. The city manager may waive said fees up to an amount not exceeding one thousand dollars per fiscal year per organization and its subsidiaries. The waiver of any fees exceeding one thousand dollars shall be considered by the city council.

C. The fee may be waived only upon the written request of the beneficiary for such waiver.

D. No waiver of fees made hereunder shall be the basis of a simultaneous or future waiver of the same or any other fee for the same or any other organization.

(Code 1965, § 29A-1.)

Stagecoach Days Association
PO Box 604
Banning, CA 92220
stagecoachdays@yahoo.com
951-552-6730

May 5, 2026

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

Subject: Request for Fee Waiver for Barrels, Brews & Bites – May 15–16, 2026

Honorable Mayor and Members of the City Council,

On behalf of the Stagecoach Days Association, I respectfully submit this request for a waiver of fees associated with Banning Police Department wages for our upcoming *Barrels, Brews, & Bites* event scheduled for May 15–16, 2026.

This community event is designed to celebrate Banning's heritage, support local businesses, and provide a safe, family-friendly gathering for residents and visitors. As a nonprofit organization, we work diligently to keep our events accessible and affordable while maintaining the highest standards of safety and community benefit.

The estimated cost for Banning Police Department staffing for this event totals **$12,960**. We are requesting that the City Council consider waiving this amount in recognition of the cultural, economic, and community value that *Barrels, Brews, & Bites* brings to the City of Banning. A fee waiver would significantly support our ability to continue offering high-quality programming, enhance community engagement, and ensure the long-term sustainability of Stagecoach Days events. We deeply appreciate the City's ongoing partnership and commitment to fostering events that strengthen civic pride and local identity.

Thank you for your consideration of this request. We would welcome the opportunity to speak further or provide any additional information the Council may need. We look forward to continuing our collaboration with the City of Banning to make this year's event a success for the entire community.

Respectfully submitted,
Stagecoach Days Association

CITY OF BANNING

SPECIAL EVENT APPROVAL

DATE: APRIL 21, 2026

TO: STAGECOACH DAYS ASSOCIATION

FROM: CITY OF BANNING PARKS & RECREATION

RE: SEP # 26-08

TYPE OF EVENT/EVENT TITLE: *BARRELS, BREWS, AND BITES*

The Special Event Permit for *Barrels, Brews, and Bites* scheduled for *May 15 – May 16, 2026* from 8*:00 AM to 2:00 AM* has been approved with the following conditions:

- ***Applicants must remain on designated roadways or paths and avoid driving on unpaved or grassy areas.***
- ***Applicants are required to provide one portable restroom per 100 attendees. For an event of 800 people, this entails a minimum of eight units, at least two of which must be ADA-accessible.***
- ***Spider Boxes must be checked out from the Banning Community Center, 789 N. San Gorgonio Ave., Banning CA 92220, prior to the event and returned at the completion of the event.***
- ***Banning Police Department is aware of the event and will have 4 officers at the event each day. Cost for this will be discussed with the Police Department.***
- ***Provide Parks and Recreation a copy of the approved ABC License for event.***
- ***All Trash must be picked up and disposed of appropriately after event.***
- ***Recycling Program: Applicant shall provide recycling event containers at the event and implement measures to ensure materials are recycled. Event containers shall provide for the collection of recyclable material generated on-site by event participates for the collection of materials that include, but are not limited to, bottles, cans, packaging materials, etc.***
- ***The applicant has not requested electrical services from BEU, therefore, any existing service equipment will remain and must be protected in place for Banning Electric Utility to continue serving up to the existing capacity.***
- ***Applicant shall contact BEU with any questions regarding providing electrical service via email at BEU-Review@banningca.gov..***
- ***Submit a Separate Permit Application with Fire for the event at banningca.gov if requested.***
- ***Make sure any food vendors are registered and approved through the County of Riverside Health Department.***

For help with your Special Event before the date of your event please contact the Banning Parks and Recreation Department at 951-922-3242. For help on the day of the event please contact Banning Dispatch at 951-922-3170.

CITY OF BANNING TRANSMITTAL

PARKS AND RECREATION DEPARTMENT
789 N. San Gorgonio Avenue, P.O. Box 998, Banning, CA 92220 / Phone # (951) 922-3242
Email: sfoster@banningca.gov

Special Event Permit

TO:

BUILDING DEPARTMENT	X	**POLICE DEPARTMENT**	X
PUBLIC WORKS DEPT.	X	**PARKS AND RECREATION**	X
FIRE DEPARTMENT	X	**RISK MANAGEMENT**	X
PLANNING DIRECTOR	X	**ELECTRIC DEPARTMENT**	X
ASSOCIATE PLANNER	X	**STREETS**	X

DATE TRANSMITTED: 03/31/2026 DUE DATE: 4/17/2026

SEP #: 26-08 **Barrels, Brews, and Bites**

APPLICANT: **Stagecoach Days Association**

RECREATION MANAGER: Scott Foster

ADDRESS / APN: Dysart Park, 2101 W. Victory Ave., Banning, CA 92220

EVENT DATE: May 15-16, 2026

COMMENTS REQUIRED: ***Please review the attached application and provide your comments and / or conditions in the space below. Please initial your box as soon as you have completed your review. Please return to the Parks and Recreation Department by Due Date. Thank you.***

APPLICATION FOR

SPECIAL EVENT PERMIT

CITY OF BANNING
Parks & Recreation Dept.
P.O. Box 998
789 N. San Gorgonio Avenue
Banning, CA 92220
(951) 922-3242
recreation@banningca.gov

Instructions: Type or print using black ink only. ***Incomplete applications will be returned.*** Applications mut be turned in at least 30 days prior to the event date. If you have any questions, contact the Banning Parks & Recreation Department at 951-922-3242.

Pricing: The application permit fee is $130.00 for one event or $65.00 per recurring event. Additional fees may be incurred if City Staff is requested or required for an event.

Staff Fees:

• Police Officer:	$180.00 per hour
• Engineering (Street closure):	$212.00 per hour
• Fire Standby:	Fees may Vary
• Fire Marshall Review:	Fees may Vary
• Parks:	$156.00 per hour
• Recreation:	$134.00 per hour
• Water:	$202.00 per hour
• Electric:	$225.00 per hour

Event Organizer Information

Event's Sponsor/Organization: Stagecoach Days Association

Organization's Non-Profit Tax Identification Number (if applicable): 80-0697060

Organization's Address: P.O. Box 604 Banning CA

Contact Person: Amy Pippenger Phone Number: 951-552-6730

Contact Person's Email Address: stagecoachdays@yahoo.com

Person in charge day of event (on site): Jason, Barbara Pippenger

Public Information Phone Number: 951-552-6730 / 951-552-6731

Event Information

Type of Event/Event Title: Barrels, Brews, & Bites

(*Examples: block party, concert, parade, carnival*)

Location of Event (street address): 2107 W. Victory Banning

Date(s) of Event: 5/15/2026 – 5/16/2026

Hours of Event:

Set-Up	8am	to	4pm
Event	5pm	to	12am
Clean-Up	12am	to	2am

Estimated Attendance (including spectators): 800 Estimated Participants: 100

City of Banning
Application for SPECIAL EVENT PERMIT

Special Event Permit # _____

Is the event open to the public? ☒ Yes ☐ No

Will admission be charged? ☒ Yes ☐ No Charge: $ 10.00

Will participants be charged? ☒ Yes ☐ No Charge: $ _____

Will there be amplified sound? ☒ Yes ☐ No ☐ Live Music ☐ Recorded Music

Will food be served? ☒ Yes ☐ No ☐ Sold ☐ Free

Riverside County Health Department Permit must be obtained as required by law.

Will alcohol be served? ☒ Yes ☐ No ☐ Sold ☐ Free

Alcoholic Beverage Control (ABC) Permit must be obtained as required by State Law

Will Vendors be at the event? ☒ Yes ☐ No How Many? 20 or less

Vendors require a day business license from the City to sell items.

Description of Event: Barrel Racing, mutton busting, DJ, dancing, Beer garden, & vendors (possibly Carnival on grass area) They just cancelled this morning so we are working on obtaining another carnival vendor.

What City Services, if any, do you require for this Special Event? the electric & water to be working at the park. Spider Boxes for electric if it doesn't work. All park grounds to be cleared of brush & clean. Waste Management trash boxes. Fire Inspection, ~~[illegible]~~ if needed

How does this Special Event benefit the residents of the City of Banning? _____

Provides an outlet for citizens to attend an event locally. Provides income to the city in hotel, Restaurant, & fuel taxes.

City of Banning
Application for SPECIAL EVENT PERMIT

Special Event Permit # _____

Please attach the following information to this application:

Certificate of Insurance: Events taking place on City-owned property or City-controlled property, including the public right-of-way require a $1,000,000 General Liability and $2,000,000 aggregate Insurance policy naming the City as additional insured by policy endorsement. The Carrier is required to provide notice of cancellation or reductions of coverage to the City.
Additional Information: Any other documents that will assist City Staff in understanding the scope of the Special Event.

The information provided in this application is true and complete to the best of knowledge. I, for myself and the above organization and all members thereof, agree to abide by the policies and procedures set forth by the City for this Special Event.

Signature of Applicant: _____ Date: 3/20/2026

Will submit after event approx 20 vendors

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City of Banning
Application for SPECIAL EVENT PERMIT

Special Event Permit # _____

VENDOR LIST
(Use additional pages as needed)

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

Owner/Contact Person Name: _____ Phone #: _____
Business/Organization Name: _____
Business/Organization Address: _____
City Business Tax Certificate # _____

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Ralph Wright, Parks and Recreation Director**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Consideration of Resolution 2026-44, A Resolution of the City Council of the City of Banning, California, reprogramming approved Community Development Block Grant (CDBG) Funds in the amount of $43,144 from FY 2024-25 - Banning Senior Center ADA Improvement Project to CDBG FY 25-26 - Banning Senior Center ADA Improvement Project #2 ($148,144)**

RECOMMENDATION:

Adopt Resolution 2026-44

BACKGROUND:

The City Council initially heard this item at the April 28, 2026, meeting of the City Council and tabled the item to the May 12, 2026 meeting. The Council requested information on the returned CDBG funding for the Opportunity Village pallet houses and for staff to discuss with the Supervisor's office possible assistance for the Senior Center roof replacement. Additionally, the Council provided consensus that they would like to keep the $105,000 earmarked for the Dysart Park project in Dysart Park.

Staff has been able to confirm with the County that the $164,493.50 reimbursed from the City for the Opportunity Village pallet houses has been reprogrammed to the City's viable Senior Center Improvement Project # 2 and by consolidating the two outstanding Senior Center projects and using the additional funding from the Opportunity Village reimbursement to bring the total funding to the Senior Center project to $349,465.50. This amount of funding would be sufficient to complete the improvements to the Senior Center. Additionally, staff has met with the Supervisor's office representative and discussed potential options for assistance on the Senior Center roof replacement.

The Dysart Park Improvement Project consisted of $105,000 in funding for design and construction documents for a grandstand style bleacher including restrooms, meeting space and concession space. Shortly after approval of the supplemental agreements with the County, staff had discussions and it was determined in our best interest to not move forward without construction funding in place as the City could be required to reimburse the funds.

After discussing with the County HWS, we do have three options that are explained in the email from Ms Varona-Doromal. The best option would be to close out the original Dysart project, submit a new project application after the County adopts the 2026/27 funding plan this summer. These funds would be left for Dysart Park and can be used for the project of the City's choice, such as potential improvement of the arena lighting. The section option is to request an extension for the design project as approved and

complete within the next year. This is not feasible as the City does not currently have funding programmed for the construction phase or phases of this project. The last option is to reprogram the existing funds into the viable FY 25-26 Senior Center Project that has already been discussed.

JUSTIFICATION:

The reprogramming of the CDBG funds will allow for the completion of the Banning Senior Center Improvement Project, including the much needed roof repairs without using General Fund allocations.

FISCAL IMPACT:

The reprogrammed funds will provide the necessary funding to complete the improvements to the Banning Senior Center and allow us to expend approved CDBG funds to ensure we are in fund drawdown compliance. Without the reprogramming of these funds, the project may require additional funding from the General Fund or the project scope would have to be reduced resulting in a possible reduction to vital usable space in the Senior Center.

ATTACHMENTS:

1. CC_Resolution_2026-44___Reprogramming_of_CDBG_Funds.docx
2. CC_Resolution_No._2024-176.pdf
3. CC_Resolution_No._2025-142.pdf
4. Follow- up on the FY24-25 CDBG Projects _Anna Varona-Doromel_dated_5.6.26.pdf

RESOLUTION 2026-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA REPROGRAMMING APPROVED COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT (CDBG) FUNDS IN THE AMOUNT OF $43,144 FROM FY 2024 – BANNING SENIOR CENTER ADA IMPROVEMENT PROJECT TO FY 2025 - BANNING SENIOR CENTER IMPROVEMENT PROJECT #2 ($148,144)

WHEREAS, The City of Banning is a Cooperating City in the Community Development Block Grant Program administered through Riverside County's Housing, Homelessness Prevention and Workforce Solutions Division (HHWS); and

WHEREAS, On November 12, 2024, the Banning City Council adopted Resolution 2024-176 approving the Supplemental Agreement for the Banning Senior Center ADA Improvement Project: and

WHEREAS, after consulting with the County, it is best to consolidate the two existing Banning Senior Center CDBG projects into the 2025/26 Senior Center project # 2; and

WHEREAS, the Banning Senior Center is in need of a full replacement roof and the current funding in the Banning Senior Center Improvement Project Phase # 2 does not have sufficient funding to complete all proposed Senior Center improvement projects; and

WHEREAS, the existing Supplemental Agreement for existing FY 2024-25 project (5.BN.64-25) Banning Senior center ADA Improvement project have expired; and

WHEREAS, consolidating our FY 2024 and FY 2025 CDBG funded projects would provide the funding for the completion of the needed improvements at the Senior Center; and

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

SECTION 1. Authorizing the reprogramming of the remaining Fiscal Year 2024 (CDBG Program 5.BN.61-24) Community Development Block Grant Funds in the amount of $43,144 to Fiscal Year 2025 (CDBG Program 5.BN.64-25) Banning Senior Center Improvement Project Phase # 2

SECTION 2. Authorizing the City Manager or her designee to make necessary budget adjustments, appropriations, and transfers to Fiscal Years 2024 and 2025 CDBG Program Funds.

SECTION 3. Authorizing the City Manager or her designee to submit a letter requesting the reprogramming of CDBG program funds to the County of Riverside, Housing, Homelessness Prevention and Workforce Solutions Division.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 12th day of May 2026

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-44, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of May 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

RESOLUTION 2024-176

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ACCEPTING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2024/2025 IN THE AMOUNT OF $159,408 FOR THE BANNING SENIOR CENTER (5.BN.61-24) IN THE AMOUNT OF $43,144; DYSART PARK IMPROVEMENT PROJECT (5.BN.62-24) IN THE AMOUNT OF $105,000; AND THE BANNING PEACE CENTER FOOD PROGRAM IN THE AMOUNT OF $11,264, AND RESCINDING RESOLUTION 2024-159

WHEREAS, THE City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Housing and Workforce Solutions (HWS) annually; and

WHEREAS, the submittal of the approved project applications for CDBG 2024/2025 program funding was approved by the City Council on October 24, 2023 under Resolution 2023-171; and

WHEREAS, the projects submitted herein meet the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the supplemental agreement be approved by the City Council through resolution in order for the City and its residents to obtain and utilize the federally funded CDBG grant funds.

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

SECTION 1. The City Council approves the Supplemental Agreement with Riverside County Housing and Workforce Solutions for the Community Development Block Grant FY 2024/2025 for a one-year term in an amount of $159,408.

SECTION 2. The City Council authorizes the mayor to execute the Supplemental Agreement with Riverside County Housing and Workforce Solutions on behalf of the City Council and the City Manager to make non-substantive changes to the Community Development Block Grant FY 2024/2025 if necessary, in the future.

SECTION 3. The City Council authorizes the City Manager, or designee, to make necessary budget adjustments, appropriations, and transfers related to this resolution.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 12th day of November 2024.

Alberto Sanchez, Mayor
City of Banning

ATTEST:

Caroline Patton, Administrative City Clerk
City of Banning

APPROVED AS TO FORM:

Serita R. Young, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Caroline Patton, Administrative City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2024-176, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of November 2024 by the following vote, to wit:

AYES: Flynn, Happe, Minjares, Sanchez, and Wallace.

NOES:

ABSENT:

ABSTAIN:

Caroline Patton, Administrative City Clerk
City of Banning, California

EXHIBIT A
CDBG Supplemental Agreement for FY 2024-25

File No.: 5.BN.61-24, 5.BN.62-24, 5.BN.63-24

SUPPLEMENTAL AGREEMENT FOR THE USE OF 2024-2025 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Supplemental Agreement ("Agreement") is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the **CITY OF BANNING**, a political subdivision of the State of California, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated August 4, 2023 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated August 4, 2023, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY has been allocated **$159,408** in CDBG Entitlement funds for the 2024-2025 CDBG program year. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of **$159,408** CDBG Entitlement Funds, as specifically identified in Exhibit(s) A, B, and C, attached hereto, and are incorporated herein by this reference, for the following project(s) (collectively, the "Projects"):

A) 5.BN.61-24 Banning Senior Center ADA Improvements Project, $43,144.

B) 5.BN.62-24 Dysart Park Improvement Project $105,000

C) 5.BN.63-24 Banning Peace Center Food Program $11,264

3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the Project(s) shall be for a period of one (1) year from July 1, 2024, to termination on June 30, 2025.

4. COMPLETION SCHEDULE. CITY shall proceed consistent with the completion schedule set forth in Exhibit(s) A, B, and C, attached hereto and incorporated herein.

5. EXTENSION OF TIME. In the event the Project(s) are not substantially completed by the time set forth in the applicable completion schedule(s) due to a force majeure event (See Section 40 below), the COUNTY may consider extending the schedule for the completion of the project(s). Times of performance for other activities may also be extended in writing by COUNTY. If substantial progress toward completion in conformance with the completion schedule, as determined by COUNTY in its discretion, of the project(s) not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate this Supplemental Agreement pursuant to the termination procedures set forth in the section titled "Termination," and the entitlement funds associated with the Project(s) may be reprogrammed by the COUNTY after appropriate notice is provided to the City.

6. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as set forth in Exhibit(s) A, B, and C, attached hereto, prior to receiving written authorization from COUNTY to proceed.

7. NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

COUNTY	CITY
Heidi Marshall, Director	Ralph Wright, Parks and Recreation Director
Riverside County HWS	City of Banning
P.O. Box 1528	PO Box 998
Riverside, CA 92502	Banning, CA 92220

8. DISBURSEMENT OF FUNDS.

A. COUNTY's Board of Supervisors shall determine the final disposition and distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of this Supplemental Agreement. COUNTY, through its Department of Housing, and Workforce Solutions, shall make payment of the CDBG funds to CITY as set forth in the attached Exhibit(s) A, B, and C. It is the CITY's responsibility to monitor all project activities set forth in the attached Exhibit(s) A, B, and C, and to ensure compliance with applicable federal regulations and the terms of this Supplemental Agreement.

B. CITY shall comply with timely drawdown of CDBG Entitlement funding by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects. CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January 31, 2025, exceeds one hundred and seventy-five percent (175%) of the CITY's 2024-2025 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative actions to reduce the CITY's CDBG fund balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG fund balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and absolute discretion, authorize CITY in writing, prior to January 31, 2025, to exceed the CDBG fund balance requirement.

C. CITY shall comply with timely drawdown of CDBG funds by submitting monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30) days after the COUNTY has received the CITY's reimbursement request including documentation supporting expenditures.

D. All authorized obligations incurred in the performance of the Supplemental Agreement for projects eligible under the following CDBG regulations must be reported in writing to

COUNTY no later than June 1, 2025:

1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
2. Clearance Activities [24 CFR 570.201 (d)]
3. Interim Assistance [24 CFR 570.201 (f)]
4. Code Enforcement [24 CFR 570.202 (c)]

All public service activities [24 CFR 570.201 (e)] and other eligible activities under this Supplemental Agreement must be implemented, completed, and obligations reported in writing to the COUNTY by the CITY no later than the completion schedules set forth in the attached Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal Regulations.

9. RECORDS AND INSPECTIONS.

A. CITY shall establish and maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Section 570.502 (a), as they relate to the acceptance and use of federal funds under this Agreement. Said records shall be retained for a period of four (4) years from the date that the activity or program funded with the CDBG Grant is closed out by the COUNTY and reported as complete in the Comprehensive Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year retention period requirement, pursuant to 2 CFR 200.333 include, but not limited to, the following:

i. if any litigation, claim, or audit is started prior to the expiration of the four (4) year period;

ii. when the CITY is notified in writing by the COUNTY, HUD, or other Federal agency to extend the retention period;

iii. records for real property and equipment acquired with CDBG funds must be retained for four (4) years after final disposition;

iv. when the records are transferred by the CITY to the COUNTY, HUD, or other Federal agency, the four (4) year period is not applicable.

B. CITY shall obtain an external audit in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR

Section 200.500). Audits shall usually be performed annually but not less frequently than every two years. Nonprofit institutions and government agencies that expend less than $750,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subgranting entity. The audit report shall be submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal year.

C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement funds received as set forth in Exhibit(s) A, B, and C attached hereto.

D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours, make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD), or other authorized representative, for the examination and copying, all of its records and other materials with respect to matters covered by this Agreement and provide reasonable access to CITY staff for the purpose of interview and discussion related to the records and documents.

E. CITY shall not retain any program income as defined in 24 CFR 570.500. Said program income shall be used only for the activities that are the subject of this Agreement. Further, all provisions of this Agreement shall apply to such activities.

F. The CITY shall ensure that at least fifty-one percent (51%) of the persons benefiting from all CDBG-funded activities or projects designated as serving limited clientele [24 CFR 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income guidelines. The CITY shall provide the required income certification and direct benefit documentation, in writing, to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit(s) A, B, and C, attached hereto. In the event that CITY engages the services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in writing, all required income certification and direct benefit documentation from subcontractors prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit(s) A, B, and C, attached hereto.

10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal, state, and local laws, regulations, and ordinances and any amendments thereto and the federal regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY is to comply with those regulations found in the Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 570. CITY is to abide by the provisions of the Community Development Block Grant Manual, prepared by COUNTY and cited in the above-mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the Housing & Urban Development Act of 1968 (12 U.S.C.A. Section 1701u), as amended, a copy of which is attached hereto as Exhibit "S", and incorporated herein by this reference. CITY shall adhere to the regulations as set forth in Exhibit "R", attached hereto and incorporated herein by this reference, pertaining to inherently religious activities. CITY shall comply with the Additional Federal Requirements, if applicable, attached hereto as Exhibit "AFR", and incorporated herein by this reference.

11. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with COUNTY in undertaking essential community development and housing assistance activities, specifically urban renewal and public assistance housing, and shall assist COUNTY in implementing and undertaking the goals and strategies identified in the 2024-2029 Five Year Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community Development Block Grant Program.

12. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Title 14 CCR Section 1501(d), the CITY is designated as the lead agency for the projects that are the subject matter of this Supplemental Agreement.

13. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages including, but not limited to, claims, demands, losses, liabilities, costs and expenses including reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their employees or agents in the performance of this Agreement, and each Party shall indemnify, defend and hold harmless the other Parties from such claims, demands, damages, losses or liabilities for their negligence.

The hold harmless and indemnification obligations set forth herein shall survive the termination

and expiration of this Agreement. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CITY from indemnifying the Indemnitees to the fullest extent allowed by law.

14. INSURANCE. Without limiting or diminishing the CITY's obligation to indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of COUNTY OF RIVERSIDE Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds

a. Workers' Compensation:

If the CITY has employees as defined by the State of California, the CITY shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

b. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.b.1 Sexual Abuse or Molestation (SAM) Liability:

If the work will include contact with minors, and the Commercial General Liability policy is not endorsed to include affirmative coverage for sexual abuse or molestation, Vendor/Contractor shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than $2,000,000

per occurrence or claim.

c. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

d. General Insurance Provisions - All lines:

(i). Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(ii). The CITY must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(iii). CITY shall cause CITY'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material

modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CITY shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

(iv). It is understood and agreed to by the parties hereto that the CITY'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

(v). If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of or, the term of this Agreement, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CITY has become inadequate.

(vi). CITY shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

(vii). The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

(viii). CITY agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

15. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this

Supplemental Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and the CITY shall hold the COUNTY harmless from any and all claims that may be made against the COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Supplemental Agreement. It is further understood and agreed by the parties that the CITY in the performance of this Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

16. NONDISCRIMINATION. CITY shall abide by 24 CFR Sections 570.601 and 570.602 of Title 24 of the Code of Federal Regulations which requires that no person in the United States shall on the grounds of race, color, national origin, sex, sexual orientation, gender identity, or veterans status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development funds.

CITY shall abide by and include in any subcontracts to perform work under this Supplemental Agreement, the following clause:

"During the performance of this Supplemental Agreement, CITY and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, veterans status, sexual orientation, gender identity, age (over 40) or sex. CITY and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. CITY and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code Section 12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission are implementing California Government Code Section 12990 et seq., set forth in Chapter 1 of Division 4.1 of Title 2 of the California Administrative Code are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CITY and its subcontractors

shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement."

17. PROHIBITION AGAINST CONFLICTS OF INTEREST

A. CITY and its assigns, employees, agents, consultants, officers and elected and appointed officials shall become familiar with and shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained in 24 CFR 570.611.

B. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

C. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

D. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

E. CITY understands and agrees that no waiver of exception can be granted to the prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR 570.611(d). Any request by CITY for an exception shall first be reviewed by COUNTY to determine whether such request is appropriate for submission to HUD in the COUNTY'S sole and absolute discretion. In determining whether such request is appropriate for submission to HUD, COUNTY will consider the factors listed in 24 CFR 570.611(d)(2).

F. Prior to the distribution of any CDBG funding under this Supplemental

Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents, consultants, officers and elected and appointed officials who are in a position to participate in a decision making process, exercise any functions or responsibilities, or gain inside information with respect to the CDBG activities funded under this Agreement. CITY shall also promptly disclose to COUNTY any potential conflict, including even the appearance of conflict that may arise with respect to the CDBG activities funded under this Supplemental Agreement.

G. Any violation of this Section 17 shall be deemed a material breach of this Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by the COUNTY.

18. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. CITY shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

19. TERMINATION.

A. CITY. CITY may not terminate this Agreement except upon express written

consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

B. COUNTY. Notwithstanding the provisions of Paragraph 19a above, COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to CITY of action being taken and the reason for such action including, but not limited to, the following reasons:

(1) In the event CITY fails to perform the covenants herein contained at such times and in such manner as provided in this Supplemental Agreement; and

(2) In the event there is a conflict with any federal, state or local law, ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement invalid or untenable; or

(3) In the event the funding from the Department of Housing and Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes unavailable.

C. This Agreement may be terminated and/or funding suspended, in whole or in part, for cause in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the failure of the CITY to materially comply with either the terms or conditions of this Agreement. Upon suspension of funding, the CITY agrees not to incur any costs related thereto, or connected with, any area of conflict from which the COUNTY has determined that suspension of funds is necessary. CITY acknowledges that failure to comply with Federal statutes, regulations, or the terms and conditions of this Agreement may be considered by the COUNTY in evaluating future CDBG and non-CDBG funding applications submitted by CITY.

D. Upon suspension or termination of this Supplemental Agreement, CITY shall return any unencumbered funds which it has been provided by COUNTY. In accepting said funds, COUNTY does not waive any claim or cause of action it may have against CITY for breach of this Supplemental Agreement.

E. Reversion of Assets

1. Upon expiration or termination of this Supplemental Agreement, the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of the Supplemental Agreement as well as any accounts receivable held by CITY which are attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

2. Any real property under the CITY'S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in the form of a loan) in excess of $25,000 is either:

(i) Used to meet one of the National Objectives pursuant to 24 CFR 570.208 until five years after expiration of this agreement, or for such longer period of time as determined to be appropriate by the COUNTY; or

(ii) Not used in accordance with Clause (i) above, in which event the CITY shall pay the COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

20. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this Supplemental Agreement will make reference to the contribution of the COUNTY, the Department of Housing, and Workforce Solutions, and the Community Development Block Grant Program in making the project possible.

21. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Supplemental Agreement and the effective and efficient achievement of the CDBG National Objectives as set forth in Exhibit(s)A, B, and C, attached hereto. Quarterly reports shall be due on the last day of the month immediately following the end of the quarter being reported. The quarterly written reports shall include, but shall not be limited to, the following data elements:

A. Title of program, listing of components, description of activities/operations.

B. The projected goals, indicated numerically, and also the goals achieved (for each report period). In addition, identify by percentage and description, the progress achieved towards meeting the specified goals and identify any problems encountered in meeting goals.

C. If the CDBG-funded activity meets a National Objective under 24 CFR 570.208 (a)(2)(i), CITY will report the following:

1) Total number of direct beneficiaries (clientele served) with median household incomes (MHI) at:

- Above 80% MHI

- Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)
- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to Housing and Workforce Solutions (HWS) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by HWS should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

22. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval from HWS prior to implementing the following "high risk" activities funded with CDBG assistance:

A. Construction of public facilities (project plans and specifications);

B. Acquisition of real property;

C. Historic Preservation;

D. Relocation; and

F. Economic Development

23. PRIOR COUNTY APPROVAL (CONSTRUCTION ACTIVITIES). CITY shall obtain COUNTY's written approval, through its HWS, of the project plans, specifications, and construction documents prior to CITY'S construction of same for all projects consisting of CDBG-funded construction activities. The COUNTY neither undertakes nor assumes nor will have any responsibility or duty to CITY or to any third party to review, inspect, supervise, pass judgment upon or inform CITY or any third party of any matter in connection with the development or construction of the improvements, whether regarding the quality, adequacy or suitability of the plans, any labor, service,

equipment or material furnished to the property, any person furnishing the same, or otherwise. CITY and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to CITY or to any third party by the COUNTY in connection with such matter is for the public purpose of assisting with a community development and housing activity pursuant to the Act, and neither CITY (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon. The COUNTY shall not be responsible for any of the work of construction, improvement, or development of the property.

It is the responsibility of CITY, without cost to COUNTY, to ensure that all applicable local jurisdiction land use requirements will permit development of the property and construction of the improvements and the use, operation, and maintenance of such Improvements in accordance with the provisions of this Agreement. Nothing contained herein shall be deemed to entitle Sponsor to any local jurisdiction or County permit or other local jurisdiction or County approval necessary for the development of the Property, or waive any applicable local jurisdiction or County requirements relating thereto. This Agreement does not (a) grant any land use entitlement to CITY, (b) supersede, nullify, or amend any condition which may be imposed by the local jurisdiction in connection with approval of the development described herein, (c) guarantee to CITY or any other party any profits from the development of the Property, or (d) amend any local jurisdiction or County laws, codes or rules.

City agrees and acknowledges that it is the responsibility of City to obtain a legal determination at City's sole cost and expense, as to whether prevailing wages must be paid during construction of the Project. If the Project is subject to prevailing wages, then City shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rate. City agrees to indemnify, defend, and hold County harmless from and against any liability arising out of and related to City's failure to comply with any and all Davis Bacon and or prevailing wage requirements.

24. PRIOR COUNTY APPROVAL (AQUISITION ACTIVITIES). CITY shall obtain COUNTY's written approval and authorization to proceed, through HWS, of all CDBG-funded real

property acquisition activities.

25. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY CONSTRUCTED WITH CDBG FUNDS. When CDBG funds are used, in whole or in part, by CITY to acquire real property or to construct a public facility, CITY will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.311); National Environmental Policy Act of 1969 (42 U.S.C.A. §4321, et seq.); the California Environmental Quality Act (Cal. Pub. Resources Code §21000, et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. §4630, et seq.); and the COUNTY's Five Year Consolidated Plan. In addition, the following is to occur:

a. Title to the real property shall vest in CITY;

b. The real property will be held by CITY, or the constructed facility will be maintained by the CITY, for a minimum period of five (5) years from the date the CDBG-funded activity is closed-out and reported as complete by the COUNTY through the Comprehensive Annual Performance and Evaluation Report (CAPER);

c. While held by CITY, the real property or the constructed facility is to be used exclusively for the purposes for which acquisition or construction was originally approved by COUNTY;

d. Written approval from COUNTY must be secured if the property or the facility is to be put to an alternate use that is consistent with the COUNTY'S Five-Year Consolidated Plan or the applicable federal regulations governing CDBG funds;

e. Should CITY desire to use the real property or the constructed facility, prior to the completion of the mandatory five-year period, for a purpose not consistent with applicable federal regulations governing CDBG funds or to sell the real property or facility, then:

(1) If CITY desires to retain title, CITY will reimburse COUNTY the amount that represents the percentage of current fair market value that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility; or

(2) If CITY sells the property or facility or is required to sell the property or

facility, CITY shall reimburse COUNTY the amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

26. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

27. SEVERABILITY. Each section, paragraph and provision of this Supplemental Agreement is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall remain in full force and effect.

28. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in writing, the Riverside County Workforce Development Center of any and all job openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

29. MINISTERIAL ACTS. The Director of Housing and Workforce Solutions or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this Supplemental Agreement as it may be amended from time-to-time by COUNTY.

30. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no liability for any later determination by the United States Government, the U.S. Department of Housing and Urban Development, or any other person or entity that CITY is or is not eligible under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

31. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant Award Number is B-24-UC-06-0506.

32. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

33. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Supplemental Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Supplemental Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

34. WAIVER. Failure by a party to insist upon the strict performance of any of the provisions of this Supplemental Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

35. JURISDICTION AND VENUE: Any action at law or in equity arising under this Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Supplemental Agreement shall be filed only in the Superior Court of the State of California, located in Riverside, California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction

36. USE OF PROPERTY. Whenever federal CDBG funds or program income are used, in whole or in part, for the purchase of equipment or personal property, the property shall not be transferred from its originally funded use, by CITY or the CITY'S subcontractor implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of the grant from which CDBG assistance was provided. The CITY shall maintain a current inventory for COUNTY monitoring and review.

37. AUTHORITY TO EXECUTE. The persons executing this Supplemental Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement hereby warrant and represent that they have the authority to execute this Supplemental Agreement and warrant and represent that they have the authority to bind the respective parties to this Supplemental Agreement to the performance of its obligations hereunder.

38. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the date the

parties sign the Supplemental Agreement. If the parties sign the Supplemental Agreement on more than one date, then the last date the Supplemental Agreement is signed by a party shall be the effective date.

39. COUNTERPARTS. This Supplemental Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

40. FORCE MAJEURE.

A. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, pandemic, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a public or governmental agency or entity, or any causes beyond the control or without the fault of the party claiming an extension of time to perform.

B. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it obtains knowledge of the event.

41. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be modified or amended only by a writing signed by the duly authorized and empowered representative of COUNTY and CITY respectively.

42. DIGITAL AND ELECTRONIC SIGNATURES. The parties agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17). The parties further agree that the

electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to CUETA as amended from time to time. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the dates set forth below.

COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

BY: _____
Juan Garcia,
Deputy Director

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN

COUNTY COUNSEL

By: _____
Paula S. Salcido,
Deputy County Counsel

CITY OF BANNING,
A general law city

BY: _____
Name:

Title:

Date: _____

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI #: F996EVLCRCG3

ADDRESS: PO Box 998

Banning, CA 92220

PROGRAM CONTACTS: Ralph Wright, Parks and Recreation Director

PHONE: 951-922-3242 FAX:

E-MAIL: rwright@banningca.gov

PROJECT NAME: Banning Senior Center ADA Improvements Project

PROJECT LOCATION: 769 North San Gorgonio, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: §58.35(a)(2)

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: **$43,144**

Project to be administered by County (HWS) on behalf of City: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2024-2025** Community Development Block Grant for the **Banning Senior Center ADA Improvements Project** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will use CDBG funding for costs associated with ADA improvements to the Senior Center, outlined in a CASP Report. Improvements include but are not limited to rehabilitating existing restrooms for ADA compliance. CDBG funds will be used for design, construction, project management, compliance monitoring, inspection, and other related costs. Banning Senior Center ADA Improvements Project*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1: *Complete ADA improvements*

Activity #2: *Design, construction, project management, compliance monitoring, inspection, and other related expenses.*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$43,144** Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non-CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	X			
Project Administration Costs	X			
Construction Costs	X			
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs:				
TOTAL CDBG BUDGET	**$43,144**		**$43,144**	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER							

TOTAL: $0

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

I Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	**Start Date**	**Completion Date**
Complete CDBG Training	September 2024	September 2024
Implement Project Activities	Upon Notification from HWS	
Execute Supplemental Agreement & Notice to Incur Cost	September 2024	January 2025
Tasks / Milestone	**Start Date**	**Completion Date**
Submit Quarterly Performance Reports to County	October 2024 Through	June 2025
County Monitoring of City Program/Performance	To be determined by Program Manager	

Specific Project Activities

1. City executes Supplemental Agreement; receives Authorization to Incur Cost letter
2. City prepares final construction documents (incorporating Special Federal Provisions) for HWS review and approval
3. HWS authorizes City to advertise for bids
4. HWS reviews and approves bidding process
5. City awards construction contract
6. City and HWS conduct "pre-construction meeting"
7. HWS authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests Monthly Submittal ☐ Other Schedule ☒ **To be determined by CDBG Program manager**

CDBG-funded Project Complete June 30, 2025

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

The City must follow proper procurement and construction policies and procedures of the City and CDBG regulations. Construction shall commence using CDBG funding with a Notice to Proceed. A pre-bid and pre-construction meeting are required. The City must contact the CDBG Program Manager for review before submitting RFP, construction activity, or cost without prior written approval. The County must be contacted 10 (ten) days in advance for attendance of the Pre-Construction meeting. Original signed Certified payrolls are to be submitted on a weekly basis to the HWS-CDBG program manager once construction starts.

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI #: F996EVLCRCG3

ADDRESS: PO Box 998

Banning, CA 92220

PROGRAM CONTACTS: Ralph Wright, Parks and Recreation Director

PHONE: 951-922-3242 FAX:

E-MAIL: rwright@banningca.gov

PROJECT NAME: Dysart Park Improvement Project

PROJECT LOCATION: 2101 West Victory Avenue, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: §58.35(3)(iii)(A)

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: **$105,000**

Project to be administered by County (HWS) on behalf of City: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2024-2025** Community Development Block Grant for the **Dysart Park Improvement Project** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will use CDBG funding for design and construction of improvements at Dysart Park. Improvements will include, restrooms but are not limited to replacing temporary bleachers with permanent bleachers and constructing meeting rooms, restrooms, and concessions. CDBG funds will be used for design, construction, project management, compliance monitoring, inspection, and other related costs.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(1)(i)

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1: *Complete park improvements*

Activity #2: *Design, construction, project management, compliance monitoring, inspection, and other related expenses.*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☐ Availability/Accessibility
- ☐ Affordability
- ☒ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$105,000** Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non-CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	X	$0		
Project Administration Costs	X			
Construction Costs	X			
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs:				
TOTAL CDBG BUDGET	**$105,000**	**$0**	**$105,000**	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER							

TOTAL: $0

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

I Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

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Tasks / Milestone	**Start Date**	**Completion Date**
Submit Quarterly Performance Reports to County	October 2024 Through	June 2025
County Monitoring of City Program/Performance	To be determined by Program Manager	

Specific Project Activities

1. City executes Supplemental Agreement; receives Authorization to Incur Cost letter
2. City prepares final construction documents (incorporating Special Federal Provisions) for HWS review and approval
3. HWS authorizes City to advertise for bids
4. HWS reviews and approves bidding process
5. City awards construction contract
6. City and HWS conduct "pre-construction meeting"
7. HWS authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests Monthly Submittal ☐ Other Schedule ☒ **To be determined by CDBG Program manager**

CDBG-funded Project Complete June 30, 2025

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

The City must follow proper procurement and construction policies and procedures of the City and CDBG regulations. Construction shall commence using CDBG funding with a Notice to Proceed. A pre-bid and pre-construction meeting are required. The City must contact the CDBG Program Manager for review before submitting RFP, construction activity, or cost without prior written approval. The County must be contacted 10 (ten) days in advance for attendance of the Pre-Construction meeting. Original signed Certified payrolls are to be submitted on a weekly basis to the HWS-CDBG program manager once construction starts.

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI#: F996EVLCRCG3

ADDRESS: PO Box 998

Banning, CA 92220

CITY PROGRAM CONTACTS: Mike Story, Executive Director

SUBRECIPIENT NAME: Sunrise Life Development

ADDRESS: PO Box 998, Banning, CA 92220

PHONE: 909-875-5566 FAX :

E-MAIL: mstory@sunrisechurch.org

PROJECT NAME: Banning Peace Center Food Program

PROJECT LOCATION: 4024 West Wilson Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: $11,264

Project to be administered by County (HWS) on behalf of CITY: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2024-2025** Community Development Block Grant for the **Banning Peace Center Food Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *Banning Peace Food Center provides emergency assistance to low to moderate-income clients. Clients are assisted with emergency relief food boxes, baby items, and senior products. CDBG funds will be used to purchase food, supplies, and other program-related expenses.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total *Unduplicated Persons*
		600	*600*

Unit of Service is defined as: *Persons Served*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$11,264**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses Salaries Fringe Office Space (Program Only) Utilities Communications Reproduction/Printing Supplies and Materials Mileage Equipment (Program Only) Audit Transportation Other:	**$ 11,264**		*$11,264*	
Total Indirect Program Expenses Indirect Costs (Specify)*	**$**			
TOTAL CDBG BUDGET	**$11,264**		**$11,264**	

* **All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.**

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER							

TOTAL: $0

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained.

The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention:

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data:

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure:

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs:

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections:

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Complete Sponsor Training	September 2024	September 2024
Implement Program Activities	August 1, 2024	March 28, 2025
Execute Sponsor's Agreement & Notice to Incur Cost [1]	September 2024	December 2024
Sponsor Submits Quarterly Performance Reports to County	October 2024	March 28, 2025[2]
Sponsor Submits Monthly Direct Benefit Reports	October 2024	March 28, 2025 [3]
Sponsor Submits Reimbursement Requests	October 2024	March 28, 2025[4]

[1] **The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.**

[2, 3, 4] **Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.**

CDBG Program Services Complete March 28, 2025

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect Self-Certifications with supporting income documents and demographic information from **EVERY individual or family participating in CDBG-funded activities or the parent/legal guardian of every child participating in CDBG-funded activities.** This includes family income, family size, and race. Sponsor is required to submit the 1st 200 Self- Certifications forms with supporting documentation, and 25% thereafter to HWS along with the Direct Benefit Reports on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, sponsor must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2024-25 CDBG funds must be drawn down by January 10, 2025, and 100% of all 2024-25 CDBG funds must be drawn down by March 28, 2025.

EXHIBIT "S"

Economic Opportunities for Low- and Very Low-Income Persons
CONTRACT REQUIREMENTS
24 CFR Part 75

RIVERSIDE COUNTY

Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

Section 75. 5 Definitions.

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial

consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in §75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in §75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Subpart C—Additional Provisions for Housing and Community Development Financial Assistance

§75.19 Requirements.

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

§75.21 Targeted Section 3 worker for housing and community development financial assistance.

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in §75.5; or

(ii) A YouthBuild participant.

(b) [Reserved]

§75.23 Section 3 safe harbor.

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in §75.19; and

(2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide

benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§75.25 Reporting.

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the

total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.,* resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.,* work readiness activities, interview clothing, test fees, transportation, child care).

(7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.

(8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.

(9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

(10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

(11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

(12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§75.27 Contract provisions.

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§75.29 Multiple funding sources.

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or recipients

must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§75.33 Compliance.

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found

EXHIBIT "R"

24 C.F.R. § 5.109

Equal participation of faith-based organizations in HUD programs and activities.

Effective: May 4, 2016

(a) Purpose.

Consistent with Executive Order 13279 (issued on December 12, 2002, 67 FR 77141), entitled "Equal Protection of the Laws for Faith–Based and Community Organizations," as amended by Executive Order 13559 (issued on November 17, 2010, 75 FR 71319), entitled "Fundamental Principles and Policymaking Criteria for Partnerships With Faith–Based and Other Neighborhood Organizations,", and further amended by Executive Order 13831 (issued on May 3, 2018, 83 FR 20715) entitled "Establishment of a White House Faith and Opportunity Initiative," this section describes requirements for ensuring the equal participation of faith-based organizations in HUD programs and activities. These requirements apply to all HUD programs and activities, including all of HUD's Native American Programs, except as may be otherwise noted in the respective program regulations in title 24 of the Code of Federal Regulations (CFR), or unless inconsistent with certain HUD program authorizing statutes.

b) Definitions. The following definitions apply to this section:

Direct Federal financial assistance means Federal financial assistance provided when a Federal Government agency or an intermediary, as defined in this section, selects the provider and either purchases services from that provider (i.e., via a contract) or awards funds to that provider to carry out an activity (e.g., via grant, sub-grant, sub-award, or cooperative agreement). The recipients of sub-grants or sub-awards that receive Federal financial assistance through State-administered programs (e.g., flow-through programs) are considered recipients of direct Federal financial assistance. In general, Federal financial assistance shall be treated as direct, unless it meets the definition of indirect Federal financial assistance.

Federal financial assistance means assistance that non–Federal entities receive or administer in the forms of grants, contracts, loans, loan guarantees, property, cooperative agreements, food commodities, direct appropriations, or other assistance, but does not include a tax credit, deduction, or exemption.

Indirect Federal financial assistance means Federal financial assistance provided when the choice of the provider is placed in the hands of the beneficiary, and the cost of that service is paid through a voucher, certificate, or other similar means of Government-funded payment. Federal financial assistance provided to an organization is considered indirect when the Government program through which the beneficiary receives the voucher, certificate, or other similar means of Government-funded payment is neutral toward religion meaning that it is available to providers without regard to the religious or non-religious nature of the institution and there are no program incentives that deliberately skew for or against religious or secular providers; and the organization receives the assistance as a result of a genuine, independent choice of the beneficiary.

Intermediary means an entity, including a nongovernmental organization, acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that accepts Federal financial assistance and distributes that assistance to other entities that, in turn, carry out activities under HUD programs.

(c) Equal participation of faith-based organizations in HUD programs and activities.

Faith-based organizations are eligible, on the same basis as any other organization, to participate in any HUD program or activity, considering any permissible accommodations, particulary under the Religious Freedome Restoration Act. Neither the Federal Government, nor a State, tribal or local government, nor any other entity that administers any HUD program or activity, shall discriminate against an organization on the basis of the organization's religious character, affiliation, or lack thereof, or on the basis of the organization's religious exercise. For purposes of this part, to discriminate against an organization on the basis of the organization's religious exercise means to disfavor an organization, including by failing to select an organization, disqualifying an organization, or imposing any condition or selection criterion that otherwise disfavors or penalizes an organization in the selection process or has such an effect:

(1) Because of conduct that would not be considered grounds to disfavor a secular organization;
(2) Because of conduct that must or could be granted an appropriate accommodation in a manner consistent with RFRA (42 U.S.C. 2000bb through 2000bb-4) or the Religion Clauses of the First Amendment to the Constitution; or
(3) Because of the actual or suspected religious motivation of the organization's religious exercise.
(4) In addition, decisions about awards of Federal financial assistance must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not based on the organization's religious character, affiliation, or lack thereof, or based on the organization's religious exercise. Notices of funding availability, grant agreements, and cooperative agreements shall include language substantially similar to that in appendix A to this subpart, where faith-based organizations are eligible for such opportunities.

(d) Independence and identity of faith-based organizations.

(1) A faith-based organization that applies for, or participates in, a HUD program or activity supported with Federal financial assistance retains its autonomy, right of expression, religious character, authority over its governance, and independence, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs. A faith-based organization that receives Federal financial assistance from HUD does not lose the protections of law.

(2) A faith-based organization that receives direct Federal financial assistance may use space (including a sanctuary, chapel, prayer hall, or other space) in its facilities (including a temple, synagogue, church, mosque, or other place of worship) to carry out activities under a HUD program without concealing, altering, or removing religious art, icons, scriptures, or other religious symbols. In addition, a faith-based organization participating in a HUD program or activity retains its authority over its internal governance, and may retain religious terms in its organization's name, select its board members and employees on the basis of their acceptance of or adherence to the religious tenets of the organization consistent with paragraph (i) of this section), and include religious references in its organization's mission statements and other governing documents.

(e) Explicitly religious activities.

If an organization engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance. The use of indirect Federal financial assistance is not subject to this restriction. Nothing in this part restricts HUD's authority under applicable Federal law to fund activities, that can be directly funded by the Government consistent with the Establishment Clause of the U.S. Constitution.

(f) Intermediary responsibilities to ensure equal participation of faith-based organizations in HUD programs.

If an intermediary - acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that is administering a program supported by Federal financial assistance - is

given the authority to select a nongovernmental organization to receive Federal financial assistance under a contract, grant, sub-grant, sub-award, or cooperative agreement, the intermediary must ensure that such organization complies with the requirements of this section. If the intermediary is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

(g) Nondiscrimination requirements.

Any organization that receives Federal financial assistance under a HUD program or activity shall not, in providing services with such assistance or carrying out activities with such assistance, discriminate against a beneficiary or prospective beneficiary on the basis of religion, religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. However, an organization that participates in a program funded by indirect Federal financial assistance need not modify its program or activities to accommodate a beneficiary who chooses to expend the indirect aid on the organization's program and may require attendance at all activities that are fundamental to the program.

(h) No additional assurances from faith-based organizations.

A faith-based organization is not rendered ineligible by its religious nature to access and participate in HUD programs. Absent regulatory or statutory authority, no notice of funding availability, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering Federal financial assistance from HUD shall require otherwise eligible faith-based organizations to provide assurances or notices where they are not required of similarly situated secular organizations. All organizations that participate in HUD programs or activities, including organizations with religious character or affiliations, must carry out eligible activities in accordance with all program requirements, subject to any required or appropriate accommodation, particularly under the Religious Freedom Restoration Act, and other applicable requirements governing the conduct of HUD-funded activities, including those prohibiting the use of direct financial assistance to engage in explicitly religious activities. No notice of funding availability, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering financial assistance from HUD shall disqualify otherwise eligible faith-based organizations from participating in HUD's programs or activities because such organization is motivated or influenced by religious faith to provide such programs and activities, or because of its religious character or affiliation, or on grounds that discriminate against an organization on the basis of the organization's religious exercise, as defined in this part.

(i) Exemption from Title VII employment discrimination requirements.

A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1), is not forfeited when the organization participates in a HUD program. Some HUD programs, however, contain independent statutory provisions that impose certain nondiscrimination requirements on all grantees. Accordingly, grantees should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(j) Acquisition, construction, and rehabilitation of structures.

Direct Federal financial assistance may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under a HUD program or activity. Where a structure is used for both eligible and explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), direct Federal financial assistance may not exceed the cost of the share of acquisition, construction, or rehabilitation attributable to eligible activities in accordance with the cost accounting requirements applicable to the HUD program or activity. However,

acquisition, construction, or rehabilitation of sanctuaries, chapels, or other rooms that a HUD–funded faith-based organization uses as its principal place of worship, may not be paid with direct Federal financial assistance. Disposition of real property by a faith-based organization after its use for an authorized purpose, or any change in use of the property from an authorized purpose, is subject to Government-wide regulations governing real property disposition (2 CFR part 200, subpart D) and the HUD program regulations, as directed by HUD.

(k) Commingling of Federal and State, tribal, and local funds.

If a State, tribal, or local government voluntarily contributes its own funds to supplement direct Federal financial assistance for an activity, the State, tribal or local government has the option to segregate those funds or commingle them with the direct Federal financial assistance. However, if the funds are commingled, the requirements of this section apply to all of the commingled funds. Further, if a State, tribal, or local government is required to contribute matching funds to supplement direct Federal financial assistance for an activity, the matching funds are considered commingled with the direct Federal financial assistance and, therefore, subject to the requirements of this section. Some HUD programs' requirements govern any activity assisted under those programs. Accordingly, recipients should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(l) Tax exempt organizations.

In general, HUD does not require that a recipient, including a faith-based organization, obtain tax-exempt status under section 501(c)(3) of the Internal Revenue Code to be eligible for funding under HUD programs. Many grant programs, however, do require an organization to be a nonprofit organization in order to be eligible for funding. Notices of funding availability that require organizations to have nonprofit status will specifically so indicate in the eligibility section of the notice of funding availability. In addition, if any notice of funding availability requires an organization to maintain tax-exempt status, it will expressly state the statutory authority for requiring such status. Applicants should consult with the appropriate HUD program office to determine the scope of any applicable requirements. In HUD programs in which an applicant must show that it is a nonprofit organization but this is not statutorily defined, the applicant may do so by any of the following means:

(1) Proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;
(2) A statement from a State or other governmental taxing body or the State secretary of State certifying that -
(i) The organization is a nonprofit organization operating within the State; and
(ii) No part of its net earnings may benefit any private shareholder or individual;

(3) A certified copy of the applicant's certificate of incorporation or similar document that clearly establishes the nonprofit status of the applicant;
(4) Any item described in paragraphs (l)(1) through (3) of this section, if that item applies to a State of national parents organization, together with a statement by the State of parent organization that the applicant is a local nonprofit affiliate; or
(5) For an entity that holds a sincerely held religious belief that it cannot apply for a determination as an entity that is tax-exempt under section 501(c)(3) of the Internal Revenue Code, evidence sufficient to establish that the entity would otherwise qualify as a nonprofit organization under paragraphs (l)(1) through (4) of this section.

(m) Rule of construction.

Neither HUD nor any recipient or other intermediary receiving funds under any HUD program or activity shall construe these provisions in such a way as to advantage or disadvantage faith-based organizations affiliated with historic or well-established religions or sects in comparison with other religions or sects.

Credits

[69 FR 41717, July 9, 2004; 80 FR 75934, Dec. 7, 2015; 81 FR 19416, April 4, 2016; 85 FR 82315, Dec 17, 2020]

SOURCE: 61 FR 5202, Feb. 9, 1996; 61 FR 9041, March 6, 1996; 61 FR 9537, March 8, 1996; 61 FR 11113, March 18, 1996; 61 FR 13616, March 27, 1996; 61 FR 54498, Oct. 18, 1996; 70 FR 77743, Dec. 30, 2005; 73 FR 72340, Nov. 28, 2008; 75 FR 66258, Oct. 27, 2010; 77 FR 5674, Feb. 3, 2012; 80 FR 42352, July 16, 2015; 81 FR 19416, April 4, 2016; 81 FR 80798, Nov. 16, 2016; 81 FR 90657, Dec. 14, 2016, unless otherwise noted.

AUTHORITY: 12 U.S.C. 1701x; 42 U.S.C. 1437a, 1437c, 1437d, 1437f, 1437n, 3535(d); Sec. 327, Pub.L. 109–115, 119 Stat. 2936; Sec. 607, Pub.L. 109–162, 119 Stat. 3051 (42 U.S.C. 14043e et seq.); E.O. 13279, 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and E.O. 13559, 75 FR 71319, 3 CFR, 2010 Comp., p. 273.; 29 U.S.C. 794, 42 U.S.C. 1437a, 1437c, 1437c–1(d), 1437d, 1437f, 1437n, 3535(d), and Sec. 327, Pub.L. 109–115, 119 Stat. 2936; 42 U.S.C. 3600–3620; 42 U.S.C. 5304(b); 42 U.S.C. 12101 et seq.; 42 U.S.C. 12704–12708; E.O. 11063, 27 FR 11527, 3 CFR, 1958–1963 Comp., p. 652; E.O. 12892, 59 FR 2939, 3 CFR, 1994 Comp., p. 849.

Additional Federal Requirements

Whereas the work under this Agreement is subject to applicable Federal, State, and local laws and regulations, including but not limited to the regulations pertaining to the Community Development Block Grant program (24 CFR *Part 570)* and the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards *(2 CFR Part 200)*. Contractor, sub-contractors, Consultants, and sub-consultants agree to comply with, and are subject to, all applicable requirements as follows:

1. ***Equal Employment Opportunity*** - Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Part 60). The Contractor/Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, general identity, or national origin. Contractor/Consultant will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex sexual orientation, general identity, or national origin. The Contractor/Consultant will take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their race color, religion, sex, sexual orientation, general identity, or national origin. Such actions shall include, but are not limited to, the following: employment, up-grading, demotion, or transfer; recruitment or recruitment advertising; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor/Consultant agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.

2. ***Copeland "Anti-Kickback" Act*** *(18 U.S.C. 874 and 40 U.S.C.A. Section 3145):* All contracts and subgrants in excess of $2,000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.

3. ***Davis-Bacon Act, as amended*** *(40 U.S.C.A. Section 3141-3148):* When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than $2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. *A. Section 3141-3148*) and as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under the Davis Bacon Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the U.S. Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the U.S. Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

4. ***Contract Work Hours and Safety Standards Act*** *(40 U.S.CA.. 32701 through 3708):* Where applicable, all contracts awarded by recipients in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with the Contract Work Hours and Safety Standards (40 U.S.C.A. 32701–3708), as supplemented by Department of Labor Regulations (29 CFR Part 5). Under Section 40 U.S.C.A. 3702, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. 40 U.S.C.A. 3704of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or

materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. ***Rights to Inventions Made Under a Contract or Agreement***— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

6. ***Rights to Data and Copyrights*** – Contractors and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).

7. ***Air Pollution Prevention and Control (formally known as the Clean Air Act) (42 U.S.C.A. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C.A. Section 1251 et seq.), as amended:***— Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 *et seq.*) and the Federal Water Pollution Control Act as amended (33 U.S.C.A. 1251 *et seq.*). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

8. ***Byrd Anti-Lobbying Amendment*** *(31 U.S.C.A. 1352)*— Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

9. ***Debarment and Suspension*** *(Executive Orders (E.O. s) 12549 and 12689)*—No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 2424. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

10. ***Drug-Free Workplace Requirements***— The Anti-Drug Abuse Act of 1988 (41 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 2425.

11. ***Access to Records and Records Retention***: The Consultant or Contractor, and any sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or County officials or authorized representatives access to the work area, as well as all books, documents, materials, papers, and records of the Consultant or Contractor, and any sub-consultants or sub-contractors, that are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions. The Consultant or Contractor, and any sub-consultants or sub-contractors, further agree to maintain and keep such books, documents, materials, papers, and records, on a current basis, recording all transactions pertaining to this agreement in a form in accordance with generally acceptable accounting principles. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least four (4) years after the expiration of the term of this Agreement.

12. ***Federal Employee Benefit Clause:*** No member of or delegate to the congress of the United States, and no Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

13. ***Energy Efficiency*:** Mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat. 871).

14. ***Procurement of Recovered Materials (2 CFR 200.322.)*** A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with 42 U.S.C. Section 6962 of the Solid Waste Disposal Act (42 U.S.C.A. Section 6901, et seq.), as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

15. ***Build America, Buy America (BABA) Act:*** The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

16. Violence Against Women Act (VAWA): VAWA provides housing protections for survivors of domestic and dating violence, sexual assault and stalking ('domestic violence"). VAWA 2022 reauthorizes, amends, and strengthens the VAWA of 1994, as amended (Pub. L. 103-322, tit. IV, sec. 40001-40703; 34 U.S.C. 12291 et seq.) HUD's implementing regulations for VAWA'S protections, rights, and responsibilities are codified in 24 CFR part 5, subpart L, and related provisions in HUD's program regulations (HUD's VAWA regulations). VAWA 2022 amendments took effect on October 1, 2022, and 2022 VAWA's reauthorization includes new implementation requirements. Grantees, subrecipients and developers shall ensure compliance with all requirements of VAWA including but not limited to: (a) Assure domestic violence survivors are not denied assistance as an applicant, or evicted, or have assistance terminated as a tenant because applicant or tenant is or has been a victim of domestic violence; (b) Implement an emergency transfer plan allowing domestic violence survivor to move to another safe and available unit; (c) Provide protections against denial, terminations, and evictions that directly result from being a victim of domestic violence; (d) Implement a low barrier certification process and allow self-certification of domestic violence.

RESOLUTION 2025-142

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ACCEPTING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2025/2026 IN THE AMOUNT OF $156,678 FOR THE BANNING SENIOR CENTER PROJECT #2 (5BN.64-25) IN THE AMOUNT OF $141,828; BANNING PEACE CENTER FOOD PROGRAM (5.BN.65-25) IN THE AMOUNT OF $5,000; THE COURT APPOINTED SPECIAL ADVOCATE (CASA) PROGRAM (0.282-25) IN THE AMOUNT OF $5,000; AND THE TEENS CONTINUE TO LEAD PROGRAM (0.284-25) IN THE AMOUNT OF $3,850.

WHEREAS, the City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Housing and Workforce Solutions (HWS) Department annually; and

WHEREAS, the submittal of the approved project applications for CDBG 2025/2026 program funding was initially approved by the City Council on October 8, 2024 under Resolution 2024-159; and

WHEREAS, Resolution 2024-159 was rescinded to correct a clerical error and the approved project applications were re-approved by the City Council under Resolution 2024-176; and

WHEREAS, the projects submitted herein meet the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the supplemental agreement be approved by the City Council through resolution order for the City and its residents to obtain and utilize the federally funded CDBG grant funds; and

WHEREAS, final whereas statement.

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

SECTION 1. The City Council approves the Supplemental Agreement with Riverside County Housing and Workforce Solutions for the Community Development Block Grant FY 2025/2026 for a two-year term in an amount of $155,678, attached hereto as Exhibit A

SECTION 2. The City Council authorizes the mayor to execute the Supplemental Agreement with Riverside County Housing and Workforce Solutions on behalf of the City Council and the City Manager to make non-substantive changes to the Community Development Block Grant FY 2025/2026 if necessary in the future.

SECTION 3. The City Council authorizes the City Manager, or designee, to make necessary budget adjustments, appropriations, and transfers related to this resolution.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of October, 2025.

Sheri Flynn, Mayor
City of Banning

ATTEST:

Sandra Calderon, Acting Administrative
City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, Interim City Attorney
Slovak, Baron, Empey, Murphy & Pinkney,
LLP

CERTIFICATION:

I, Sandra Calderon, Acting Administrative City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2025-142, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of October, 2025 by the following vote, to wit:

AYES: Barrington, Flynn, Miller, Royce, Wallace

NOES: None

ABSENT: None

ABSTAIN: None

Sandra Calderon

Sandra Calderon, Acting Administrative City Clerk
City of Banning, California

EXHIBIT A

Supplemental Agreement for the Use of 2025/2026
Community Development Block Grant Funds

File No.: 5.BN.64-25, 5.BN.65-25, 0.282-25, 0.284-25

SUPPLEMENTAL AGREEMENT FOR THE USE OF 2025-2026 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Supplemental Agreement ("Agreement") is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the **CITY OF BANNING**, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated August 4, 2023 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY has been allocated **$155,678** in CDBG Entitlement funds for the 2025-2026 CDBG program year. CITY promises and agrees to undertake and assist with the community development activities (Public Service Activities), within its jurisdiction, by utilizing the sum of **$5,000** CDBG Entitlement Funds, as specifically identified in Exhibit(s) A, B, C, and D, attached hereto, and are incorporated herein by this reference, for the following project(s) (collectively, the "Projects"):

A) 5.BN.65-25 Banning Peace Center Food Program $5,000

CITY has allocated $8,850 from its 2025-2026 CDBG allocation to certain activities identified below, hereinafter referred to as "County-wide Activities," (Public Service Activities) that will be directly administered by COUNTY:

B) 0.282-25 Court Appointed Special Advocate (CASA) Program, $5,000.

C) 0.284-25 Teens Continue to Lead, $3,850.

CITY promises and agrees to undertake and assist with the community development

activities (Public Facility Activities) with the remaining $141,828 from its 2025-2026 CDBG allocation to activities identified below, hereinafter referred to as Public Facility Activities, specifically identified in Exhibit(s) A, B, C, and D, attached hereto, and are incorporated herein by this reference, for the following project(s):

D) 5.BN.64-25 Banning Senior Center ADA Improvements Phase II, $141,828.

3. TERMS OF AGREEMENT. The term of this Agreement for the implementation of the (Public Service Activities) Project(s) shall be for a period of one (1) year from July 1, 2025, to termination on June 30, 2026. The term of this Agreement for the implementation of the (Public Facility Activities) Project(s) shall be for a period of two (2) years from July 1, 2025, to June 30, 2027.

4. COMPLETION SCHEDULE. CITY shall proceed consistent with the completion schedule set forth in Exhibit(s) A, B, C, and D, attached hereto and incorporated herein.

5. EXTENSION OF TIME. In the event the Project(s) are not substantially completed by the time set forth in the applicable completion schedule(s) due to a force majeure event (See Section 40 below), the COUNTY may consider extending the schedule for the completion of the project(s). Times of performance for other activities may also be extended in writing by COUNTY. If substantial progress toward completion in conformance with the completion schedule, as determined by COUNTY in its discretion, of the project(s) not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate this Supplemental Agreement pursuant to the termination procedures set forth in the section titled "Termination," and the entitlement funds associated with the Project(s) may be reprogrammed by the COUNTY after appropriate notice is provided to the City.

6. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as set forth in Exhibit(s) A, B, C, and D, attached hereto, prior to receiving written authorization from COUNTY to proceed.

7. NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received

at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

COUNTY	CITY
Heidi Marshall, Director	Ralph Wright, Parks and Recreation Director
Riverside County HWS	City of Banning
P.O. Box 1528	PO Box 998
Riverside, CA 92502	Banning, CA 92220

8. DISBURSEMENT OF FUNDS.

A. COUNTY's Board of Supervisors shall determine the final disposition and distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of this Supplemental Agreement. COUNTY, through its Department of Housing, and Workforce Solutions, shall make payment of the CDBG funds to CITY as set forth in the attached Exhibit(s) A, B, C, and D. It is the CITY's responsibility to monitor all project activities set forth in the attached Exhibit(s) A, B, C, and D, and to ensure compliance with applicable federal regulations and the terms of this Supplemental Agreement.

B. CITY shall comply with timely drawdown of CDBG Entitlement funding by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects. CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January 31, 2026, exceeds one hundred and seventy-five percent (175%) of the CITY's 2025-2026 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative actions to reduce the CITY's CDBG fund balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG fund balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and absolute discretion, authorize CITY in writing, prior to January 31, 2026, to exceed the CDBG fund balance

requirement.

C. CITY shall comply with timely drawdown of CDBG funds by submitting monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30) days after the COUNTY has received the CITY's reimbursement request including documentation supporting expenditures.

D. All authorized obligations incurred in the performance of the Supplemental Agreement for projects eligible under the following CDBG regulations must be reported in writing to COUNTY no later than June 1, 2027:

1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
2. Clearance Activities [24 CFR 570.201 (d)]
3. Interim Assistance [24 CFR 570.201 (f)]
4. Code Enforcement [24 CFR 570.202 (c)]

All public service activities [24 CFR 570.201 (e)] and other eligible activities under this Supplemental Agreement must be implemented, completed, and obligations reported in writing to the COUNTY by the CITY no later than the completion schedules set forth in the attached Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal Regulations.

9. RECORDS AND INSPECTIONS.

A. CITY shall establish and maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Section 570.502 (a), as they relate to the acceptance and use of federal funds under this Agreement. Said records shall be retained for a period of four (4) years from the date that the activity or program funded with the CDBG Grant is closed out by the COUNTY and reported as complete in the Comprehensive Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year retention period requirement, pursuant to 2 CFR 200.333 include, but not limited to, the following:

i. if any litigation, claim, or audit is started prior to the expiration of the four (4) year period;

ii. when the CITY is notified in writing by the COUNTY, HUD, or other Federal agency to extend the retention period;

iii. records for real property and equipment acquired with CDBG funds must be retained for four (4) years after final disposition;

iv. when the records are transferred by the CITY to the COUNTY, HUD, or other Federal agency, the four (4) year period is not applicable.

B. CITY shall obtain an external audit in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.500). Audits shall usually be performed annually but not less frequently than every two years. Nonprofit institutions and government agencies that expend less than $750,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subgranting entity. The audit report shall be submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal year.

C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement funds received as set forth in Exhibit(s) A, B, C, and D attached hereto.

D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours, make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD), or other authorized representative, for the examination and copying, all of its records and other materials with respect to matters covered by this Agreement and provide reasonable access to CITY staff for the purpose of interview and discussion related to the records and documents.

E. CITY shall not retain any program income as defined in 24 CFR 570.500. Said program income shall be used only for the activities that are the subject of this Agreement. Further, all provisions of this Agreement shall apply to such activities.

F. The CITY shall ensure that at least fifty-one percent (51%) of the persons benefiting from all CDBG-funded activities or projects designated as serving limited clientele [24 CFR 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income guidelines. The CITY shall provide the required income certification and direct benefit documentation, in writing, to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit(s) A, B, C, and D, attached hereto. In the event that CITY engages the services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in writing, all required income certification and direct

benefit documentation from subcontractors prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit(s) A, B, C, and D, attached hereto.

10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal, state, and local laws, regulations, and ordinances and any amendments thereto and the federal regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY is to comply with those regulations found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 570. CITY is to abide by the provisions of the Community Development Block Grant Manual, prepared by COUNTY and cited in the above-mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the Housing & Urban Development Act of 1968 (12 U.S.C.A. Section 1701u), as amended, a copy of which is attached hereto as Exhibit "S", and incorporated herein by this reference. CITY shall adhere to the regulations as set forth in Exhibit "R", attached hereto and incorporated herein by this reference, pertaining to inherently religious activities. CITY shall comply with the Additional Federal Requirements, if applicable, attached hereto as Exhibit "AFR", and incorporated herein by this reference.

11. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with COUNTY in undertaking essential community development and housing assistance activities, specifically urban renewal and public assistance housing, and shall assist COUNTY in implementing and undertaking the goals and strategies identified in the 2024-2029 Five Year Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community Development Block Grant Program.

12. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Title 14 CCR Section 1501(d), the CITY is designated as the lead agency for the projects that are the subject matter of this Supplemental Agreement.

13. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of the Code,

agree that each Party shall be liable for any damages including, but not limited to, claims, demands, losses, liabilities, costs and expenses including reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their employees or agents in the performance of this Agreement, and each Party shall indemnify, defend and hold harmless the other Parties from such claims, demands, damages, losses or liabilities for their negligence.

The hold harmless and indemnification obligations set forth herein shall survive the termination and expiration of this Agreement. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CITY from indemnifying the Indemnitees to the fullest extent allowed by law.

14. INSURANCE. Without limiting or diminishing the CITY's obligation to indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of COUNTY OF RIVERSIDE Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds

a. Workers' Compensation:

If the CITY has employees as defined by the State of California, the CITY shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

b. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply

separately to this agreement or be no less than two (2) times the occurrence limit.b.1 Sexual Abuse or Molestation (SAM) Liability:

If the work will include contact with minors, and the Commercial General Liability policy is not endorsed to include affirmative coverage for sexual abuse or molestation, CITY shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than $2,000,000 per occurrence or claim.

c. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

d. General Insurance Provisions - All lines:

(i). Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(ii). The CITY must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(iii). CITY shall cause CITY'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in

writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CITY shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

(iv). It is understood and agreed to by the parties hereto that the CITY'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

(v). If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of or, the term of this Agreement, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CITY has become inadequate.

(vi). CITY shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

(vii). The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

(viii). CITY agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

15. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this Supplemental Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and the CITY shall hold the COUNTY harmless from any and all claims that may be made against the COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Supplemental Agreement. It is further understood and agreed by the parties that the CITY in the performance of this Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

16. NONDISCRIMINATION. CITY shall abide by 24 CFR Sections 570.601 and 570.602 of Title 24 of the Code of Federal Regulations which requires that no person in the United States shall on the grounds of race, color, national origin, sex, sexual orientation, gender identity, or veterans status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development funds.

CITY shall abide by and include in any subcontracts to perform work under this Supplemental Agreement, the following clause:

"During the performance of this Supplemental Agreement, CITY and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, veterans status, sexual orientation, gender identity, age (over 40) or sex. CITY and subcontractors shall insure that the evaluation and treatment of their employees and applicants

for employment are free of such discrimination. CITY and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code Section 12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission are implementing California Government Code Section 12990 et seq., set forth in Chapter 1 of Division 4.1 of Title 2 of the California Administrative Code are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CITY and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement."

17. PROHIBITION AGAINST CONFLICTS OF INTEREST

A. CITY and its assigns, employees, agents, consultants, officers and elected and appointed officials shall become familiar with and shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained in 24 CFR 570.611.

B. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

C. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

D. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

E. CITY understands and agrees that no waiver of exception can be granted to the

prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR 570.611(d). Any request by CITY for an exception shall first be reviewed by COUNTY to determine whether such request is appropriate for submission to HUD in the COUNTY'S sole and absolute discretion. In determining whether such request is appropriate for submission to HUD, COUNTY will consider the factors listed in 24 CFR 570.611(d)(2).

F. Prior to the distribution of any CDBG funding under this Supplemental Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents, consultants, officers and elected and appointed officials who are in a position to participate in a decision making process, exercise any functions or responsibilities, or gain inside information with respect to the CDBG activities funded under this Agreement. CITY shall also promptly disclose to COUNTY any potential conflict, including even the appearance of conflict that may arise with respect to the CDBG activities funded under this Supplemental Agreement.

G. Any violation of this Section 17 shall be deemed a material breach of this Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by the COUNTY.

18. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the CITY shall complete and submit Standard Form-LLL. "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. CITY shall require that the language of this certification be included in the award

documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

19. TERMINATION.

A. CITY. CITY may not terminate this Agreement except upon express written consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

B. COUNTY. Notwithstanding the provisions of Paragraph 19a above, COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to CITY of action being taken and the reason for such action including, but not limited to, the following reasons:

(1) In the event CITY fails to perform the covenants herein contained at such times and in such manner as provided in this Supplemental Agreement; and

(2) In the event there is a conflict with any federal, state or local law, ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement invalid or untenable; or

(3) In the event the funding from the Department of Housing and Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes unavailable.

C. This Agreement may be terminated and/or funding suspended, in whole or in part, for cause in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the failure of the CITY to materially comply with either the terms or conditions of this Agreement. Upon suspension of funding, the CITY agrees not to incur any costs related thereto, or connected with, any area of conflict from which the COUNTY has determined that suspension of funds is necessary. CITY acknowledges that failure to comply with Federal statutes, regulations, or the terms and conditions of this Agreement may be considered by the COUNTY in evaluating future CDBG and non-CDBG funding applications submitted by CITY.

D. Upon suspension or termination of this Supplemental Agreement, CITY shall return any unencumbered funds which it has been provided by COUNTY. In accepting said funds, COUNTY does not waive any claim or cause of action it may have against CITY for breach of this

Supplemental Agreement.

E. Reversion of Assets

1. Upon expiration or termination of this Supplemental Agreement, the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of the Supplemental Agreement as well as any accounts receivable held by CITY which are attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

2. Any real property under the CITY'S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in the form of a loan) in excess of $25,000 is either:

(i) Used to meet one of the National Objectives pursuant to 24 CFR 570.208 until five years after expiration of this agreement, or for such longer period of time as determined to be appropriate by the COUNTY; or

(ii) Not used in accordance with Clause (i) above, in which event the CITY shall pay the COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

20. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this Supplemental Agreement will make reference to the contribution of the COUNTY, the Department of Housing, and Workforce Solutions, and the Community Development Block Grant Program in making the project possible.

21. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Supplemental Agreement and the effective and efficient achievement of the CDBG National Objectives as set forth in Exhibit(s) A, B, C, and D, attached hereto. Quarterly reports shall be due on the last day of the month immediately following the end of the quarter being reported. The quarterly written reports shall include, but shall not be limited to, the following data elements:

A. Title of program, listing of components, description of activities/operations.

B. The projected goals, indicated numerically, and also the goals achieved (for each report period). In addition, identify by percentage and description, the progress achieved towards

meeting the specified goals and identify any problems encountered in meeting goals.

C. If the CDBG-funded activity meets a National Objective under 24 CFR 570.208 (a)(2)(i), CITY will report the following:

1) Total number of direct beneficiaries (clientele served) with household incomes at:

- Above 80% MHI
- Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)
- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to Housing and Workforce Solutions (HWS) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by HWS should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

22. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval from HWS prior to implementing the following "high risk" activities funded with CDBG assistance:

A. Construction of public facilities (project plans and specifications);

B. Acquisition of real property;

C. Historic Preservation;

D. Relocation; and

F. Economic Development

23. PRIOR COUNTY APPROVAL (CONSTRUCTION ACTIVITIES). CITY shall obtain COUNTY's written approval, through its HWS, of the project plans, specifications, and construction documents prior to CITY'S construction of same for all projects consisting of CDBG-funded construction activities. The COUNTY neither undertakes nor assumes nor will have any responsibility or duty to CITY or to any third party to review, inspect, supervise, pass judgment upon or inform CITY or any third party of any matter in connection with the development or construction of the improvements, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the property, any person furnishing the same, or otherwise. CITY and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to CITY or to any third party by the COUNTY in connection with such matter is for the public purpose of assisting with a community development and housing activity pursuant to the Act, and neither CITY (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon. The COUNTY shall not be responsible for any of the work of construction, improvement, or development of the property.

It is the responsibility of CITY, without cost to COUNTY, to ensure that all applicable local jurisdiction land use requirements will permit development of the property and construction of the improvements and the use, operation, and maintenance of such Improvements in accordance with the provisions of this Agreement. Nothing contained herein shall be deemed to entitle Sponsor to any local jurisdiction or County permit or other local jurisdiction or County approval necessary for the development of the Property, or waive any applicable local jurisdiction or County requirements relating thereto. This Agreement does not (a) grant any land use entitlement to CITY, (b) supersede, nullify, or amend any condition which may be imposed by the local jurisdiction in connection with approval of the development described herein, (c) guarantee to CITY or any other party any profits from the development of the Property, or (d) amend any local jurisdiction or County laws, codes or rules.

City agrees and acknowledges that it is the responsibility of City to obtain a legal determination at City's sole cost and expense, as to whether prevailing wages must be paid during construction of the

Project. If the Project is subject to prevailing wages, then City shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rate. City agrees to indemnify, defend, and hold County harmless from and against any liability arising out of and related to City's failure to comply with any and all Davis Bacon and or prevailing wage requirements.

24. PRIOR COUNTY APPROVAL (AQUISITION ACTIVITIES). CITY shall obtain COUNTY's written approval and authorization to proceed, through HWS, of all CDBG-funded real property acquisition activities.

25. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY CONSTRUCTED WITH CDBG FUNDS. When CDBG funds are used, in whole or in part, by CITY to acquire real property or to construct a public facility, CITY will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.311); National Environmental Policy Act of 1969 (42 U.S.C.A. §4321, et seq.); the California Environmental Quality Act (Cal. Pub. Resources Code §21000, et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. §4630, et seq.); and the COUNTY's Five Year Consolidated Plan. In addition, the following is to occur:

a. Title to the real property shall vest in CITY;

b. The real property will be held by CITY, or the constructed facility will be maintained by the CITY, for a minimum period of five (5) years from the date the CDBG-funded activity is closed-out and reported as complete by the COUNTY through the Comprehensive Annual Performance and Evaluation Report (CAPER);

c. While held by CITY, the real property or the constructed facility is to be used exclusively for the purposes for which acquisition or construction was originally approved by COUNTY;

d. Written approval from COUNTY must be secured if the property or the facility is to be put to an alternate use that is consistent with the COUNTY'S Five Year Consolidated Plan or the applicable federal regulations governing CDBG funds;

e. Should CITY desire to use the real property or the constructed facility, prior to the completion of the mandatory five-year period, for a purpose not consistent with applicable federal regulations governing CDBG funds or to sell the real property or facility, then:

(1) If CITY desires to retain title, CITY will reimburse COUNTY the amount that represents the percentage of current fair market value that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility; or

(2) If CITY sells the property or facility or is required to sell the property or facility, CITY shall reimburse COUNTY the amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

26. PURCHASE, USE AND REVERSION OF PERSONAL PROPERTY ASSETS

For organizations using CDBG funds for equipment, the following principles apply:

Acquisition (2 CFR 200.313(a)): Title to equipment acquired with CDBG funds is vested in your organization, subject to the conditions described in the following section.

Use (2 CFR 200.313(c)): Your organization must use equipment purchased with CDBG funds for the CDBG program or project as long as needed, whether or not the program or project continues to be supported by Federal funds.

During the time that your organization or its designee is using equipment for the CDBG funded program, you must also make the equipment available for use on other Federally funded projects or programs, provided that such use does not interfere with work on the CDBG funded program (2 CFR 200.313(c)(2)).

When no longer needed for the CDBG funded program, other Federally- supported agencies may use the equipment, in the following order of priority: (i) Activities under a Federal award from HUD, then (ii) Activities under Federal awards from other Federal agencies. This includes consolidated equipment for information technology systems (2 CFR 200.313(c)(i)(ii)).

HUD prohibits your organization from using CDBG-acquired equipment to provide services for a fee that competes unfairly with private companies that provide equivalent services unless specifically

authorized by Federal statute (2 CFR 200.313(c)(3)).

With the approval of the grantee, you may trade in equipment acquired with CDBG funds for updated equipment (2 CFR 200.313(c)(4)).

Disposition (2 CFR 200.313(e)): When original or replacement equipment acquired with CDBG funds is no longer needed for the original program or other activities currently or previously assisted with Federal funds, the following rules of disposition will apply:

(1) Equipment with a current fair market value of $10,000 or less (per unit) may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency or pass-through entity.

(2) Except as provided in § 200.312(b), or if the Federal agency or pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of $10,000 (per unit) may be retained or sold by the recipient or subrecipient. However, the Federal agency is entitled to an amount calculated by multiplying the percentage of the Federal agency's contribution towards the original purchase by the current market value or proceeds from the sale. If the equipment is sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, $1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.

(3) The recipient or subrecipient may transfer title to the property to the Federal Government or to an eligible third party provided that the recipient or subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a recipient or subrecipient fails to take appropriate disposition actions, the Federal agency or pass-through entity may direct the recipient or subrecipient to take disposition actions.

PERSONAL PROPERTY – SUPPLIES.

(2 CFR 200.3.14) Title to supplies will vest in your organization upon acquisition, subject to the following conditions:

If there is a residual inventory of unused supplies exceeding $10,000 upon completion of the program and the supplies are not needed for any other Federal award, you may keep the supplies for use in other activities or sell them when the CDBG award or agreement ends. But in either case, you must compensate the grantee for its share. The amount of compensation must be computed in the same manner as for equipment (see 2 CFR 200.313(e)(2)).

As long as the Federal Government retains an interest in the supplies, you must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services (2 CFR 200.314(b)).

- In all cases in which the residual inventory of supplies is sold, the proceeds are considered program income.

27. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

28. SEVERABILITY. Each section, paragraph and provision of this Supplemental Agreement is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall remain in full force and effect.

29. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in writing, the Riverside County Workforce Development Center of any and all job openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

30. MINISTERIAL ACTS. The Director of Housing and Workforce Solutions or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this Supplemental Agreement as it may be amended from time-to-time by COUNTY.

31. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no liability for any later determination by the United States Government, the U.S. Department of Housing and Urban Development, or any other person or entity that CITY is or is not eligible under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

32. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant Award Number is B-25-UC-06-0506.

33. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

34. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Supplemental Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Supplemental Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

35. WAIVER. Failure by a party to insist upon the strict performance of any of the provisions of this Supplemental Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

36. JURISDICTION AND VENUE: Any action at law or in equity arising under this Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Supplemental Agreement shall be filed only in the Superior Court of the State of California, located in Riverside, California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction

37. USE OF PROPERTY. Whenever federal CDBG funds or program income are used, in whole or in part, for the purchase of equipment or personal property, the property shall not be transferred from its originally funded use, by CITY or the CITY'S subcontractor implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of the grant from which CDBG assistance was provided. The CITY shall maintain a current inventory for COUNTY monitoring and review.

38. AUTHORITY TO EXECUTE. The persons executing this Supplemental Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement hereby warrant and represent that they have the authority to execute this Supplemental Agreement and warrant and represent

that they have the authority to bind the respective parties to this Supplemental Agreement to the performance of its obligations hereunder.

39. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the date the parties sign the Supplemental Agreement. If the parties sign the Supplemental Agreement on more than one date, then the last date the Supplemental Agreement is signed by a party shall be the effective date.

40. COUNTERPARTS. This Supplemental Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

41. FORCE MAJEURE.

A. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, pandemic, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a public or governmental agency or entity, or any causes beyond the control or without the fault of the party claiming an extension of time to perform.

B. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it obtains knowledge of the event.

42. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be modified or amended only by a writing signed by the duly authorized and empowered representative of COUNTY and CITY respectively.

43. DIGITAL AND ELECTRONIC SIGNATURES. The parties agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17). The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to CUETA as amended from time to time. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the dates set forth below.

COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

BY: _____
Juan Garcia,
Deputy Director

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN

COUNTY COUNSEL

By: _____
Paula S. Salcido,
Deputy County Counsel

CITY OF BANNING,
a general law city,

BY: _____
Name:

Title:

Date: _____

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

EXHIBIT "R"

24 C.F.R. § 5.109

Equal participation of faith-based organizations in HUD programs and activities.

Effective: March 4, 2024

(a) ***Purpose.*** Consistent with Executive Order 13279, entitled "Equal Protection of the Laws for Faith-Based and Community Organizations," as amended by Executive Order 13559, entitled "Fundamental Principles and Policymaking Criteria for Partnerships With Faith-Based and Other Neighborhood Organizations," and as amended by Executive Order 14015, entitled "Establishment of the White House Office of Faith-Based and Neighborhood Partnerships," this section describes requirements for ensuring the equal participation of faith-based organizations in HUD programs and activities. These requirements apply to all HUD programs and activities, including all of HUD's Native American Programs, except as may be otherwise noted in the respective program regulations in title 24 of the Code of Federal Regulations (CFR), or unless inconsistent with certain HUD program authorizing statutes.

(b) ***Definitions.*** The following definitions apply to this section:

Direct Federal financial assistance means Federal financial assistance provided when a Federal Government agency or an intermediary, as defined in this section, selects the provider and either purchases services from that provider (*i.e.*, via a contract) or awards funds to that provider to carry out an activity (*e.g.*, via grant, sub-grant, sub-award, or cooperative agreement). The recipients of sub-grants or sub-awards that receive Federal financial assistance through State-administered programs (*e.g.*, flow-through programs) are considered recipients of direct Federal financial assistance. In general, Federal financial assistance shall be treated as direct, unless it meets the definition of indirect Federal financial assistance.

Federal financial assistance means assistance that non-Federal entities receive or administer in the forms of grants, contracts, loans, loan guarantees, property, cooperative agreements, food commodities, direct appropriations, or other assistance, but does not include a tax credit, deduction, or exemption.

Indirect Federal financial assistance means Federal financial assistance provided when the choice of the provider is placed in the hands of the beneficiary, and the cost of that service is paid through a voucher, certificate, or other similar means of Government-funded payment. Federal financial assistance provided to an organization is considered indirect when the Government program through which the beneficiary receives the voucher, certificate, or other

similar means of Government-funded payment is neutral toward religion meaning that it is available to providers without regard to the religious or non-religious nature of the institution and there are no program incentives that deliberately skew for or against religious or secular providers; and the organization receives the assistance wholly as a result of a genuine and independent private choice of the beneficiary, not a choice of the Government. The availability of adequate secular alternatives is a significant factor in determining whether a program affords true private choice.

Intermediary means an entity, including a nongovernmental organization, acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that accepts Federal financial assistance and distributes that assistance to other entities that, in turn, carry out activities under HUD programs.

Religious exercise has the meaning given to the term in 42 U.S.C. 2000cc-5(7)(A).

(c) ***Equal participation of faith-based organizations in HUD programs and activities.***

(1) Faith-based organizations are eligible, on the same basis as any other organization, to participate in any HUD program or activity for which they are otherwise eligible. Neither the Federal Government, nor a State, Tribal, or local government, nor any other entity that administers any HUD program or activity, shall discriminate for or against an organization on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to favor or disfavor a similarly situated secular organization.

(2) Nothing in this section shall be construed to preclude HUD from making an accommodation, including for religious exercise, with respect to one or more program requirements on a case-by-case basis in accordance with the Constitution and laws of the United States.

(3) HUD shall not disqualify an organization from participating in any HUD program for which it is eligible on the basis of the organization's indication that it may request an accommodation with respect to one or more program requirements, unless the organization has made clear that the accommodation is necessary to its participation and, in accordance with the Constitution and laws of the United States, HUD has determined that it would deny the accommodation.

(4) In addition, decisions about awards of Federal financial assistance must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not based on the organization's religious character, affiliation, or lack thereof, or based on the organization's religious exercise. Notices of funding opportunity, grant agreements, and cooperative agreements shall include language substantially similar to that in appendix A to this subpart, where faith-based organizations are eligible for such opportunities.

(d) ***Independence and identity of faith-based organizations.***

(1) A faith-based organization that applies for, or participates in, a HUD program or activity supported with Federal financial assistance retains its autonomy, right of expression, religious character, authority over its governance, and independence, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs; provided that, it does not use direct Federal financial assistance, whether received through a prime award or sub-award, to support or engage in any explicitly religious activities, including

activities that involve overt religious content such as worship, religious instruction, or proselytization.

(2) A faith-based organization that receives direct Federal financial assistance may use space (including a sanctuary, chapel, prayer hall, or other space) in its facilities (including a temple, synagogue, church, mosque, or other place of worship) to carry out activities under a HUD program without concealing, altering, or removing religious art, icons, scriptures, or other religious symbols. In addition, a faith-based organization participating in a HUD program or activity retains its authority over its internal governance, and may retain religious terms in its organization's name, select its board members on the basis of their acceptance of or adherence to the religious tenets of the organization consistent with paragraph (i) of this section, and include religious references in its organization's mission statements and other governing documents.

(e) ***Explicitly religious activities.*** If an organization engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance. The use of indirect Federal financial assistance is not subject to this restriction. Nothing in this part restricts HUD's authority under applicable Federal law to fund activities, that can be directly funded by the Government consistent with the Establishment Clause of the U.S. Constitution.

(f) ***Intermediary responsibilities to ensure equal participation of faith-based organizations in HUD programs.*** If an intermediary—acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that is administering a program supported by Federal financial assistance—is given the authority to select a nongovernmental organization to receive Federal financial assistance under a contract, grant, sub-grant, sub-award, or cooperative agreement, the intermediary must ensure that such organization complies with the requirements of this section. If the intermediary is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

(g) ***Nondiscrimination and beneficiary notice requirements.*** **(1)** *Nondiscrimination.* Any organization that receives Federal financial assistance under a HUD program or activity shall not, in providing services supported in whole or in part with Federal financial assistance, or in their outreach activities related to such services, discriminate against a beneficiary or prospective beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. However, an organization that participates in a program funded by indirect Federal financial assistance need not modify its program or activities to accommodate a beneficiary who chooses to expend the indirect aid on the organization's program.

(2) ***Beneficiary notice.***

(i) An organization providing services under a program supported by direct Federal financial assistance from HUD, or an entity that administers indirect Federal financial assistance from HUD, must give written notice to beneficiaries and prospective beneficiaries of certain protections in a manner and form prescribed by HUD, including by incorporating

the notice into materials that are otherwise provided to beneficiaries. The required language for this written notice to beneficiaries is set forth in appendix C to this subpart.

(ii) For the Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and Section 8 Moderate Rehabilitation programs, the respective recipient (*i.e.*, Public Housing Agency) is required to provide the written beneficiary notice. For the Housing Opportunities for Persons with AIDS (HOPWA) program, the grantee or project sponsor that is responsible for making eligibility determinations is required to provide the written beneficiary notice. For the Continuum of Care (CoC) and Emergency Solutions Grants (ESG) programs, the recipient or subrecipient that is responsible for determining the eligibility of each family or individual is required to provide the written beneficiary notice. The participating or prospective providers (landlords) are not responsible for providing the written beneficiary notice for indirect aid recipients. The notice must include the following information:

(A) Nondiscrimination requirements of paragraph (g)(1) of this section;

(B) Notification that a beneficiary or prospective beneficiary may report an organization's violation of these protections, including any denials of services or benefits by an organization, by contacting or filing a written complaint with the Center for Faith-Based and Neighborhood Partnerships or the intermediary that awarded funds to the organization; and

(C) For direct Federal financial assistance only, prohibitions with respect to explicitly religious activities as set forth in paragraph (e) of this section.

(3) ***Notice timing.*** The written notice described in paragraph (g)(2) of this section must be given to a prospective beneficiary prior to the time the prospective beneficiary enrolls in the program or receives services from the program. When the nature of the service provided or exigent circumstances make it impracticable to provide such written notice in advance of the actual service, an organization must advise beneficiaries of their protections at the earliest available opportunity.

(4) ***Alternative option information.*** HUD may determine that the notice described in paragraph (g)(2) of this section must inform each beneficiary or prospective beneficiary about how to obtain information from HUD, or a State agency or other entity administering the applicable program, about other federally funded service providers in their area that provide the services available under the applicable program.

(h) ***No additional assurances from faith-based organizations.*** A faith-based organization is not rendered ineligible by its religious nature to access and participate in HUD programs. Absent regulatory or statutory authority, no notice of funding opportunity, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering Federal financial assistance from HUD shall require otherwise eligible faith-based organizations to provide assurances or notices where they are not required of similarly situated secular organizations. All organizations that participate in HUD programs or activities, including organizations with religious character, motives, or affiliation, must carry out eligible activities in accordance with all program requirements, including those prohibiting the use of direct financial assistance to engage in explicitly religious activities, subject to any accommodations that are granted to organizations on a case-by-case basis in accordance with the Constitution and laws of the United

States. No notice of funding opportunity, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering financial assistance from HUD shall disqualify otherwise eligible faith-based organizations from participating in HUD's programs or activities on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to disqualify a similarly situated secular organization.

(i) ***Exemption from Title VII employment discrimination requirements.*** A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1), is not forfeited when the organization participates in a HUD program. Some HUD programs, however, contain independent statutory provisions that impose certain nondiscrimination requirements on all grantees. Accordingly, grantees should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(j) ***Acquisition, construction, and rehabilitation of structures.*** Direct Federal financial assistance may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under a HUD program or activity. Where a structure is used for both eligible and explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), direct Federal financial assistance may not exceed the cost of the share of acquisition, construction, or rehabilitation attributable to eligible activities in accordance with the cost accounting requirements applicable to the HUD program or activity. However, acquisition, construction, or rehabilitation of sanctuaries, chapels, or other rooms that a HUD-funded faith-based organization uses as its principal place of worship, may not be paid with direct Federal financial assistance. Disposition of real property by a faith-based organization after its use for an authorized purpose, or any change in use of the property from an authorized purpose, is subject to Government-wide regulations governing real property disposition (2 CFR part 200, subpart D) and the HUD program regulations, as directed by HUD.

(k) ***Commingling of Federal and State, tribal, and local funds.*** If a State, tribal, or local government voluntarily contributes its own funds to supplement direct Federal financial assistance for an activity, the State, tribal or local government has the option to segregate those funds or commingle them with the direct Federal financial assistance. However, if the funds are commingled, the requirements of this section apply to all of the commingled funds. Further, if a State, tribal, or local government is required to contribute matching funds to supplement direct Federal financial assistance for an activity, the matching funds are considered commingled with the direct Federal financial assistance and, therefore, subject to the requirements of this section. Some HUD programs' requirements govern any activity assisted under those programs. Accordingly, recipients should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(l) ***Tax exempt organizations.*** In general, HUD does not require that a recipient, including a faith-based organization, obtain tax-exempt status under section 501(c)(3) of the Internal Revenue Code to be eligible for funding under HUD programs. Many grant programs, however, do require an organization to be a nonprofit organization in order to be eligible for funding. Notices of funding availability that require organizations to have nonprofit status will

specifically so indicate in the eligibility section of the notice of funding availability. In addition, if any notice of funding availability requires an organization to maintain tax-exempt status, it will expressly state the statutory authority for requiring such status. Applicants should consult with the appropriate HUD program office to determine the scope of any applicable requirements. In HUD programs in which an applicant must show that it is a nonprofit organization but this is not statutorily defined, the applicant may do so by any of the following means:

(1) Proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(2) A statement from a State or other governmental taxing body or the State secretary of State certifying that—

(i) The organization is a nonprofit organization operating within the State; and

(ii) No part of its net earnings may benefit any private shareholder or individual;

(3) A certified copy of the applicant's certificate of incorporation or similar document that clearly establishes the nonprofit status of the applicant; or

(4) Any item described in paragraphs (l)(1) through (3) of this section, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

(m) ***Rule of construction.*** Neither HUD nor any recipient or other intermediary receiving funds under any HUD program or activity shall construe these provisions in such a way as to advantage or disadvantage faith-based organizations affiliated with historic or well-established religions or sects in comparison with other religions or sects.

[69 FR 41717, July 9, 2004, as amended at 80 FR 75934, Dec. 7, 2015; 81 FR 19416, Apr. 4, 2016; 85 FR 82315, Dec. 17, 2020; 89 FR 15711, Mar. 4, 2024]

EXHIBIT "S"

Economic Opportunities for Low- and Very Low-Income Persons
CONTRACT REQUIREMENTS
24 CFR Part 75

RIVERSIDE COUNTY

Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

Section 75. 5 Definitions.

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial

consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in §75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in §75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Subpart C—Additional Provisions for Housing and Community Development Financial Assistance

§75.19 Requirements.

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

§75.21 Targeted Section 3 worker for housing and community development financial assistance.

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in §75.5; or

(ii) A YouthBuild participant.

(b) [Reserved]

§75.23 Section 3 safe harbor.

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in §75.19; and

(2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide

benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§75.25 Reporting.

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the

total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.*, resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).

(7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.

(8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.

(9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

(10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

(11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

(12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§75.27 Contract provisions.

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§75.29 Multiple funding sources.

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or recipients

must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§75.33 Compliance.

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.

Additional Federal Requirements (AFR)

Whereas, the work under this Agreement is subject to applicable Federal, State, and local laws and regulations, including but not limited to the regulations pertaining to the Community Development Block Grant program (24 CFR *Part 570)* and the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards *(2 CFR Part 200)*. Contractor, sub-contractors, Consultants, and sub-consultants agree to comply with, and are subject to, all applicable requirements as follows:

1. ***Equal Employment Opportunity*** - Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Part 60). The Contractor/Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, general identity or national origin. Contractor/Consultant will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex sexual orientation, general identity or national origin. The Contractor/Consultant will take affirmative action to ensure that applicants are employed and the employees are treated during employment, without regard to their race color, religion, sex, sexual orientation, general identity or national origin. Such actions shall include, but are not limited to, the following: employment, up-grading, demotion, or transfer; recruitment or recruitment advertising; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor/Consultant agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.

2. ***Copeland "Anti-Kickback" Act*** *(18 U.S.C. 874 and 40 U.S.C.A. Section 3145):* All contracts and subgrants in excess of $2,000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.

3. ***Davis-Bacon Act, as amended*** *(40 U.S.C.A. Section 3141-3148):* When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than $2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. *A. Section 3141-3148*) and as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under the Davis Bacon Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the U.S. Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the U.S. Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

4. ***Contract Work Hours and Safety Standards Act*** *(40 U.S.CA.. 32701 through 3708):* Where applicable, all contracts awarded by recipients in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with the Contract Work Hours and Safety Standards (40 U.S.C.A. 32701–3708), as supplemented by Department of Labor Regulations (29 CFR Part 5). Under Section 40 U.S.C.A. 3702, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the

standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. 40 U.S.C.A. 3704of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. ***Rights to Inventions Made Under a Contract or Agreement***— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

6. ***Rights to Data and Copyrights*** – Contractors and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).

7. ***Air Pollution Prevention and Control (formally known as the Clean Air Act) (42 U.S.C.A. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C.A. Section 1251 et seq.), as amended:***—Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 *et seq.*) and the Federal Water Pollution Control Act as amended (33 U.S.C.A. 1251 *et seq.*). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

8. ***Byrd Anti-Lobbying Amendment*** *(31 U.S.C.A. 1352)*— Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

9. ***Debarment and Suspension*** *(Executive Orders (E.O. s) 12549 and 12689)*—No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 2424. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

10. ***Drug-Free Workplace Requirements***— The Anti-Drug Abuse Act of 1988 (41 U.S.C.A. Section 8101-8103)requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 2425.

11. ***Access to Records and Records Retention***: The Consultant or Contractor, and any sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or County officials or authorized representatives access to the work area, as well as all books, documents, materials, papers, and records of the Consultant or Contractor, and any sub-consultants or sub-contractors, that are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions. The Consultant or Contractor, and any sub-consultants or sub-contractors, further agree to maintain and keep such books, documents, materials, papers, and records, on a current basis, recording all transactions pertaining to this agreement in a form in accordance with generally acceptable accounting principles. All such books and records shall be retained for such periods of time

as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least four (4) years after the expiration of the term of this Agreement.

12. ***Federal Employee Benefit Clause:*** No member of or delegate to the congress of the United States, and no Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

13. ***Energy Efficiency*:** Mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat. 871).

14. ***Procurement of Recovered Materials (2 CFR 200.322.)*** A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with 42 U.S.C. Section 6962 of the Solid Waste Disposal Act (42 U.S.C.A. Section 6901, et seq.), as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

15. ***Build America, Buy America (BABA) Act:*** The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

16. Violence Against Women Act (VAWA): VAWA provides housing protections for survivors of domestic and dating violence, sexual assault and stalking ('domestic violence"). VAWA 2022 reauthorizes, amends, and strengthens the VAWA of 1994, as amended (Pub. L. 103-322, tit. IV, sec. 40001-40703; 34 U.S.C. 12291 et seq.) HUD's implementing regulations for VAWA'S protections, rights, and responsibilities are codified in 24 CFR part 5, subpart L, and related provisions in HUD's program regulations (HUD's VAWA regulations). VAWA 2022 amendments took effect on October 1, 2022 and 2022 VAWA's reauthorization includes new implementation requirements. Grantees, subrecipients and developers shall ensure compliance with all requirements of VAWA including but not limited to: (a) Assure domestic violence survivors are not denied assistance as an applicant, or evicted, or have assistance terminated as a tenant because applicant or tenant is or has been a victim of domestic violence; (b) Implement an emergency transfer plan allowing domestic violence survivor to move to another safe and available unit; (c) Provide protections against denial, terminations, and evictions that directly result from being a victim of domestic violence; (d) Implement a low barrier certification process and allow self-certification of domestic violence.

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI#: F996EVLCRCG3

ADDRESS: PO Box 998

Banning, CA 92220

CITY PROGRAM CONTACTS: Mike Story, Executive Director

SUBRECIPIENT NAME: Sunrise Life Development

ADDRESS: PO Box 998, Banning, CA 92220

PHONE: 9098755556 FAX :

E-MAIL: mstory@sunrisechurch.org

PROJECT NAME: Banning Peace Center Food Program

PROJECT LOCATION: 4024 W. Wilson Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: **$5,000**

Project to be administered by County (HWS) on behalf of CITY: YES ☐ NO ☐

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2025-2026** Community Development Block Grant for the **Banning Peace Center Food Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Banning Peace Food Center provides emergency assistance to low- to moderate-income clients. Clients receive emergency relief food boxes, baby items, and senior products. CDBG funds will be used to purchase food, supplies, and other program-related expenses.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total *Unduplicated Persons*
Activity #1		*80*	*80*

Unit of Service is defined as: *Clients Served*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$5,000**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses	**$ $5,000**	*$0*	*$5,000*	
Salaries				
Fringe				
Office Space (Program Only)				
Utilities				
Communications				
Reproduction/Printing				
Supplies and Materials	X			
Mileage				
Equipment (Program Only)				
Audit				
Transportation				
Other: program related expenses	X			
Total Indirect Program Expenses	**$**			
Indirect Costs (Specify)*				
TOTAL CDBG BUDGET	**$5,000**	**$0**	**$5,000**	

* **All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.**

EXHIBIT B

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL	State/Local Boca-Victims of Crime Ac	$1,500,000					$1,500,000
PRIVATE	Cooperation/Foundations	$465,000					$465,000
OTHER							

TOTAL: $1,965,000

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

EXHIBIT B

2. Records Retention

The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sponsor shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The Sponsor understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Sponsor's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sponsor's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sponsor has control over CDBG funds, including program income.

6. Audits & Inspections

All Sponsor records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sponsor within 30 days after receipt by the Sponsor. Failure of the Sponsor to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sponsor hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Complete CDBG Training	September 2025	September 2025
Implement Program Activities	July 1, 2025 [1]	----------
Execute Supplemental Agreement & Notice to Incur Cost	September 2025	January 2026
City Submits Quarterly Performance Reports to County	October 2025	March 27, 2026 [2]
County Monitoring of City Performance	TBD	TBD
City Submits Monthly Direct Benefit Reports	October 2025	March 27, 2026 [3]
City Submits Reimbursement Requests	October 2025	March 27, 2026 [4]

1 The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.

2, 3, 4 Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.

CDBG Program Services Complete **June 30, 2026**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect Self-Certifications with supporting income documents and demographic information from **EVERY individual or family participating in CDBG-funded activities or the parent/legal guardian of every child participating in CDBG-funded activities.** This includes family income, family size, and race. Sponsor is required to submit the 1st 200 Self- Certifications forms with supporting income documentation and 25% thereafter to HWS along with the Direct Benefit Reports on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, City must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2025-26 CDBG funds must be drawn down by January 12, 2026, and 100% of all 2025-26 CDBG funds must be drawn down by March 27, 2026.

EXHIBIT B

SPONSOR'S AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

SPONSOR NAME: Voices for Children	**UEI #: ULFBHZQXYRT6**

ADDRESS: 11870 Pierce Street, Ste. 260
Riverside, CA 92505

PROGRAM CONTACTS: Jessica Munoz, Executive Director
(951) 472-9301 **FAX:** (858) 569-7151

E-MAIL: JessicaM@speakupnow.org

PROJECT NAME: CASA Program

PROJECT LOCATION: 11870 Pierce Street, Suite 260, Riverside, CA 92505

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: **$90,050**

2nd District	**$20,000**
3rd District	**$20,000**
4th District	**$20,000**
City of Beaumont	**$10,000**
City of Banning	**$5,000**
City of Lake Elsinore	**$7,050**
City of Murrieta	**$8,000**

II. SCOPE OF SERVICE

A. Activities

Sponsor will be responsible for administering a **2025-2026** Community Development Block Grant for the **CASA Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Voices for Children CASA program assigns trained volunteers, appointed by a judge, to represent the best interests of an abused or neglected child in court. These volunteers conduct independent investigations into the child's circumstances, report their findings to the court, monitor the provision of services, and offer consistent support to the child throughout the legal process. CDBG funds will be used for staff salaries and benefits (direct costs).*

EXHIBIT B

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). Sponsor certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The Sponsor agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total *Unduplicated Persons*
Activity #1		*45*	*45*

Unit of Service is defined as: Clients Served

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. Sponsor Capacity

By executing this Sponsor's Agreement, the Sponsor certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

Sponsor will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Sponsor's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside Grantee will monitor the performance of the Sponsor against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sponsor within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

EXHIBIT B

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$90,050**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the Sponsor shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and Sponsor.

Line Item	CDBG Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses	**$ 90,050**	$1,965,000	$2,055,050	
Salaries	X			
Fringe	X			
Office Space (Program Only)	X			
Utilities				
Communications				
Reproduction/Printing				
Supplies and Materials				
Mileage				
Equipment (Program Only)				
Audit				
Transportation				
Other:				
Total Indirect Program Expenses	**$**			
Indirect Costs (Specify)*	X			
TOTAL CDBG BUDGET	$90,050	$1,965,000	$2,055,050	

EXHIBIT B

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL	State/Local Boca-Victims of Crime Ac	$1,500,000					$1,500,000
PRIVATE	Cooperation/Foundations	$465,000					$465,000
OTHER							

TOTAL: $1,965,000

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention:

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data:

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure:

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs:

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections:

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Complete CDBG Training	September 2025	September 2025
Implement Program Activities	July 1, 2025 [1]	----------
Execute Supplemental Agreement & Notice to Incur Cost	September 2025	January 2026
City Submits Quarterly Performance Reports to County	October 2025	March 27, 2026 [2]
County Monitoring of City Performance	TBD	TBD
City Submits Monthly Direct Benefit Reports	October 2025	March 27, 2026 [3]
City Submits Reimbursement Requests	October 2025	March 27, 2026 [4]

1 The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.

2, 3, 4 Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.

CDBG Program Services Complete **June 30, 2026**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect Self-Certifications with supporting income documents and demographic information from **EVERY individual or family participating in CDBG-funded activities or the parent/legal guardian of every child participating in CDBG-funded activities.** This includes family income, family size, and race. Sponsor is required to submit the 1st 200 Self- Certifications forms with supporting income documentation and 25% thereafter to HWS along with the Direct Benefit Reports on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, City must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2025-26 CDBG funds must be drawn down by January 12, 2026, and 100% of all 2025-26 CDBG funds must be drawn down by March 27, 2026.

EXHIBIT C

SPONSOR'S AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

SPONSOR NAME: Boys & Girls Clubs of the San Gorgonio Pass	**UEI #:** CM9MN3YNAKJ8

ADDRESS: PO Box 655
Beaumont, CA 92223

PROGRAM CONTACTS: Megan Grisham, Program Manager

PHONE: (951)692-3259	**FAX:** (951) 922-0009

E-MAIL: bgcmegan@yahoo.com

PROJECT NAME: Teens Continue to Lead

PROJECT LOCATION: 240 W. Ramsey Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: **$8,850**

5th District **$5,000**
City of Banning **$3,850**

II. SCOPE OF SERVICE

A. Activities

Sponsor will be responsible for administering a **2025-2026** Community Development Block Grant for the **Teens Continue to Lead** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Boys and Girls Club of San Gorgonio Pass offers a teen program for ages 13-18 during summer and school breaks. The Teens Continue to Lead program offers mentorship and courses in character and leadership, the arts, health and life skills, education, technology, and sports and recreation. CDBG funds will be used for staff salaries (direct cost), consumable supplies, and other program-related expenses.*

EXHIBIT C

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). Sponsor certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The Sponsor agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total *Unduplicated Persons*
Activity #1		*10*	*10*

Unit of Service is defined as: *Teens Served*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. Sponsor Capacity

By executing this Sponsor's Agreement, the Sponsor certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

Sponsor will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Sponsor's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside Grantee will monitor the performance of the Sponsor against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sponsor within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

EXHIBIT C

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$8,850**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the Sponsor shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and Sponsor.

Line Item	CDBG Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses	**$ 8,850**	*$37,500*	*$46,350*	
Salaries	X			
Fringe	X			
Office Space (Program Only)				
Utilities				
Communications				
Reproduction/Printing				
Supplies and Materials	X			
Mileage				
Equipment (Program Only)				
Audit				
Transportation				
Other: program related expenses	X			
Total Indirect Program Expenses	**$**			
Indirect Costs (Specify)*				
TOTAL CDBG BUDGET	**$8,850**	$37,500	$46,350	

EXHIBIT C

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL	OJP	$10,000					$10,000
STATE/LOCAL	ELOP	$15,000					$15,000
PRIVATE	SCE	$5,000					$5,000
OTHER	Spearman Foundation	$7,500					$7,500

TOTAL: $37,500

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

EXHIBIT C

2. Records Retention

The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sponsor shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The Sponsor understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Sponsor's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sponsor's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sponsor has control over CDBG funds, including program income.

6. Audits & Inspections

All Sponsor records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sponsor within 30 days after receipt by the Sponsor. Failure of the Sponsor to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sponsor hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

EXHIBIT C

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, Sponsor will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Complete Sponsor Training	September 2025	September 2025
Implement Program Activities	July 1, 2025	----------
Execute Sponsor's Agreement & Notice to Incur Cost [1]	September 2025	December 2025
Sponsor Submits Quarterly Performance Reports to County	October 2025	March 27, 2026[2]
Sponsor Submits Monthly Direct Benefit Reports	October 2025	March 27, 2026 [3]
Sponsor Submits Reimbursement Requests	October 2025	March 27, 2026[4]

[1] **The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.**

[2, 3, 4] **Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.**

CDBG Program Services Complete June 30, 2026

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect Self-Certifications with supporting income documentation and demographic information from **EVERY parent or legal guardian of every child participating in CDBG-funded activities.** This includes family income, family size, and race. Sponsor is required to submit the 1st 200 Self- Certifications forms with supporting income documentation and 25% thereafter to HWS along with the Direct Benefit Reports on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, sponsor must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2025-26 CDBG funds must be drawn down by January 12, 2026, and 100% of all 2025-26 CDBG funds must be drawn down by March 27, 2026.

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI #: F996EVLCRCG3

ADDRESS: PO Box 998

Banning, CA 92220

PROGRAM CONTACTS: Ralph Wright, Parks and Recreation Director

PHONE: 9519223241 FAX: _____

E-MAIL: rwright@banningca.gov

PROJECT NAME: Banning Senior Center ADA Improvements Phase II

PROJECT LOCATION: 789 N. San Gorgonio, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: _____

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: **$141,828**

Project to be administered by County (HWS) on behalf of City: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2025-2026** Community Development Block Grant for the **Banning Senior Center ADA Improvements Phase II** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will use CDBG funding for ADA improvements to the Banning Senior Center, all outlined in their CASp Report. Eligible CDBG expenses will include design, construction, inspections, project management, compliance, monitoring, and other related costs. Banning Senior Center ADA Improvements Phase II*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1 Construct ADA Improvements to Banning Senior Center

Activity #2 Complete Design, inspections, project management compliance, and monitoring

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$141,828** Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non-CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	X	$8,000	$149,828	
Project Administration Costs	X			
Construction Costs	X			
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs: project related expenses	X			
TOTAL CDBG BUDGET	**$141,828**	**$8,000**	**$149,828**	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL	City Funds	$8,000					$8,000
PRIVATE							
OTHER							

TOTAL: $8,000

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

I Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Complete CDBG Training	September 2025	September 2025
Implement Project Activities	Upon Notification from HWS	
Execute Supplemental Agreement & Notice to Incur Cost	September 2025	January 2026

Tasks / Milestone	Start Date		Completion Date
Submit Quarterly Performance Reports to County	October 2025	Through	June 2027
County Monitoring of City Program/Performance	To be determined by Program Manager		

Specific Project Activities

1. City executes Supplemental Agreement; receives Authorization to Incur Cost letter
2. City prepares final construction documents (incorporating Special Federal Provisions) for HWS review and approval
3. HWS authorizes City to advertise for bids
4. HWS reviews and approves bidding process
5. City awards construction contract
6. City and HWS conduct "pre-construction meeting"
7. HWS authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests
Monthly Submittal ☐
Other Schedule ☒ To be determined by Program Manager

CDBG-funded Project Complete June 30, 2027

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

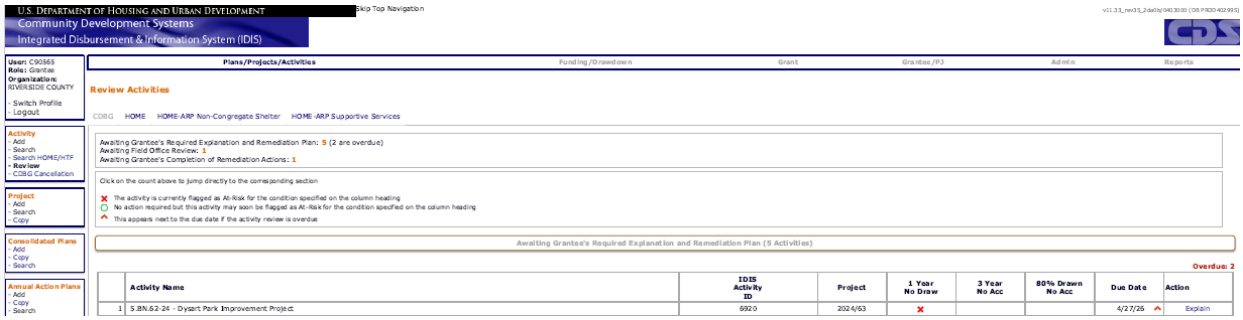
City must follow proper procurement and construction policies and procedures of the City and CDBG regulations. No construction will shall commence using CDBG funding without prior Notice to Proceed. Pre-Construction meeting required. City is required to contact the County Program Manager for review prior to submission of RFP, construction activity or cost without prior written approval. County must be contacted 10 days in advance for attendance of Pre-Construction meeting. Original Certified payrolls to be submitted on a weekly basis to County.

This public facility project meets a National Objective of the CDBG program by primarily serving, severely disabled adults that are presumed to have low and moderate incomes. Upon project completion, City/Sponsor must continue collecting eligibility Self-Certifications and report annual Direct Benefit data (income limit categories and race information) to HWS for five (5) years.

From: Varona-Doromal, Anna
To: Ralph Wright
Subject: Follow- up on the FY24-25 CDBG Projects
Date: Wednesday, May 6, 2026 8:04:45 AM
Attachments: image001.png
image002.png
IDIS flag list_Dysart.pdf
Banning Signed Agreement.pdf

Good morning, Ralph,

Per our conversation on Monday, I would like to outline again the options we have to remediate this project. As you can see by the print-out from the HUD reporting stystem (IDIS), the Dysart Park Project is flagged as at-risk and had a due date of remediation of 4.27.2026. I have delayed my remediation because I was hoping to have a resolution from the City by now.



As it stands, this project is out of compliance per the agreement with the County and with our agreements with HUD. In order to get back into compliance, we need to have a valid explanation for the delay, as well as, a plan of how we are going to remediate this issue.

The options to do this are as follows, but must be acted out swiftly as to not put the overall program on the radar and at risk.

1. The city can provide a letter requesting to extend the project in its current form/description and we will move to start the process to restate the FY24-25 Supplemental Agreement for Dysart Park. This would indicate the city intends to move forward to complete the design with CDBG and has its own funds to complete the actual project within the year extension period. Using CDBG funds for design only cannot be completed successfully until the project is completed.

2. The City can cancel this project and reprogram funds into a current viable project for FY25-26.

3. The City can cancel the FY24-25 project and we can hold the funding earmarking it for an application that the city would submit for Dysart Park. The easiest thing would be to add a project with these funds for FY26-27 after the overall FY26-27 plan has been approved by HUD.

I understand that the city is intending to use this funding for a Dysart Park Project, which I am keeping record of. To do this, the city has to have a plan for what they want to complete and have a plan to complete a project at Dysart within the time frames indicated in the supplemental agreement.

We need a decision on this quickly as we cannot move on an expired agreement. I have attached the agreement above for your reference.

Thank you,

Anna Varona-Doromal

Supervising Development Specialist|Community and Housing Development
County of Riverside|Housing and Workforce Solutions
3403 10th St., Suite 300|Riverside, CA 92501
Office: 951.955.1113

HWS HOUSING AND WORKFORCE SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

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County of Riverside California

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Holly Stuart, Public Works Program Manager** **Arturo Vela, Director of Public Works**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Make a Determination of Exemption Under the California Environmental Quality Act and Consideration of Resolution 2026-69, Establishing Fiscal Year 2026/2027 Rates for Residential and Commercial Garbage, Recyclable and Organic Waste Collection.**

RECOMMENDATION:

Adopt Resolution 2026-69

BACKGROUND:

On April 27, 2021, the City Council approved a solid waste franchise agreement ("Franchise Agreement") with Waste Management of the Inland Empire ("Waste Management") for Residential and Commercial Garbage, Recyclable Materials and Organics Waste Collection, Transportation, Recycling and Disposal Services ("Solid Waste Services"), effective July 1, 2021. The Franchise Agreement established many Solid Waste Services provided to the community designed to ensure that the City complies with State solid waste regulations. The term of the Franchise Agreement is valid through June 30, 2041.

As part of adopting the new Franchise Agreement, the City Council established the initial rates ("Rates") for the City's monthly service charge ("Service Charge") for Solid Waste Services following a noticed public hearing conducted in accordance with Proposition ("Prop") 218 on June 22, 2021. The Rate components that make up the monthly Service Charge for Solid Waste Services include the following: 1) the SB 1383 Residential Component (for residential customers only), 2) Service Component; 3) Disposal Component; 4) Organics Waste Processing Component ("Organics Component"); and 5) Recycling Processing Component ("Recycling Component").

Since the adoption of the Franchise Agreement, rates have been adjusted annually pursuant to the Franchise Agreement and approved Prop 218 noticing. Most recently, a Prop 218 process was conducted and adopted by City Council at a Public Hearing on April 11, 2023 and is valid through July 1, 2027. As identified by this Prop 218 process and as outlined in the Franchise Agreement, the Service Component, Disposal Component, Organics Component, and Recycling Component can be adjusted annually to account for inflation and changes in disposal and processing fees as follows:

Pursuant to Section 4.03 of the Franchise Agreement, annual rate adjustments are calculated using a defined methodology based on changes in the CPI and applicable disposal and processing costs. These adjustments are not automatic; rather, Waste Management is required to submit the annual calculation to the City for review and verification. Following verification, City Council approval is required for the adjusted rates to become effective consistent with Article XIIID of the California Constitution (Prop 218)

and Section 2.05 of the Franchise Agreement.

The Service Component shall be adjusted based on the percentage increase of the Consumer Price Index (CPI-U) published by the U.S. Department of Labor, Bureau of Labor Statistics, for All Urban Consumers in the Riverside-San Bernardino-Ontario area, using the change in the 12-month annual average of CPI-U index values between the January to December period of the prior year (the previous year), and the January to December period of the year before the prior year (the prior previous year). The annual adjustment will be at least one percent (1.00%) (the "Floor") and cannot exceed four percent (4.00%) (the "Cap"). If the annual CPI adjustment exceeds the Cap or is less than the Floor, then the amount above the Cap or below the Floor shall be carried over into any succeeding year until such time as it may be applied without violating the Cap or Floor limits.

The Disposal, Organics, and Recycling Components shall be adjusted for changes in tipping fees or processing fees, as applicable, charged at the disposal, recycling processing, or organic processing facilities used by Waste Management as follows:

A. If Waste Management or its affiliates own and/or operate the facility, and the tipping/processing fee is not set or adjusted by a public agency, then applicable Component (Disposal, Organics, or Recycling) shall be adjusted using the same methodology described above for adjusting the Service Component and be subject to the same Floor and Cap provisions.

B. In all other circumstances (e.g., Waste Management uses a facility owned by a third party or public agency), the applicable Component (Disposal, Organics, or Recycling) shall be adjusted using the actual change in the per ton tip fee or per ton processing fee charged at the disposal, organic waste processing facility, or recyclable processing facility, as applicable, between the previous year and the prior previous year. If Waste Management uses multiple facilities that have different per ton tip/processing fees, the City shall determine the change in the per ton tip/processing fee charged between the previous year and the prior previous year for each applicable facility and multiply this amount by the percentage of the total tonnage delivered to the facility. The City shall then add these sums together to determine the total change in the per ton tip/processing fees for each Component (Disposal, Organics, or Recycling).

As an administrative update, Exhibit 9 (Approved Facilities) of the City's Solid Waste Franchise Agreement has been updated to reflect the current list of disposal, recycling and organics processing facilities authorized for use under the Franchise Agreement. These updates ensure that the facilities shown accurately match those currently permitted, operating and receiving material from the City including landfill, transfer, recycling, green waste and organic waste processing locations and are updated to address the following: 1) changes in available or permitted facilities; 2) adjustment in the hauler's operational routing; 3) compliance with State mandates such as SB 1383 requiring specific organics processing capacity; or 4) the need to add or remove facilities when an approved facility is no longer available, reaches capacity or under regulatory changes.

JUSTIFICATION:

Under Section 4.03 of the Franchise Agreement, Waste Management is entitled to request an annual rate adjustment calculated in accordance with the prescribed methodology. The City's responsibility is to review and verify the accuracy of the submitted calculations. Upon verification, the adjusted rates are presented to City Council for approval which constitutes an amendment to the Schedule of Services Rates under the Agreement. As permitted by the Franchise Agreement, Waste Management requested an annual rate adjustment for Fiscal Year 2026/2027 (July 1, 2026 - June 30, 2027), as shown in the attached letter.

Based on the methodology of the Franchise Agreement and the Prop 218 approval mentioned above, staff evaluated each Rate Component to determine applicable adjustments. The Service Component is indexed to the Consumer Price Index (CPI, subject to 1% floor and 4% annual cap). For the current

period, CPI increased by 3.28%. In addition, previously unutilized (e.g. carry forward) CPI totaling 3.96% was available for application. A portion of this balance has been applied to reach the maximum allowable adjustment of 4% for the period.

Following this adjustment, a remaining CPI balance of 3.24% will be carried forward and may be applied in future years so long as application falls within the approved parameters. Consistent with this approach, carryforward balances have been used from FY 2023-2024 through FY 2026-2027 to achieve the full allowable adjustment in applicable years, resulting in the current cumulative balance of 3.24% for future use.

The Recycling Component will also be adjusted by the CPI since Waste Management owns and operates the facility used for processing this material. Accordingly, this component is adjusted using the same methodology applied to the Service Component and is subject to the same Floor and Cap provisions.

For the Disposal Component, it was determined that Waste Management uses a facility owned by a third-party/public agency and that the component will be adjusted using the actual change in the per ton processing fee charged at the disposal facility between the previous year and the prior previous year. The percentage change for this component is 1.44%.

For the Organics Component, it was determined that Waste Management used facilities owned by a third-party/public agency and that the component will be adjusted using the actual change in the per ton processing fee charged at the disposal facility between the previous year and the prior previous year. The percentage change for this component is 0.80%.

The City Council may use the rate adjustment methodology approved pursuant to Resolution 2023-63 to establish the Rates for a five-year period through July 1, 2027 without undertaking a new Prop 218 process.

While City Council approval is required for any rate adjustment to take effect, the Franchise Agreement obligates the City to implement the annual rate adjustment methodology as negotiated. If the City Council were to deny or modify the adjustment that has been calculated in accordance with Section 4.03, the City may be required to enter into a negotiation period with Waste Management with the remedy being a reduction in service programs or termination of the agreement with termination taking effect no earlier than 18 months.

CEQA:

Staff has evaluated the adoption of the rates for compliance with the California Environmental Quality Act (CEQA) and determined that the action is covered by the common sense exemption. It can be seen with certainty that there is no possibility the adoption of the rates will have a significant effect on the environment. This is because the rates only address the cost of existing public services and do not involve the creation of any new services or programs. Accordingly, staff recommends that the City Council find that the adoption of this Resolution is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

FISCAL IMPACT:

Approval of the proposed rates ensures compliance with the Franchise Agreement and avoids potential financial exposure associated with under-recovery of Waste Management’s costs.

The current Residential Rate for the collection of refuse is $31.62 per month per household and the rate will increase to $32.64, a difference of $1.02 or 3.23%. The Commercial Rate will be adjusted in accordance with the rate adjustment methodology, as shown in the attached Residential and Commercial Rate schedule, attached hereto. The new rate schedule will be effective July 1, 2026 for

Fiscal Year 2026/2027.

Denial of the proposed rate adjustment may result in future impacts to the City including potential contractual claims, extraordinary rate adjustment requests and increased administrative or legal costs. Delayed implementation may also lead to higher future rate increases.

ATTACHMENTS:

1. Resolution_2026-69.docx
2. Banning FA EXHIBIT 9_4.17.26 updated.pdf
3. WM_26-27_RateAdjustmentLetter.pdf
4. Rate Survey.pdf
5. Proposed Rate Schedule Effective 7.1.26.pdf

RESOLUTION 2026-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ESTABLISHING FISCAL YEAR 2026/2027 RATES FOR RESIDENTIAL AND COMMERCIAL GARBAGE, RECYCLABLE MATERIALS AND ORGANICS WASTE COLLECTION, TRANSPORTATION, DISPOSAL AND RECYCLING SERVICES, AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, on April 27, 2021, the City Council approved a new solid waste franchise agreement ("Franchise Agreement") with Waste Management of the Inland Empire ("Waste Management") for Residential and Commercial Garbage, Recyclable Materials and Organics Waste Collection, Transportation, Recycling and Disposal Services ("Solid Waste Services"), effective July 1, 2021; and

WHEREAS, as part of adopting the new Franchise Agreement, the City Council established the initial rates ("Rates") for the City's monthly service charge ("Service Charge") for Solid Waste Services following a noticed public hearing conducted in accordance with Proposition ("Prop") 218 on June 22, 2021; and

WHEREAS, the Rate components that make up the monthly Service Charge for Solid Waste Services include the following: 1) the SB 1383 Residential Component (for residential customers only), 2) Service Component; 3) Disposal Component; 4) Organics Waste Processing Component ("Organics Component"); and 5) Recycling Processing Component ("Recycling Component"); and

WHEREAS, rates have been adjusted annually pursuant to the Franchise Agreement and approved Prop 218 noticing with the most recent Prop 218 process being conducted and adopted by City Council at a Public Hearing on April 11, 2023; a process which is valid through July 1, 2027; and

WHEREAS, the approved rate adjustment methodology set forth in the Franchise Agreement and most recent approved Prop 218 process is as follows:

The Service Component shall be adjusted based on the percentage increase of the Consumer Price Index (CPI-U) published by the U.S. Department of Labor, Bureau of Labor Statistics, for All Urban Consumers in the Riverside-San Bernardino- Ontario area, using the change in the 12-month annual average of CPI-U index values between the January to December period of the prior year (the previous year), and the January to December period of the year before the prior year (the prior previous year). The annual adjustment will be at least one percent (1.00%) (the "Floor") and cannot exceed four percent (4.00%) (the "Cap"). If the annual CPI adjustment exceeds the Cap or is less than the Floor, then the amount above the Cap or below the Floor shall be carried over into any succeeding year until such time as it may be applied without violating the Cap or Floor limits.

The Disposal, Organics, and Recycling Components shall be adjusted for changes in tipping fees or processing fees, as applicable, charged at the disposal, recycling processing, or organic processing facilities used by Waste Management as follows:

A. If Waste Management or its affiliates own and/or operate the facility, and the tipping/processing fee is not set or adjusted by a public agency, then the applicable Component (Disposal, Organics, or Recycling) shall be adjusted using the same methodology described above for adjusting the Service Component and be subject to the same Floor and Cap provisions.

B. In all other circumstances (e.g. Waste Management uses a facility owned by a third party or public agency), the applicable Component (Disposal, Organics, or Recycling) shall be adjusted using the actual change in the per ton tip fee or per ton processing fee charged at the disposal, organic waste processing facility, or recyclable processing facility, as applicable, between the previous year and the prior previous year. If Waste Management uses multiple facilities that have different per ton tip/processing fees, the City shall determine the change in the per ton tip/processing fee charged between the previous year and the prior previous year for each applicable facility and multiply this amount by the percentage of the total tonnage delivered to the facility. The City shall then add these sums together to determine the total change in the per ton tip/processing fees for each Component (Disposal, Organics, or Recycling); and

WHEREAS, the City Council may adjust the Rates in accordance with the approved rate adjustment methodology effective July 1, 2023 and each July 1 thereafter through July 1, 2027 without undertaking a new Prop 218 process; and

WHEREAS, the City Council adopts this Resolution to approve the Rates for Fiscal Year 2026/2027, effective on July 1, 2026.

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

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. The Rates for Fiscal Year 2026/2027 are increased as follows:

A. The Service Component is increased by 4%;

B. The Recycling Component is increased by 4%;

C. The Disposal Component is increased by 1.44%; and

D. The Organics Component is increased by 0.80% for Fiscal Year 2027.

E. The carried forward percentage balance that remains and can be applied to the Service and Recycling Components at a later date pursuant to the Franchise Agreement and Prop 218 is 3.96% as detailed below:

Rate Period	**CPI Requested**	**CPI % Applied from Previous Years**	**Total CPI Applied**	**CPI Carried Forward Balance per FY**	**TOTAL CPI Carried Forward Balance Remaining**
July 1, 2023 - June 30, 2024	8.7%	0%	4%	4.7%	4.7%
July 1, 2024 - June 30, 2025	4.65%	0%	4%	0.65%	5.35%
July 1, 2025 – June 30, 2026	2.61%	1.39%	4%	0.0%	3.96%

July 1, 2026– June 30, 2027	3.28%	0.72%	4%	0.0%	3.24%

SECTION 3. The City Council hereby approves the Rates for Fiscal Year 2026/2027, with the above-described increases, with Rates being effective on July 1, 2026, as shown on Exhibit "A", attached hereto and incorporated herein.

SECTION 4. The City Council has evaluated the Rates approved for Fiscal Year 2026/2027 pursuant to this Resolution for purposes of compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and has determined that the adoption of the Rates is an activity covered by the common sense exemption in that it can be seen with certainty that there is no possibility that adoption of the Rates may have a significant effect on the environment because the adoption of the Rates only address the cost of existing services provided to the public and not the commencement of a new service or program. Accordingly, the City Council hereby finds that the adoption of this Resolution is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). Staff is hereby directed to file a Notice of Exemption with the County Clerk of the County of Riverside.

SECTION 5. All previous Collection, Transportation, Disposal and Recycling solid waste structures are hereby adjusted and superseded by the Rates approved by this Resolution as of July 1, 2026. Substantiative errors and/or omissions may be resolved within the parameters and calculation method approved under the Franchise Agreement and Proposition 218 process as accepted by the City Attorney.

SECTION 6. This Resolution shall be effective upon adoption.

PASSED, APPROVED AND ADOPTED this 12th day of May, 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-69, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of May, 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

Exhibit A

Effective July 1, 2026 - 2026/2027 Solid Waste Rate Schedule for Collection, Transportation, Disposal and Recycling Services

EXHIBIT 9
APPROVED FACILITIES

Contractor has informed City that all Approved Facilities are either Publicly Owned or operated, or owned and operated by Waste Management or an Affiliate.

Operating Facility

Facility: Moreno Valley Hauling and Transfer Station

Owner: Waste Management

SWIS: 33-AA-0234

Location: 17700 Indian Rd., Moreno Valley, CA 92555

Disposal Facilities:

Riverside County landfill system: July 2025 tipping fee: **$50.47/ton**

Facility: El Sobrante Landfill

Owner: Waste Management

SWIS: 33-AA-0217

Location: 10910 Dawson Canyon Rd, Corona, CA 92883

Facility: Lamb Canyon Landfill

Owner: Riverside County

SWIS: 33-AA-0007

Location: 16411 Lamb Canyon Rd, Beaumont, CA 92223

Facility: Badlands Landfill

Owner: Riverside County

SWIS: 33-AA-0006

Location: 31125 Ironwood Avenue, Moreno Valley, CA 92553

Recycling Processing Facilities:

Commingled Recyclables July 2025 tipping fee: **$137.29/ton**

Facility: Azusa Material Recycling Facility

Owner: Waste Management

SWIS: 19-AA-1127

Location: 1501 W. Gladstone St., Azusa, CA 91702

Organic Processing Facilities

Commingled Organic Waste

Facility: South Valley Organic Composting Facility - Tipping fee: **$117.87/ton**

Owner: Waste Management

SWIS: 43-AA-0017

Location: 24487 Road 140 Tulare, CA 93274

Facility: WM Pala Composting Facility - Tipping fee: **$102.89/ton**

Owner: Waste Management

SWIS:

Location: 12802 CA-76, Pala, CA 92059

Organic 2025 Tipping Fee: **$103.27/ton**

Facility: Ecology AZ Composting

Owner: Ecology Auto Parts, Inc

SWIS: Out of State Facility

Location: 59260 Highway 72, Salome, AZ 85348

Organic 2023 Tipping Fee: $

Facility: WM El Corazon Facility – Tipping Fee: **$137.40/ton**

Owner: Waste Management

SWIS: 37-AA-0907

Location: 3210 Oceanside Blvd, Oceanside, CA 92056

Facility: Otay Mesa Compost Facility - Tipping fee: **$108.54/ton**

Owner: Waste Management

SWIS: 37-AA-0988

Location: 434 Alta Rd, San Diego, CA 92154

Greenwaste Processing Facilities:

July 2023 tipping fee: **$50.00/ton**

Facility: SoCal Landscape

Owner: Southern California Landscape Supply

SWIS: 33-AA-0326

Location: 17520 Bridge St, Moreno Valley, CA 92555

July 2023 tipping fee: **$51.67/ton**

Facility: Organic Depot, LLC

Owner: Sage Ranch-Robert Yanik

SWIS: 33-AA-0346

Location: Aguanga, CA 92536

WM
17700 Indian St
Moreno Valley, CA 92551

March 31, 2026

Art Vela
Director of Public Works
City of Banning
99 E. Ramsey Street
Banning, CA 92220

RE: 2026/2027 City of Banning Rate Adjustment

Dear Mr. Vela,

WM respectfully requests an annual rate adjustment for the **2026-2027** period, in accordance with Section 4.03 of the Franchise Agreement. As part of our responsibilities, we calculate and submit the annual rate adjustment for Residential and Commercial refuse and recycling services by April 1st of each year.

Attached for your review, please find the updated **Schedule of Rates** detailing the 2026-2027 rate adjustment, along with the supporting **Rate Adjustment Percentage Calculation** data.

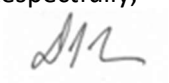
In accordance with Section 4.03.7 of the Franchise Agreement, the annual rate adjustment allows any unapplied percentage from prior years to be carried forward and applied in a future adjustment, provided it does not violate the provisions of this section. The annual rate cap is 4%, and this year's 2026–2027 rate adjustment will be 4%. For the **2026–2027** rate adjustment, a carryover of **0.72%** has been applied to both the Service Component and the Recycling Component from the previous remaining carryover balance of **3.96%**. The remaining carryover balance moving forward is **3.24%.** Below is the documentation of the carryover percentages:

Rate Year	CPI	Cap	Carryover Applied/Unapplied	Carryover Balance
2023/2024	8.70%	4%	Unapplied Carryover - 4.70%	4.70%
2024/2025	4.65%	4%	Unapplied Carryover - 0.65%	5.35%
2025/2026	2.61%	4%	Applied Carryover - 1.39%	3.96%
2026/2027	3.28%	4%	Applied Carryover - 0.72%	3.24%

We appreciate the City of Banning's continued support and the opportunity to serve its residents and businesses. If you require any additional information or have any questions regarding this year's annual rate adjustment, please feel free to contact me via email at dtani@wm.com or by phone at (951) 415-4389.

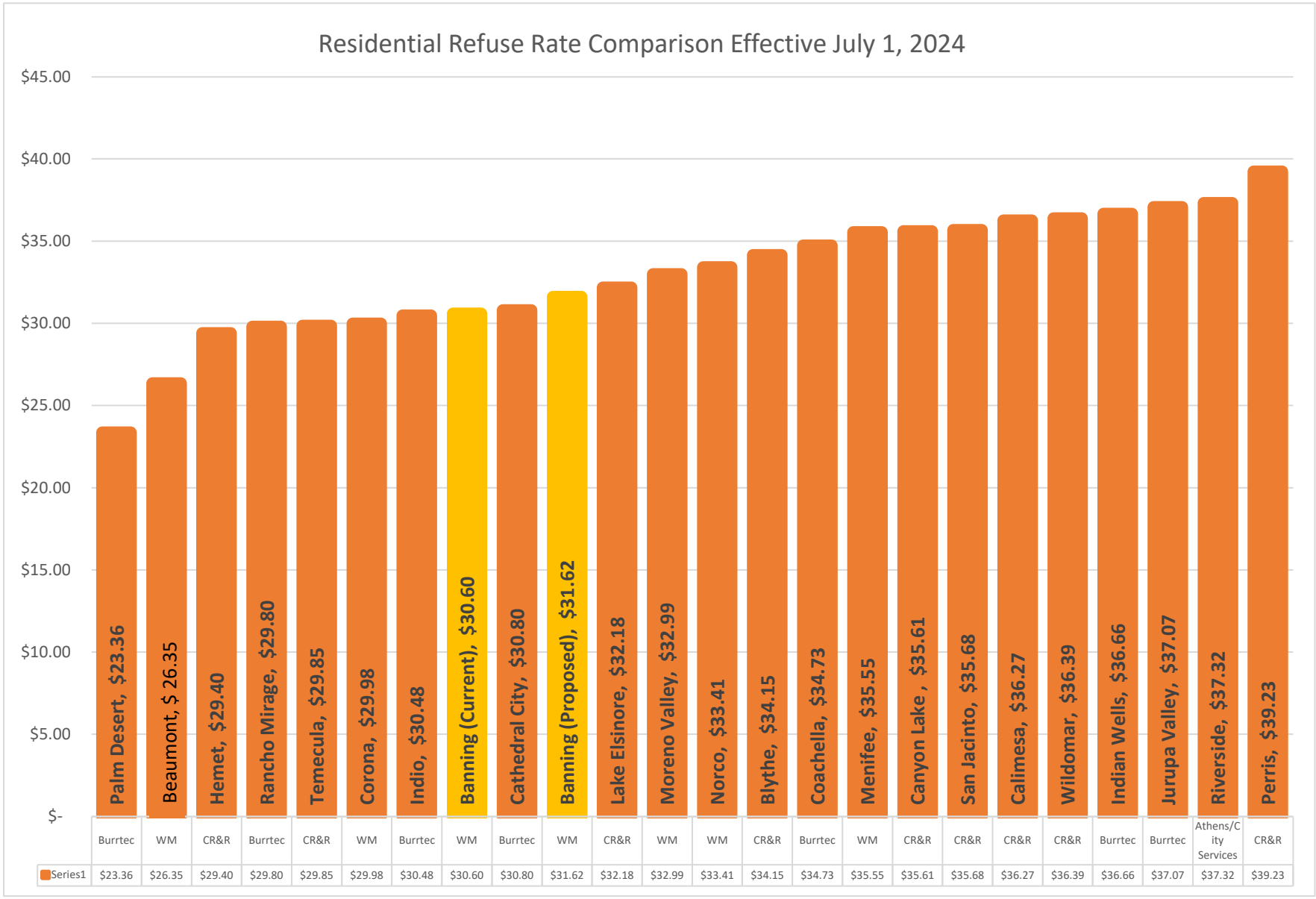
Thank you once again for your time.

Respectfully,

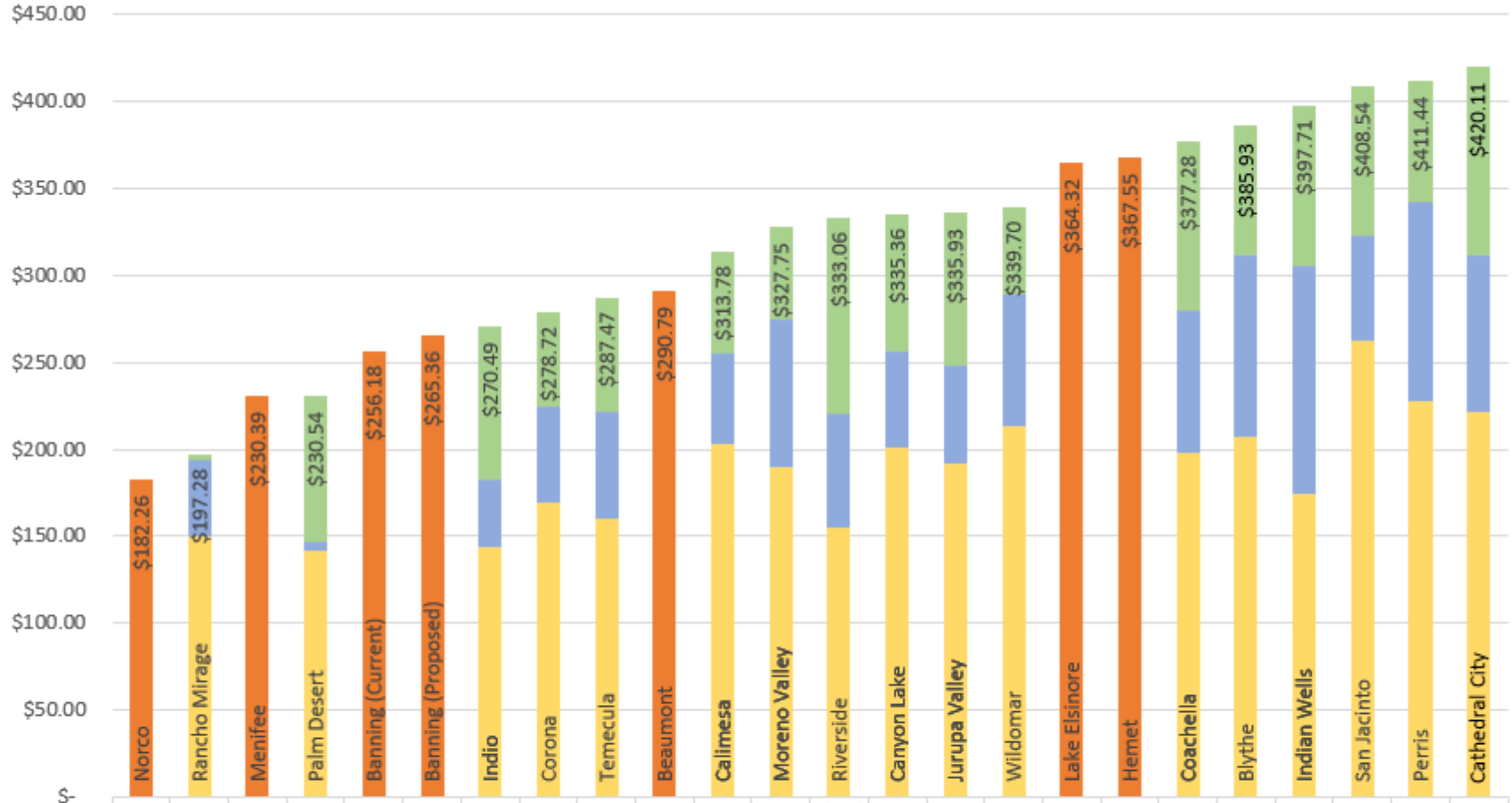


Douglas Tani
WM

WM
17700 Indian St
Moreno Valley, CA 92551


Residential Refuse Rate Comparison Effective July 1, 2024
$45.00
$40.00
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$-
Palm Desert, $23.36
Beaumont, $ 26.35
Hemet, $29.40
Rancho Mirage, $29.80
Temecula, $29.85
Corona, $29.98
Indio, $30.48
Banning (Current), $30.60
Cathedral City, $30.80
Banning (Proposed), $31.62
Lake Elsinore, $32.18
Moreno Valley, $32.99
Norco, $33.41
Blythe, $34.15
Coachella, $34.73
Menifee, $35.55
Canyon Lake , $35.61
San Jacinto, $35.68
Calimesa, $36.27
Wildomar, $36.39
Indian Wells, $36.66
Jurupa Valley, $37.07
Riverside, $37.32
Perris, $39.23
Burrtec WM CR&R Burrtec CR&R WM Burrtec WM Burrtec WM CR&R WM WM CR&R Burrtec WM CR&R CR&R CR&R CR&R Burrtec Burrtec Athens/City Services CR&R
Series1 $23.36 $26.35 $29.40 $29.80 $29.85 $29.98 $30.48 $30.60 $30.80 $31.62 $32.18 $32.99 $33.41 $34.15 $34.73 $35.55 $35.61 $35.68 $36.27 $36.39 $36.66 $37.07 $37.32 $39.23

Commercial Refuse Rate Comparison Effective July 1, 2024



	WM	Burrtec	WM	Burrtec	WM	WM	Burrtec	WM	CR&R	WM	CR&R	WM	Athens/ City Services	CR&R	Burrtec	CR&R	CR&R	CR&R	Burrtec	CR&R	Burrtec	CR&R	CR&R	Burrtec
64 GAL Organic	$-	$3.59	$-	$83.58	$-	$-	$87.83	$54.34	$65.69	$-	$58.83	$52.90	$112.0	$78.90	$88.13	$51.01	$-	$-	$97.81	$74.82	$91.87	$86.10	$69.67	$109.0
Recycle (Larger)	$-	$-	$-	$-	$-	$-	$38.71	$-	$-	$-	$52.06	$84.87	$-	$-	$-	$-	$-	$-	$81.68	$-	$131.2	$-	$113.7	$89.18
96 GAL Recycle	$-	$44.25	$-	$5.39	$-	$-	$-	$54.60	$61.73	$-	$-	$-	$66.39	$55.15	$55.89	$74.98	$-	$-	$-	$103.6	$-	$59.56	$-	$-
3CY Trash	$-	$149.4	$-	$141.5	$-	$-	$143.9	$169.7	$160.0	$-	$202.8	$189.9	$154.5	$201.3	$191.9	$213.7	$-	$-	$197.7	$207.4	$174.5	$262.8	$227.9	$221.9
COMBINED Rate	$182.2	$-	$230.3	$-	$256.1	$265.3	$-	$-	$-	$290.7	$-	$-	$-	$-	$-	$-	$364.3	$367.5	$-	$-	$-	$-	$-	$-

Exhibit A
July 1, 2026 - 2026/2027 Solid Waste Rate Schedule
for Collection, Transportation, Disposal and Recycling Services

Residential Cart Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
Basic Rate (96-gal Garbage, 96-gal Recycling, and 96-gal Organic Waste)	$31.62	$32.64	$23.59	$3.30	$1.85	$1.18	$2.72
Late Fees – 2.5% or $5 minimum on balances over $15.00 *Tax Roll Fees – 10% of unpaid balance per occurrence*							

Other Residential Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
Non-Qualifying Valet Service	$17.53	$18.23	$18.23				
Additional 96-Gal Garbage Cart	$11.66	$12.05	$8.75	$3.30			
Additional 64-Gal Garbage Cart	$9.29	$9.61	$7.42	$2.19			
Additional 35-Gal Garbage Cart	$6.98	$7.23	$6.02	$1.21			
Additional Recycle Cart - Any Size	$2.95	$3.07	$1.89			$1.18	
Additional Organic Waste Cart – Any Size	$6.93	$7.14	$5.29		$1.85		
Residential Set-up Fee	$15.19	$15.80	$15.80				
Cart Exchange - Excess of 1 p/year	$34.76	$36.15	$36.15				
Additional Bulky & E-waste - Per Item	$26.44	$27.50	$27.50				
Residential Contamination/Overage Fee	$20.68	$21.51	$21.51				
Return Service Fee	$20.00	$20.80	$20.80				
Insufficient Funds Fee	$25.00	$25.00	$25.00				
Additional Sharps Refill Fee 1.4 QT (after 1 free kit/year)	$52.63	$54.73	$54.73				
Cart Cleaning Fee	$34.75	$36.14	$36.14				
Late Fees – 2.5% or $5 minimum on balances over $15.00 *Tax Roll Fees – 10% of unpaid balance per occurrence*							

Commercial Cart Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
96 Gallon Garbage Cart, 1x a week*	$16.03	$16.59	$13.29	$3.30			
96 Gallon Garbage Cart, 2x a week*	$28.88	$29.87	$23.28	$6.59			
96 Gallon Garbage Cart, 3x a week*	$43.34	$44.82	$34.93	$9.89			
96 Gallon Garbage Cart, 4x a week*	$57.79	$59.77	$46.58	$13.19			
96 Gallon Garbage Cart, 5x a week*	$72.27	$74.74	$58.24	$16.50			
96 Gallon Recycle Cart, 1x a week*	$13.49	$14.03	$12.85			$1.18	
96 Gallon Recycle Cart, 2x a week*	$24.29	$25.26	$22.90			$2.36	
96 Gallon Recycle Cart, 3x a week*	$36.43	$37.89	$34.34			$3.55	
96 Gallon Recycle Cart, 4x a week*	$48.56	$50.50	$45.78			$4.72	
96 Gallon Recycle Cart, 5x a week*	$60.70	$63.13	$57.22			$5.91	
MAXIMUM 2 Carts Per Commercial Service Unit **Commercial cart service due to space constraints or low waste generation must be pre-approved by the City*							

Commercial Bin Garbage Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
2 Yard, 1x a week	$139.91	$145.05	$126.91	$18.14			
2 Yard, 2x a week	$279.83	$290.10	$253.82	$36.28			

2 Yard, 3x a week	$409.11	$424.10	$369.69	$54.41			
2 Yard, 4x a week	$541.07	$560.88	$488.31	$72.57			
2 Yard, 5x a week	$670.36	$694.89	$604.18	$90.71			
2 Yard, 6x a week	$799.68	$828.92	$720.06	$108.86			
3 Yard, 1x a week	$183.39	$190.04	$162.81	$27.23			
3 Yard, 2x a week	$366.74	$380.03	$325.62	$54.41			
3 Yard, 3x a week	$536.84	$556.25	$474.60	$81.65			
3 Yard, 4x a week	$706.91	$732.44	$623.58	$108.86			
3 Yard, 5x a week	$877.02	$908.67	$772.60	$136.07			
3 Yard, 6x a week	$1,047.11	$1,084.88	$921.60	$163.28			
4 Yard, 1x a week	$245.36	$254.25	$217.97	$36.28			
4 Yard, 2x a week	$490.70	$508.50	$435.93	$72.57			
4 Yard, 3x a week	$717.52	$743.48	$634.62	$108.86			
4 Yard, 4x a week	$946.97	$981.19	$836.07	$145.12			
4 Yard, 5x a week	$1,173.77	$1,216.14	$1,034.73	$181.41			
4 Yard, 6x a week	$1,400.59	$1,451.12	$1,233.41	$217.71			
6 Yard, 1x a week	$345.50	$357.94	$303.53	$54.41			
6 Yard, 2x a week	$691.06	$715.96	$607.10	$108.86			
6 Yard, 3x a week	$1,012.68	$1,049.07	$885.79	$163.28			
6 Yard, 4x a week	$1,331.67	$1,379.44	$1,161.73	$217.71			
6 Yard, 5x a week	$1,653.35	$1,712.61	$1,440.48	$272.13			
6 Yard, 6x a week	$1,972.35	$2,043.01	$1,716.45	$326.56			
(Service available if also subscribed to Recycling or Organics above Compliance Service minimum)							

Commercial Garbage Compactor Collection Service Rates	**Current Rate**	**New Rate**	**Service**	**Disposal**	**Organics**	**Recycling**	**SB 1383**
2 Yard, 1x a week	$194.86	$201.28	$146.87	$54.41			
2 Yard, 2x a week	$389.71	$402.56	$293.70	$108.86			
2 Yard, 3x a week	$573.96	$592.80	$429.52	$163.28			
2 Yard, 4x a week	$760.86	$785.80	$568.09	$217.71			
2 Yard, 5x a week	$945.11	$976.04	$703.91	$272.13			
2 Yard, 6x a week	$1,129.34	$1,166.28	$839.72	$326.56			
3 Yard, 1x a week	$265.80	$274.37	$192.72	$81.65			
3 Yard, 2x a week	$531.61	$548.76	$385.48	$163.28			
3 Yard, 3x a week	$784.10	$809.29	$564.37	$244.92			
3 Yard, 4x a week	$1,036.60	$1,069.83	$743.27	$326.56			
3 Yard, 5x a week	$1,289.09	$1,330.35	$922.15	$408.20			
3 Yard, 6x a week	$1,541.63	$1,590.93	$1,101.09	$489.84			
4 Yard, 1x a week	$355.27	$366.74	$257.88	$108.86			
4 Yard, 2x a week	$710.49	$733.42	$515.72	$217.70			
4 Yard, 3x a week	$1,047.18	$1,080.83	$754.27	$326.56			
4 Yard, 4x a week	$1,386.52	$1,430.99	$995.60	$435.39			
4 Yard, 5x a week	$1,723.26	$1,778.46	$1,234.20	$544.26			
4 Yard, 6x a week	$2,059.96	$2,125.87	$1,472.76	$653.11			
6 Yard, 1x a week	$510.35	$526.65	$363.37	$163.28			
6 Yard, 2x a week	$1,020.68	$1,053.27	$726.71	$326.56			
6 Yard, 3x a week	$1,507.17	$1,555.09	$1,065.25	$489.84			
6 Yard, 4x a week	$1,991.02	$2,054.18	$1,401.07	$653.11			
6 Yard, 5x a week	$2,477.54	$2,556.04	$1,739.64	$816.40			
6 Yard, 6x a week	$2,961.34	$3,055.07	$2,075.40	$979.67			
(Service available if also subscribed to Recycling or Organics above Compliance Service minimum)							

Commercial Bin Recycling Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
2 Yard, 1x a week	$129.72	$134.91	$124.30			$10.61	
2 Yard, 2x a week	$259.41	$269.79	$248.59			$21.20	
3 Yard, 1x a week	$166.05	$172.69	$156.79			$15.90	
3 Yard, 2x a week	$332.10	$345.38	$313.57			$31.81	
4 Yard, 1x a week	$220.53	$229.36	$208.16			$21.20	
4 Yard, 2x a week	$441.13	$458.77	$416.33			$42.44	
6 Yard, 1x a week	$285.39	$296.80	$264.99			$31.81	
6 Yard, 2x a week	$570.82	$593.66	$530.03			$63.63	
Extra Pick Up – Recycle	$96.27	$100.12	$100.12				
Contamination Fee	$96.96	$100.84	$100.84				
(Available if additional capacity is needed above Recycling or Organics Compliance Service minimum)							

Commercial Organic Waste Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
64 Gallon, 1x a week	$68.49	$70.48	$46.71		$23.77		
64 Gallon, 2x a week	$136.98	$140.95	$93.40		$47.55		
64 Gallon, 3x a week	$205.49	$211.45	$140.12		$71.33		
64 Gallon, 4x a week	$273.99	$281.94	$186.84		$95.10		
64 Gallon, 5x a week	$342.45	$352.37	$233.51		$118.86		
64 Gallon, 6x a week	$410.95	$422.86	$280.22		$142.64		
2 Yard, 1x a week	$382.01	$392.54	$242.47		$150.07		
2 Yard, 2x a week	$764.04	$785.07	$484.97		$300.10		
2 Yard, 3x a week	$1,146.13	$1,177.68	$727.52		$450.16		
2 Yard, 4x a week	$1,528.14	$1,570.21	$970.02		$600.19		
2 Yard, 5x a week	$1,910.15	$1,962.73	$1,212.48		$750.25		
2 Yard, 6x a week	$2,292.19	$2,355.30	$1,454.99		$900.31		
(Available if additional capacity is needed above Recycling or Organics Compliance Service minimum)							

Commercial Garbage, Recycling, And Organic Waste Bundled Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
2 Yard Garbage bin, 1x a week	$221.91	$229.58	$186.49	$18.14	$23.77	$1.18	
2 Yard Garbage bin, 2x a week	$361.79	$374.60	$313.36	$36.29	$23.77	$1.18	
2 Yard Garbage bin, 3x a week	$491.09	$508.61	$429.25	$54.41	$23.77	$1.18	
2 Yard Garbage bin, 4x a week	$623.05	$645.39	$547.87	$72.57	$23.77	$1.18	
2 Yard Garbage bin, 5x a week	$752.36	$779.42	$663.76	$90.71	$23.77	$1.18	
2 Yard Garbage bin, 6x a week	$881.65	$913.42	$779.61	$108.86	$23.77	$1.18	

3 Yard Garbage bin, 1x a week	$265.36	$274.54	$222.36	$27.23	$23.77	$1.18	
3 Yard Garbage bin, 2x a week	$448.73	$464.56	$385.20	$54.41	$23.77	$1.18	
3 Yard Garbage bin, 3x a week	$618.80	$640.74	$534.14	$81.65	$23.77	$1.18	
3 Yard Garbage bin, 4x a week	$788.90	$816.97	$683.16	$108.86	$23.77	$1.18	
3 Yard Garbage bin, 5x a week	$959.01	$993.19	$832.17	$136.07	$23.77	$1.18	
3 Yard Garbage bin, 6x a week	$1,129.10	$1,169.40	$981.17	$163.28	$23.77	$1.18	
4 Yard Garbage bin, 1x a week	$327.34	$338.77	$277.53	$36.29	$23.77	$1.18	
4 Yard Garbage bin, 2x a week	$572.68	$593.01	$495.49	$72.57	$23.77	$1.18	
4 Yard Garbage bin, 3x a week	$799.51	$828.00	$694.19	$108.86	$23.77	$1.18	
4 Yard Garbage bin, 4x a week	$1,028.95	$1,065.70	$895.63	$145.12	$23.77	$1.18	
4 Yard Garbage bin, 5x a week	$1,255.76	$1,300.67	$1,094.30	$181.42	$23.77	$1.18	
4 Yard Garbage bin, 6x a week	$1,482.59	$1,535.65	$1,292.99	$217.71	$23.77	$1.18	
6 Yard Garbage bin, 1x a week	$427.49	$442.47	$363.11	$54.41	$23.77	$1.18	
6 Yard Garbage bin, 2x a week	$773.03	$800.46	$666.65	$108.86	$23.77	$1.18	
6 Yard Garbage bin, 3x a week	$1,094.65	$1,133.57	$945.34	$163.28	$23.77	$1.18	
6 Yard Garbage bin, 4x a week	$1,413.66	$1,463.96	$1,221.30	$217.71	$23.77	$1.18	
6 Yard Garbage bin, 5x a week	$1,735.35	$1,797.14	$1,500.06	$272.13	$23.77	$1.18	
6 Yard Garbage bin, 6x a week	$2,054.32	$2,127.51	$1,776.00	$326.56	$23.77	$1.18	
96 Gallon Garbage Cart, 1x a week*	$98.02	$101.11	$72.86	$3.30	$23.77	$1.18	
96 Gallon Garbage Cart, 2x a week*	$157.37	$162.75	$131.21	$6.59	$23.77	$1.18	
96 Gallon Garbage Cart, 3x a week*	$223.71	$231.66	$196.82	$9.89	$23.77	$1.18	
96 Gallon Garbage Cart, 4x a week*	$290.06	$300.58	$262.44	$13.19	$23.77	$1.18	
96 Gallon Garbage Cart, 5x a week*	$356.44	$369.53	$328.08	$16.50	$23.77	$1.18	
All services include 1 time per week collection with 96-gallon Recycling Cart and 64-gallon Organic Waste Cart ***Commercial cart service due to space constraints or low waste generation must be pre-approved by City*							

Commercial & Recycle Bundled Collection Service Rates (Organic Waste Service Exempt)	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
2 Yard Garbage bin, 1x a week	$153.64	$159.64	$140.02	$18.14		$1.18	
2 Yard Garbage bin, 2x a week	$293.74	$304.58	$267.11	$36.29		$1.18	
2 Yard Garbage bin, 3x a week	$423.27	$438.83	$383.24	$54.41		$1.18	
2 Yard Garbage bin, 4x a week	$555.45	$575.84	$502.09	$72.57		$1.18	
2 Yard Garbage bin, 5x a week	$684.99	$710.11	$618.22	$90.71		$1.18	
2 Yard Garbage bin, 6x a week	$814.53	$844.37	$734.33	$108.86		$1.18	
3 Yard Garbage bin, 1x a week	$197.21	$204.42	$176.01	$27.23		$1.18	
3 Yard Garbage bin, 2x a week	$380.91	$394.78	$339.19	$54.41		$1.18	
3 Yard Garbage bin, 3x a week	$551.34	$571.34	$488.51	$81.65		$1.18	
3 Yard Garbage bin, 4x a week	$721.77	$747.90	$637.86	$108.86		$1.18	
3 Yard Garbage bin, 5x a week	$892.03	$924.28	$787.03	$136.07		$1.18	
3 Yard Garbage bin, 6x a week	$1,062.10	$1,100.47	$936.01	$163.28		$1.18	
4 Yard Garbage bin, 1x a week	$259.31	$268.78	$231.31	$36.29		$1.18	
4 Yard Garbage bin, 2x a week	$505.08	$523.46	$449.71	$72.57		$1.18	
4 Yard Garbage bin, 3x a week	$732.36	$758.92	$648.88	$108.86		$1.18	
4 Yard Garbage bin, 4x a week	$961.96	$996.78	$850.48	$145.12		$1.18	
4 Yard Garbage bin, 5x a week	$1,188.77	$1,231.75	$1,049.15	$181.42		$1.18	
4 Yard Garbage bin, 6x a week	$1,415.59	$1,466.72	$1,247.83	$217.71		$1.18	
6 Yard Garbage bin, 1x a week	$359.66	$372.68	$317.09	$54.41		$1.18	
6 Yard Garbage bin, 2x a week	$705.91	$731.41	$621.37	$108.86		$1.18	
6 Yard Garbage bin, 3x a week	$1,027.66	$1,064.65	$900.19	$163.28		$1.18	
6 Yard Garbage bin, 4x a week	$1,346.67	$1,395.05	$1,176.16	$217.71		$1.18	
6 Yard Garbage bin, 5x a week	$1,668.37	$1,728.24	$1,454.93	$272.13		$1.18	
6 Yard Garbage bin, 6x a week	$1,987.33	$2,058.59	$1,730.85	$326.56		$1.18	
96 Gallon Garbage Cart, 1x a week*	$29.53	$30.64	$26.16	$3.30		$1.18	

96 Gallon Garbage Cart, 2x a week*	$53.19	$55.15	$46.20	$6.59		$2.36	
96 Gallon Garbage Cart, 3x a week*	$79.78	$82.72	$69.28	$9.89		$3.55	
96 Gallon Garbage Cart, 4x a week*	$106.37	$110.29	$92.38	$13.19		$4.72	
96 Gallon Garbage Cart, 5x a week*	$132.99	$137.89	$115.49	$16.50		$5.90	
All services include 1 time per week collection with 96-gallon Recycling Cart **Commercial cart service due to space constraints or low waste generation must be pre-approved by City*							

Roll-Off Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
40 Yard with 4 tons	$713.02	$736.25	$526.77	$209.48			
Compactor – plus landfill tipping fees	$500.50	$520.52	$520.52				
40 Yard Permanent plus landfill tipping fees	$387.70	$403.21	$403.21				
10 Yard Permanent plus tipping fee	$387.70	$403.21	$403.21				
Roll-Off Recycle/per load	$387.70	$403.21	$403.21				
Delivery/Relocate/Trip Charge	$141.50	$147.16	$147.16				
Minimum Pull Fee (1 per month)	$387.70	$403.21	$403.21				
Industrial Set-up Fee	$32.90	$34.22	$34.22				

Other Commercial Collection Service Rates	Current Rate	New Rate	Service	Disposal	Organics	Recycling	SB 1383
Extra Pick Up – Garbage	$96.27	$100.12	$100.12				
Lost, Stolen, or Burned Bin – 3 yard	$672.29	$699.18	$699.18				
Lost, Stolen, or Burned Bin – 6 yard	$980.97	$1,020.21	$1,020.21				
Lost, Stolen, or Burned Cart - 64 Gallon	$54.37	$56.54	$56.54				
Lost, Stolen, or Burned Cart - 96 Gallon	$60.13	$62.54	$62.54				
Cart Overage Fee	$20.66	$21.49	$21.49				
Bin Overage Fee	$85.77	$89.20	$89.20				
Temporary 3 Yard Garbage Bin - One month with up to 4 collections	$330.11	$342.63	$315.41	$27.22			
Temporary 3 Yard Garbage Bin - 7 day	$201.99	$209.91	$203.62	$6.29			
Locking Lids	$23.54	$24.48	$24.48				
Commercial Set-up Fee/Reactivation Fee	$28.33	$29.46	$29.46				
Bin Exchange	$73.89	$76.85	$76.85				

Replacement Lock	$49.04	$51.00	$51.00				
Replacement key	$9.80	$10.19	$10.19				
Pull-out service per bin 16-35 feet	$21.43	$22.29	$22.29				
Pull-out service per bin 36-50 feet	$32.19	$33.48	$33.48				
Pull-out service per bin over 51 feet	$42.90	$44.62	$44.62				
Return to Service	$38.57	$40.11	$40.11				
Insufficient Funds Fee	$25.00	$25.00	$25.00				
Bin Cleaning Fee	$73.88	$76.84	$76.84				
Cart Cleaning Fee	$34.75	$36.14	$36.14				
Cart Contamination Fee	$20.65	$21.48	$21.48				
Bin Contamination Fee	$96.96	$100.84	$100.84				
Late Fees – 2.5% or $5 minimum on balances over $15.00							
Tax Roll Fees (MFD Only) – 10% of unpaid balance per occurrence							

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Holly Stuart, Public Works Program Manager** **Arturo Vela, Director of Public Works**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Make a Determination of Exemption Under the California Environmental Quality Act and Consideration of Resolution 2026-70, Receiving a Report in Connection with the proposed Collection on the 2026-27 Riverside County Property Tax Roll of Delinquent Solid Waste Service Charges for Single-Family and Multi-Family Accounts for Calendar Year 2025, Setting a Public Hearing on the Report.**

RECOMMENDATION:

Adopt Resolution 2026-70

BACKGROUND:

On April 27, 2021, the City Council approved a solid waste franchise agreement with Waste Management of the Inland Empire (Waste Management) for Residential and Commercial Garbage, Recyclable Materials and Organics Waste Collection, Transportation, Recycling and Disposal Services (Franchise Agreement), effective July 1, 2021.

In accordance with the Franchise Agreement, on October 12, 2021, the City Council adopted Ordinance No. 1576, amending and restating Chapter 8.28, "Garbage Collection and Disposal," of Title 8, "Health and Safety," of the Banning Municipal Code. In addition to implementing many aspects of the new Franchise Agreement, the ordinance allows the collection of delinquent residential service charges on the County Tax Roll in accordance with the Franchise Agreement and Article 4 of Chapter 6 of Part 3 of Division 5 of the California Health and Safety Code, commencing with Section 5470 ("Article 4"). The operative date of the amendments to the Municipal Code was January 1, 2022.

Pursuant to Article 4, delinquent charges collected on the County Tax Roll will be collected in the same manner, by the same persons, and at the same time as, together with and not separately from, the general taxes of the City.

The Franchise Agreement provides that Waste Management shall provide solid waste collection services to residential accounts, which includes both single-family dwellings (SFD) and multi-family dwellings (MFD). Pursuant to the Franchise Agreement, services provided to residential accounts that become delinquent are not able to be discontinued. In consideration of Waste Management not being able to discontinue residential services, the City committed to working with Waste Management in placing qualifying residential delinquencies on the County Tax Roll.

To initiate the process, the Franchise Agreement requires Waste Management, on May 1st of each year or such other agreed upon date, to notify the City in writing that it seeks to have the City place qualifying

delinquencies on the County Tax Roll. At no cost to the City, Waste Management is responsible for timely preparing required information, reports, notices, and materials.

Pursuant to the Franchise Agreement, a qualifying delinquent charge is a SFD or MFD charge that is at least 90 days in arrears and for which Waste Management has provided at least one written notice of the delinquency by mail to the service recipient and to the property owner, as listed on the last equalized assessment roll.

JUSTIFICATION:

In accordance with Article 4, and as permitted by the Franchise Agreement, Waste Management submitted a formal letter to the City requesting that qualifying delinquent solid waste service charges for calendar year 2025 be placed on the 2026-27 County Tax Roll, including a description of each parcel within the City for which there is a qualifying delinquent charge ("Identified Parcel") and the delinquent amount for each Identified Parcel (the "Report"). The Report is on file in the office of the City Clerk. Amounts listed in the Report include past due charges for service and delinquent fees (2.5% or $5 minimum on balances over $15). Additionally, County Tax Roll Fees amount to 10% of unpaid balances per occurrence.

For the 2025 calendar year period, Waste Management's request amounts to 1,032 delinquent residential accounts for a total principal balance of $225,363. The principal balance includes all invoices within the dates of January 1, 2025, through December 31, 2025, and includes service fees, monthly late fees, extra services, and may include multiple account billings for some parcels. Multiple account billings usually occur when the parcel has multiple units on one parcel.

The City Council must hold a Public Hearing on the Report and cause notice of the Public Hearing to be published and mailed. Under this resolution, the City acknowledges receipt of the Report, sets a public hearing on the Report on June 23, 2026, and directs the City Clerk or designee to cause notice of the public hearing to be mailed and published. Notice must be published at least 14 days prior to the date of the Public Hearing and again at least five days after the first publication. The notice must be mailed at least 14 days prior to the Public Hearing to the owner of each Identified Parcel at the address shown on the last equalized assessment roll available on the date the Report was prepared or as known to the City Clerk, and to the address to which the invoices are customarily mailed, if different than the owner's address.

The notice will inform delinquent account holders or parcel owners that they have until July 17, 2026, to settle any outstanding balances directly with Waste Management to avoid being included on the County Tax Roll. After this deadline, Waste Management will submit a final Report to the City, reflecting the removal of any accounts that have resolved their delinquencies. At the time of the Public Hearing, City staff will provide an updated Report showing the current number of delinquent residential accounts to be placed on the County Tax Roll, as well as the revised principal balance, excluding any amounts that have been resolved.

At the Public Hearing, the City Council shall hear and consider all objections or protests, if any, to the Report. If the City Council finds at the conclusion of the Public Hearing that the protest is made by the owners of a majority of the separate Identified Parcels, then the Report shall not be adopted, and the delinquent charges shall not be collected on the County Tax Roll. In the absence of a majority protest, the City Council may adopt or reduce any delinquent charge or overrule any or all objections.

By approving this Resolution, the City Manager or their designee is authorized, prior to the submission of the delinquent charges to the County Auditor Controller for collection on the 2026-27 County Tax Roll, to remove from the Report any Identified Parcel for which the delinquent charge has been paid in full, or to reduce the delinquent amount set forth in the Report for any Identified Parcel for which there has been a partial payment of the delinquent amount.

Under this approval, the City Council will be authorizing the scheduling of a Public Hearing on June 23, 2026, and directing staff to initiate the County Tax Roll collection process.

CEQA

City staff has evaluated the proposed collection of the delinquent charges on the County Tax Roll for purposes of compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. City staff has determined that the proposed collection of delinquent charges on the tax roll is an activity covered by the common sense exemption in that it can be seen with certainty that there is no possibility that such collection may have a significant effect on the environment because the collection only addresses the cost of an existing service provided to the public and not the commencement of a new service or program. Accordingly, the process for the collection of the delinquent charges on the County Tax Roll is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

FISCAL IMPACT:

At no cost to the City, Waste Management shall be responsible, without limitation, for all costs associated with preparing required information, including but not limited to, reports, notices, and materials, publication costs, and Riverside County fees. The Franchise Agreement provides that the City will pay Waste Management funds collected from the payment of the delinquent charges placed on the County Tax Roll, less the franchise fee equal to twelve and one-half percent (12.5%).

ATTACHMENTS:

1. Reso 2026-70.docx
2. WM Tax Roll Notification Letter.pdf

RESOLUTION 2026-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, RECEIVING A REPORT IN CONNECTION WITH THE PROPOSED COLLECTION ON THE 2026-27 RIVERSIDE COUNTY PROPERTY TAX ROLL OF DELINQUENT SOLID WASTE SERVICE CHARGES FOR SINGLE-FAMILY AND MULTI-FAMILY ACCOUNTS, SETTING A PUBLIC HEARING ON THE REPORT, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

WHEREAS, the City Council is authorized pursuant to Section 8.28.270 of the Banning Municipal Code and Article 4 of Chapter 6 of Part 3 of Division 5 of the California Health and Safety Code, commencing with Section 5470 ("HSC Code"), to levy and collect annual service charges for the collection, transportation, recycling and disposal of solid waste ("Charges") and to have the delinquent Charges for single-family and multi-family accounts collected on the County of Riverside Property Tax Roll ("Tax Roll"); and

WHEREAS, the City Council agreed to collect qualifying delinquent Charges for single-family and multi-family accounts on the Tax Roll in consideration of the agreement of the City's franchised hauler, Waste Management of the Inland Empire ("Waste Management"), not to discontinue collection services for single-family and multi-family customers with delinquent accounts; and

WHEREAS, pursuant to HSC Section 5473, delinquent Charges collected on the Tax Roll shall be collected in the same manner, by the same persons, and at the same time as, together with and not separately from, the general taxes of the City; and

WHEREAS, pursuant to its solid waste franchise agreement with the City, Waste Management notified the City in writing by May 1, 2026, that it seeks to have the City collect qualifying delinquent Charges for single-family and multi-family accounts for the 2025 calendar year on the 2026-27 Tax Roll. Pursuant to the Franchise Agreement, a qualifying delinquent Charge is a Charge that is at least 90 days in arrears and for which Waste Management has provided at least one written notice of the delinquency by mail to the service recipient and to the property owner, as the property owner is listed on the last equalized assessment roll ("Delinquent Charge"); and

WHEREAS, the City has caused a written report to be prepared and filed with the City Clerk in accordance with HSC Sections 5473 and 5473a ("Report"). The Report contains a description of each parcel within the City for which there is Delinquent Charge in connection with a single-family or multi-family account ("Identified Parcel") and the delinquent amount for each Identified Parcel. The City has received the Report, which is on file in the office of the City Clerk; and

WHEREAS, the City Council desires to set a public hearing on the Report pursuant to HSC Sections 5473 and 5473a to consider collecting the Delinquent Charges on the 2026-27 Tax Roll, as described herein.

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

SECTION 1. Each of the above recitals is true and correct and is adopted by the City Council.

SECTION 2. The City Council concurs with staff's determination that the proposed collection of the Delinquent Charges on the 2026-27 Tax Roll is exempt from the California Environmental Quality Act ("CEQA") because it can be seen with certainty that there is no possibility that such collection will have a significant effect on the environment because the collection of the Delinquent Charges on the Tax Roll only addresses the cost of an existing service provided to the public and not the commencement of a new service or program. Consequently, the City Council finds the process for the collection of the Delinquent Charges on the 2026-27 Tax Roll is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3).

SECTION 3. The City Council hereby sets a Public Hearing at 5:00 p.m., or as soon thereafter as the matter may be heard, in the City Council Chambers, 99 East Ramsey Street, Banning, CA, on June 23, 2026, to hear any objections or protests to the Report and the collection of the Delinquent Charges on the 2026-27 Tax Roll in accordance with the Report.

SECTION 4. The City Clerk is hereby directed to cause notice of the filing of the Report and the time and place of the Public Hearing thereon to be: (i) published prior to the date set for the Public Hearing pursuant to HSC Section 5473.1 and Government Code Section 6066, and (ii) mailed at least 14 days prior to the date of the Public Hearing to the owner of each Identified Parcel at the address shown on the last equalized assessment roll available on the date the Report was prepared or as known to the City Clerk, and to the service address, if different than the owner's address.

SECTION 5. At the Public Hearing, the City Council shall hear and consider all objections or protests, if any, to the Report. The City Council may continue the Public Hearing from time to time. If the City Council finds at the conclusion of the Public Hearing that the protest is made by the owners of a majority of the separate Identified Parcels, then the Report shall not be adopted and the Delinquent Charges shall be collected separately from the Tax Roll and shall not constitute a lien against any parcel. In the absence of a majority protest, the City Council may adopt or reduce any Delinquent Charge or overrule any or all objections and shall make its determination upon the Delinquent Charges as described in the Report, which determination shall be final. Further, the City Council authorizes the City Manager or designee, prior to the submission of the Delinquent Charges to the County Auditor Controller for collection on the 2026-27 Tax Roll, to remove from the Report any Identified Parcel for which the Delinquent Charge has been paid in full, or to reduce the delinquent amount set forth in the Report for any Identified Parcel for which there has been a partial payment of the delinquent amount.

SECTION 6. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 12th day of May 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, City Attorney

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-70, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 12th day of May 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

WM
17700 Indian St
Moreno Valley, CA 92551

April 23, 2026

Mr. Art Vela, P.E.
Director of Public Works/City Engineer
City of Banning
99 East Ramsey Street
Banning, CA 92220

RE: 2025 Tax Roll Process

Dear Mr. Vela,

As a formality and in accordance with WM's responsibilities under Section 4.02.1 of the Franchise Agreement, WM is required to provide written notification by May 1st of its intent to place delinquent accounts on the tax roll for calendar year 2025.

4.02.1 Delinquent SFD and MFD Service Accounts. Contractor shall provide SFD and MFD Service Recipients with a notice of delinquency in the event of non-payment if an account is five (5) or more days past due. Contractor will not discontinue Collection Service from delinquent SFD and MFD Service Units. In consideration for Contractor's agreement to not discontinue Collection Service from delinquent SFD and MFD Service Units, City agrees to assist Contractor with placing and collecting qualifying delinquencies on the tax roll in accordance with Health & Safety Code §5473a. Contractor shall, by May 1st of each year or at such other time as agreed upon by City and Contractor, notify City in writing as to whether it will seek to have City place and collect qualifying delinquencies on the tax roll. Contractor shall be responsible for timely preparing, at no cost to City, all required information, reports, notices, and materials including without limitation, the report required by Health & Safety Code §5473, the notices required by Health & Safety Code §5473.1 and paying for any publication costs. City agrees that it shall within one-hundred twenty (120) days after the Effective Date of this Agreement adopt the necessary ordinance authorizing collection of eligible delinquent SFD and MFD Service Recipients on the tax roll, and to hold all hearings, timely publish all notices, and to timely make all filings required under the above sections, provided Contractor has timely provided the required information, reports, notices, and materials to City. For the purposes of this Section, a "qualifying delinquency" is an SFD or MFD Service Recipient that is at least ninety (90) days in arrears and for which Contractor has provided at least one written notice of the delinquency delivered to the service recipient and to the property owner, as that owner is listed on the last equalized assessment roll, by mail. City shall pay Contractor money collected from payment of the delinquent fees, less the Franchise Fee and the City's cost to administer the tax roll lien process.

Once the dates are established, we will provide the customer delinquent report, issue customer notifications, and supply all required information and support for the hearing, as well as any other activities related to this matter.

Should you have any questions, please contact me at (951) 415-4389. Thank you for your time.

Respectfully,

Douglas Tani
WM Public Sector

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Marisol Lopez, Economic Development Manager** **Elizabeth Gibbs, City Manager**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Lamar Billboard – Agreement Overview and Selection of City Advertisement Rendering**

RECOMMENDATION:

Receive and file the overview of the Lamar billboard agreement and provide staff with direction by selecting a preferred advertisement rendering (Attachment A, B, or C) for display on the City of Banning Lamar billboard.

Additionally, provide any desired feedback or modifications to the selected design.

Upon City Council selection, staff will:

- Finalize the selected design incorporating any Council feedback;
- Coordinate with Lamar Advertising for production and installation; and
- Schedule the advertisement update in accordance with the agreement's annual no-cost change provision.

BACKGROUND:

The City of Banning's use of the Lamar billboard originates from land use entitlements granted in 2001 to Martin Communications (now Lamar Advertising) through Conditional Use Permits and Variance approvals approved by the City Council under Resolution No. 2001-111.

As part of those approvals, the billboard operator agreed to provide a public benefit to the City in exchange for the approval of billboard structures within the railroad right-of-way corridor. This public benefit includes dedicating one outdoor advertising face for the City's continuous and exclusive use to promote and market the City of Banning.

A formal letter from the City Manager dated November 21, 2001, confirms that one sign face would be made available for the City's continuous use only and that no additional City Council action is required to utilize this advertising space.

Supporting correspondence and City records further confirm that the operator agreed to:

- Provide one advertising face for ongoing City use at no cost;
- Change the advertisement copy once per year at no cost to the City;
- Illuminate the billboard at no cost to the City; and
- Relocate the billboard, if necessary, at the operator's expense.

City Council agenda materials dated February 25, 2003, further confirm that the billboard display space is provided free of charge with the understanding that it may be refreshed annually and is intended to support economic development messaging to travelers along Interstate 10.

This arrangement continues under Lamar Advertising as the successor entity to Martin Communications.

To support updated City branding and economic development messaging, the City of Banning Economic Development Committee—comprised of Mayor Richard Royce, Council Member Leroy Miller, City Manager Elizabeth Gibbs, Economic Development Manager Marisol Lopez, and Multimedia Specialist John Garside, met on March 12, 2026, to review and discuss updated billboard advertisement concepts.

Three updated design renderings have been prepared and are included for City Council consideration:

- **Attachment A** – Billboard Design Concept (2026)
- **Attachment B** – Billboard Design Concept (2026)
- **Attachment C** – Billboard Design Concept (2026)
- **Attachment D** – Existing Billboard Image

These concepts reflect updated branding, messaging, and visual positioning aligned with the City's economic development goals.

JUSTIFICATION:

The Lamar billboard serves as a longstanding, no-cost, City-controlled marketing asset secured through prior City Council land use approvals.

The City receives this advertising space as a **public benefit condition** tied to the approval of Conditional Use Permits and Variances for billboard structures. This ensures that the City receives ongoing value in exchange for allowing private billboard operations within City limits.

Updating the billboard content:

- Ensures the City's messaging remains current, clear, and visually effective;
- Supports business attraction and economic development efforts;
- Enhances visibility along a major regional corridor (Interstate 10); and
- Aligns with the City's **Banning 2030 – Designing Our Future NOW! Economic Development Framework**, including:

Tier 1 (Policy):
Reinforcing a clear, business-friendly economic vision and promoting the City of Banning as a place for investment, visitation, and opportunity.

Tier 2 (Implementation):
Advancing targeted marketing and business attraction strategies by showcasing the City's assets,

location advantages, and quality of life.

The collaborative review by the Economic Development Committee ensures a coordinated and strategic approach to City branding. City Council direction on a preferred rendering will allow staff to proceed with implementation consistent with the agreement and the City's broader economic development objectives.

FISCAL IMPACT:

There is no fiscal impact associated with updating the billboard advertisement.

Per the agreement terms established through prior approvals:

- The advertising face is provided at no cost to the City;
- One advertisement change per year is provided at no cost; and
- Illumination and maintenance are provided at no cost.

ATTACHMENTS:

1. Billboard 1 adjusted A 2.jpg
2. Billboard 1 adjusted B 2.jpg
3. Billboard 1 adjusted C 2.jpg
4. Billboard Attachment D Existing Image (2026).png
5. CC Agenda Packet - Regular Meeting - 2_25_2003.pdf
6. CC Resolution No. 2001-111_ConditionalUsePermits_MartinCommunications.pdf
7. Static Bulletin - 10'6x36 - Spec Sheet (1).pdf


EXAMPLE - A
BANNING
CALIFORNIA
YOUR HOME. YOUR BUSINESS. YOUR FUTURE.
City of BANNING
BanningCa.gov

633


EXAMPLE - B
BANNING
CALIFORNIA
BANNINGCA.GOV


EXAMPLE - C
BANNING
CALIFORNIA
YOUR HOME. YOUR BUSINESS. YOUR FUTURE.
City of BANNING
BANNINGCA.GOV

635


YOUR FUTURE
IS IN BANNING
•AFFORDABLE NEW HOMES
•ECONOMIC DEVELOPMENT INCENTIVES
City of
BANNING
ENDLESS OPPORTUNITY
THE FASTEST GROWING CITY IN CALIFORNIA
(951) 922-3181
BANNINGCA.GOV
LAMAR

Date February 25, 2003

TO: Honorable Mayor and Members of the City Council

FROM: Vickie Burt, Economic Development/Redevelopment Manager

SUBJECT: Billboard Display for City of Banning

DISCUSSION: Martin Communication has made available to the City of Banning a display on a billboard owned by them on the railroad right-of-way, south side of Interstate 10. The display will be visible to westbound traffic.

Since the original date of this offer Martin Communication is now known as Lamar Advertising Company. Lamar Advertising Company is honoring the offer originally made by Martin Communication. The contact person, Tom Flanagan, has been constant.

Attached for your review and discussion, are four designs that have been developed for this use. In addition to providing space for a display, Lamar Advertising Company has offered graphic services for design. Attachments 1 through 4 are samples of the design developed through the collaboration of staff with the graphic design service. These designs are in development and have not been edited. The focus of this design is economic development with a nexus to business.

Since the display's target audience is the traveler along Interstate 10, it is recommended that an uncluttered, read-at-a-glance message be used.

The display space is provided free of charge with an understanding that it can be refreshed annually.

In addition, two other marketing subjects are attached for your information:

- An advertising copy that is to be included in a directory sponsored by the Banning Chamber of Commerce (Attachment 5)
- An advertising copy that is being published in the "Inland Empire Visitor Guide". (Attachment 6)

Prepared by:

Vickie Burt
Economic Development/Redevelopment Manager

Reviewed by:

Ray Griest
Interim City Manager

75A

ATTACHMENT 1

75B

DISCOVER

Historic Stage Stop
Modern Frontier

Banning

...FOR BUSINESS

ECONOMIC DEV. (909) 922-3171 • www.CI.BANNING.CA.US

DATE 10.14.02
POST DATE: 11.05.02
10-6' X 36' BULLETIN - #401 PALM SPRINGS
AE: Tom Flanagan
Artist: Kerri Gabriel
Banning 10-6x36.8.si

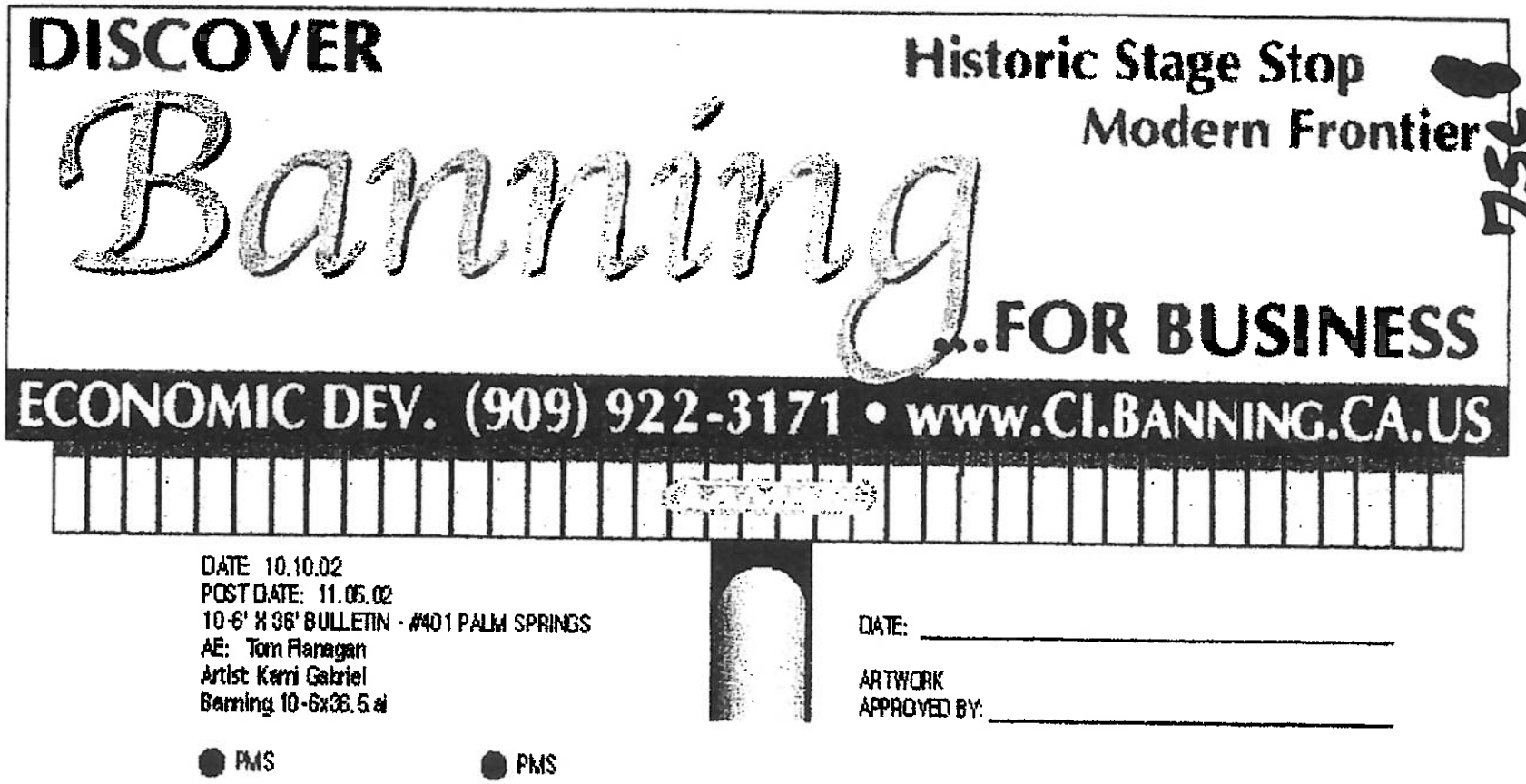
DATE: _____

ARTWORK
APPROVED BY: _____

● PMS ● PMS

©LAMAR ADVERTISING COMPANY. THIS SKETCH IS THE PROPERTY OF LAMAR ADVERTISING COMPANY AND MAY NOT BE REPRODUCED IN PART OR IN WHOLE IN ANY FASHION FOR ANY PURPOSE WITHOUT EXPRESS PERMISSION OF LAMAR ADVERTISING COMPANY.

ATTACHMENT 2



©LAMAR ADVERTISING COMPANY. THIS SKETCH IS THE PROPERTY OF LAMAR ADVERTISING COMPANY AND MAY NOT BE REPRODUCED IN PART OR WHOLE IN ANY FASHION FOR ANY PURPOSE WITHOUT EXPRESS PERMISSION OF LAMAR ADVERTISING COMPANY.

ATTACHMENT 3



DATE: 10.14.02
POST DATE: 11.05.02
10-6' X 36' BULLETIN - #401 PALM SPRINGS
AE: Tom Flanagan
Artist: Kerri Gabriel
Banning 10-6x36.6.ai

DATE: _____

ARTWORK
APPROVED BY: _____

● PMS ● PMS

© LAMAR ADVERTISING COMPANY. THIS SKETCH IS THE PROPERTY OF LAMAR ADVERTISING COMPANY AND MAY NOT BE REPRODUCED IN PART OR IN WHOLE IN ANY FASHION FOR ANY PURPOSE WITHOUT FIRST OBTAINING PERMISSION OF LAMAR ADVERTISING COMPANY.

ATTACHMENT 4

ATTACHMENT 5

City of Banning

Come Grow With Us!

ECONOMIC DEVELOPMENT (909) 922-3171

WWW.CI.BANNING.CA.US

75F

ATTACHMENT 6

BANNING

Be Our Guest!

Beautiful Views Great Weather Friendly People



23

75G

RESOLUTION NO. 2001-111

RESOLUTION OF FINDINGS AND CONCLUSIONS OF THE CITY COUNCIL OF THE CITY OF BANNING IN SUPPORT OF THE GRANTING OF THE APPEAL OF APPELLANT MARTIN COMMUNICATIONS IN THE MATTER OF CONDITIONAL USE PERMITS 01-803 THROUGH 01-806

WHEREAS, at its meeting of September 4, 2001, the Planning Commission of the City of Banning took evidence and took evidence and heard testimony in the matter of the grant of Conditional Use Permits 01-803 through 01-806 and based thereon denied each such conditional use permit; and

WHEREAS, thereafter applicant Martin Communications submitted timely notice of appeal of the matter to be heard by the City Council; and

WHEREAS, at its meeting of October 9, 2001, the City Council conducted a de novo hearing of the appeal and took evidence and heard testimony; and

WHEREAS, Banning Ordinance Code Section 9116.13 (B) requires that the City Council shall announce its findings and decision by formal resolution.

NOW THEREFORE, it is hereby resolved that the City Council does find and conclude as follows:

Section 1.

Regarding Conditional Use Permits 01-803 through 01-806:

A. Findings of Fact:

1. That in 1993, the City of Banning permitted the remodeling of a billboard within the railroad right-of-way, thus making the factual determination that the railroad right-of-way is an M1 zone.
2. That the zoning map Exhibit #2 provided by Martin Communications indicates that the area M1 designated on that map can be viewed as extending all the way to Highland Springs Avenue.
3. That there are existing billboards within the area designated in number 2 above that would have had to have some kind of clearance to be built.

B. Conclusions:

1. The issuance of a conditional use permit is consistent with the provisions of an adequate general plan. The issuance of such a permit is not ultra vires and is valid in that the general plan is adequate and conforms to the

mandatory statutory criteria which are relevant to the uses sought by the permit;

2. The subject applications incorporate properties that are zoned C-M or M, the zoning designations within the City that currently list billboard structures as possible land uses subject to the approval of a Conditional Use Permit;

3. The Circulation Element of the City's General Plan depicts the subject properties on which the billboard structures are proposed to be located as "railroads"; the "railroads" designation of the City's Circulation Element contains provisions that allow billboard structures;

4. The Land Use Element of the City's General Plan depicts a land use designation for the railroads that traverse the City as right-of-way for railroads;

5. Appendix "A" (Zoning) of the Banning Ordinance Code contains provisions that address railroads in terms of assigning a zoning classification and/or that outlines allowable land uses within a zone district or areas designated "railroads" in the City's Circulation Element;

6. California State Law requires that zoning conform to a City's General Plan and that the approval of any discretionary permits including Conditional Use Permits conform to zoning and the provisions of the City's General Plan;

7. Because the City has a General Plan designation for the railroads that traverse the City as right-of-way for trains, it can approve the subject Conditional Use Permits because it can make the finding that the use is consistent with the City's General Plan;

8. For the reasons outlined in subnumerals 1 through 7, the City Council overrules the Planning Commission's determination of denial on the basis that the subject Conditional Use Permits and the proposed placement of billboard structures is not permitted by zoning and would therefore be inconsistent with the City's General Plan.

9. The proposed use is permitted subject to a conditional use permit within the proposed land use district and therefore complies with all of the applicable provisions of the Banning Ordinance Code;

10. The proposed use would not impair the integrity and character of the land use district in which it is to be located;

11. The subject site is physically suitable for the type and intensity of land use being proposed;

12. The proposed use is consistent with the General Plan;

13. There will be no significant harmful effects upon environmental quality and natural resources;

14. The negative impacts of the proposed use are mitigated; and

15. The proposed location, size, design, and operating characteristics of the proposed use will not be detrimental to the public interests, health, safety, convenience, or welfare of the City.

C. The decision of the Planning Commission is hereby overruled and the CUP's are granted.

PASSED, APPROVED, AND ADOPTED this 23rd day of October, 2001.

John Hunt, Mayor

ATTEST:

Marie A. Calderon, City Clerk

Approved as to form:

John Wilson
City Attorney

///

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CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2001-111 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 23rd day of October, 2001 by the following vote, to wit:

AYES:	Councilmembers Mediano, Salas, Wages, Mayor Hunt
NOES:	Councilmember Jenkins
ABSTAIN:	None
ABSENT:	None

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

10’6” (h) x 36’0” (w) BULLETIN SPEC SHEET

Updated 5/2025

Live (visible) area: 10’6” (h) x 36’0” (w), Finished size: 11‘6” (h) x 37’0” (w)

If you prefer to download a template in .PDF or .TIFF format, go to: LamarGraphics.com > Templates > Print Templates.

ART SPECIFICATIONS

Lamar Bulletins are set up 1/2” = 1’ scale @ 300ppi document resolution in CMYK color mode. This equates to about 12.5 pixels per linear inch on the final product. Set up your design file to the dimensions below:

Live area document size: 5.25” (h) x 18.0“ (w)
Overall area document size: 5.75” (h) x 18.5“ (w)

The live area represents the face of the panel. This is where all important text and images should appear. Keep all critical elements away from the edge.

The overall area includes necessary bleed (0.5”) and will be used to wrap around the panel. Fill the overall area with the same color as your background for best results.

ACCEPTED FILE TYPES

Compatible Software:
Adobe Photoshop, Illustrator, or InDesign*

Acceptable Formats:
Native formats from the software listed above or .PDF, .TIFF, or .EPS

**Embed images and fonts when applicable or convert fonts to outlines.*

PRODUCTION FACILITY SPECIFICATIONS

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Lamar requires a 3” minimum mechanical pocket on the back of the vinyl for installation. This does not change the overall size of the vinyl.

MATERIAL, SUBSTRATE, INKS & WARRANTIES

Material/Substrate:
7 ounce PVC Vinyl Flex
Up to 2 years posting

Minimum Warranty:
One year warranty protects against ink fade, ink adhesion, and failure of material or pockets. *Note: 12 ounce material is not preferred, but will be accepted at this time.*

Inks:
Inks must be weatherproof/waterproof with sufficient UV protection to meet the warranty term associated with the aforementioned product line, specifications or the substrate manufacturer.

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Elizabeth Gibbs, City Manager**
MEETING DATE:	**May 12, 2026**
SUBJECT:	**Discussion and direction to staff on a draft Social Media Policy**

RECOMMENDATION:

Discuss the draft social media policy as presented and provide direction to staff on any changes to the policy.

BACKGROUND:

Social media has become a primary channel through which local governments communicate with residents, disseminate public information, and engage the broader community. Platforms such as Facebook, X (formerly Twitter), Instagram, and YouTube offer municipalities an efficient, cost-effective means to share announcements, promote events, and respond to community inquiries in real time.

The City of Banning currently maintains a presence on several social media platforms to promote City services and provide timely public information. However, the City has not historically operated under a formal adopted, comprehensive policy governing the use of those platforms-either by City staff posting on behalf of the City, or by members of the public engaging with City-managed accounts.

The absence of a formal policy has created operational uncertainty regarding content moderation standards, account management authority, compliance with the Ralph M. Brown Act, California Public Records Act ("PRA") obligations, and the legal boundaries surrounding restricted speech on limited public forums. Courts, including the Ninth Circuit and the United States Supreme Court, have increasingly scrutinized municipal social media practices, particularly regarding content-based restrictions and the blocking of users. The adopted policy provides clear, viewpoint-neutral standards that align with applicable constitutional and statutory requirements.

The proposed Social Media Policy was developed by the City Attorney in coordination with the City Manager. It establishes a governance framework that addresses City-posted content, employee and official use, public engagement standards, content moderation criteria, Brown Act compliance, and public records considerations.

JUSTIFICATION:

Adoption of a formal Social Media Policy is warranted for the following reasons:

Legal Compliance and Risk Mitigation - municipal social media accounts that are open to public comment are increasingly treated as public forums subject to First Amendment protections. Without clear, consistently applied content standards, the City is exposed to claims of viewpoint discrimination and civil liability. The proposed Policy establishes the City's social media sites as "limited public forums" and sets forth content-neutral moderation criteria, consistent with the legal standards articulated by the

courts. The Policy also addresses Brown Act compliance obligations for members of City legislative bodies, reducing the risk of inadvertent serial meeting violations through social media interaction.

Operational Clarity and Accountability - The Policy designates the City Manager or authorized designee as the administrator of all City social media accounts and establishes a clear chain of authority for account creation, content publication, and moderation. This reduces the risk of unauthorized postings, ensures consistency in messaging, and protects the City's official communications from reputational harm.

Public Records Act Compliance - Content posted on City social media platforms may constitute a public record subject to disclosure under the California PRA. The Policy explicitly notifies users and City representatives of this obligation and establishes that communications through social media do not constitute official or legal notice to the City, ensuring residents utilize proper channels for time-sensitive matters.

Employee and Official Guidance - The Policy provides City employees, elected officials, and members of City boards and commissions with clear guidance regarding personal social media use involving City business, confidentiality obligations, and the prohibition on using City branding without authorization. This reduces ambiguity and supports consistent professional conduct.

Community Engagement Standards - The Policy establishes transparent, publicly available standards governing what content may be posted by the public on City-managed accounts, and the conditions under which content may be removed. This supports constructive, respectful community engagement while protecting the operational integrity of the City's communications platforms.

Comparator agencies throughout the Inland Empire and California have adopted similar social media policies as a municipal best practice. Adoption of this policy positions the City of Banning in alignment with those standards and reflects the City's commitment to transparent, lawful, and effective governance.

FISCAL IMPACT:

This item is for discussion and direction only. Adoption and implementation of the Social Media Policy is not anticipated to result in any direct fiscal impact to the City.

ATTACHMENTS:

1. Draft - Banning_-_Social_Media_Policy_-_05.12.2026.pdf

CITY OF BANNING
SOCIAL MEDIA POLICY

I. PURPOSE.

1. The purpose of the City of Banning, California ("City") Social Media Policy ("Policy") is to disseminate information by way of social media to community members about the City's mission, meetings, services, events, and activities. The City's intended use of its social media sites is solely to address matters of City business. The City has an overriding interest and expectation in deciding what is posted or communicated on behalf of the City on City-managed social media. Questions, comments, and concerns about City business are welcomed and encouraged; however, City social media sites are not general public forums. City social media sites are intended to operate as limited public forums for the purpose of discussing matters related to City business, and content will be moderated in a viewpoint-neutral manner consistent with this Policy.

Nothing in this Policy is intended to restrict lawful speech based on viewpoint, and moderation decisions will be based on the content standards stated in this Policy and applied consistently.

2. This Policy establishes guidelines for community members to interact with the City through City-managed social media sites (e.g., websites, Facebook, X/Twitter, Instagram, YouTube, etc.) regarding City business. These guidelines also apply to City employees, officials, and representatives who use City-managed social media sites to further the business of the City.

3. The City requests that posts and comments on City social media sites be courteous, professional, and respectful. By posting, commenting on, or using City social media sites or platforms, users agree to abide by this Policy.

II. DEFINITIONS.

1. "Social media" means, but is not exclusive to, websites and internet-based applications where user-created content exists electronically, including but not limited to X/Twitter, Facebook, LinkedIn, Instagram, YouTube, and similar platforms.

2. "City social media site" means an internet site, page, location, or other means for collection of digital information on a social media platform over which the City controls its postings, except for advertisements or hyperlinks by the platform's owners, vendors, or partners.

3. "City post" or "City postings" mean information, articles, pictures, videos, or any other form of communication posted by the City on a City social media site.

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4. "City Legislative Bodies" means members of the City Council, Planning Commission, and any other board, commission, or committee of the City that are subject to the Ralph M. Brown Act.

5. "Post" or "Posting" mean information, articles, pictures, videos, or any other form of communication posted by the City or a user on a City social media site.

III. GENERAL POLICY.

1. By posting or commenting on any social media platform used by the City of Banning, you participate by your own choice, taking personal responsibility for your comments, your username and any information you provide therein. You further agree to the terms set forth in this policy. These guidelines will be displayed to users or made available by hyperlink on the City's website and social media sites.

2. The City reserves the right, in its sole and absolute discretion, to remove any City post and to terminate any City social media site at any time without notice.

3. All posts on the City's social media sites shall adhere to applicable federal, state, and local laws, regulations, and City policies.

4. The City may remove any content or post that violates this Policy or applicable law.

5. The City may remove any posts or comments not related to City business or not within the City's subject matter jurisdiction.

6. The City reserves the right, without prior notice, to deny access to City social media sites to individuals who violate this Policy.

7. Users who repeatedly violate this Policy may be temporarily restricted or blocked only to the extent necessary to prevent continued violations of this Policy and such action will be viewpoint-neutral.

8. Content on City social media sites is subject to the California Public Records Act ("PRA"). Any content or posts on a City social media site, may be a public record subject to public disclosure or discovery in litigation.

9. This Policy may be revised at any time in the City's sole and absolute discretion.

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10. Use of social media by City employees that affects productivity or results in any cost, charge, or loss to the City is prohibited and may result in discipline.

11. Communications made through City social media sites shall not constitute legal or official notice to the City for any purpose. Individuals seeking to provide legal notice must do so through official channels as required by law.

12. City social media sites are not monitored on a continuous basis and are not intended for reporting emergencies, crimes, or time-sensitive matters. Users should not use City social media sites to request emergency assistance or to report criminal activity. In the event of an emergency, call 9-1-1. For non-emergency matters, service requests, or to provide official notice to the City, individuals should contact the City through appropriate official channels, including the City's website, departments, or by telephone. Posts or messages submitted through social media will not be treated as formal requests for service or as providing legal notice to the City.

IV. CONTENT MANAGEMENT.

1. City Social Media Sites. City social media sites shall be managed and moderated by the City Manager or designee. The City Manager or designee shall determine which employees are authorized users of City social media accounts and shall maintain administrative control over account access credentials. Establishment of City social media sites requires prior approval of the City Manager or designee. All posts, comments, and any additional interactions will be monitored.

2. City-Posted Content. All posts on behalf of the City shall be made only by the City Manager or authorized designee(s). City's posts on its social media sites will supplement and not replace the City's required notices and standard methods of communication. The City's official website, www.banningca.gov, is and will remain the primary source of City-related notices, information and news. Whenever possible, content posted on the City's social media sites will also be available on the City's website. The information posted by the City to City's social media sites must:

a. Directly pertain to City business or City-sponsored programs, services, or events.

b. Contain publicly available information that is not confidential or privileged from disclosure as defined by any local, state or federal law, or City policy including but not limited to excluding content related to pending litigation, personnel matters, active investigations, or emergency operations unless expressly authorized.

c. Comply with all applicable local, federal, and state laws, including the Brown Act.

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d. Not include content that is contrary or detrimental to the City's mission.

e. Not contain messages that endorse, promote, or oppose any religion or religious beliefs.

f. Not encourage illegal activity.

g. Not contain any personal information that would violate any legally protected right to privacy.

h. Not endorse, promote, or oppose political candidates, parties, or ballot measures.

i. Not contain any profane, obscene or pornographic language or content or links to such language or content.

j. Not contain content that promotes, fosters, or perpetrates discrimination based on race, color, creed, sex, gender, age, religion, national origin or ancestry, physical or mental disability, veteran status, parentage, marital status, status with regards to public assistance, medical condition, sexual identity, sexual orientation, or any other category protected by federal, state or local laws.

k. Not contain solicitations of commerce or advertisement of any private business, product, or commercial activity.

3. Personal social media use. City employees, officials, and members of City Legislative Bodies with personal social media accounts that post or comment on social media about official City business should:

a. State their name; and

b. Use a disclaimer such as "The postings on this site are my own and do not reflect the views of the City of Banning."

City employees, officials and members of City Legislative Bodies (collectively "City Representatives") are advised that communications related to City business made on personal devices or accounts may be subject to disclosure under the California Public Records Act.

4. Posts are public. City Representatives should know that posts about City issues that include or relate to employment complaints or human resources concerns may not be

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protected. Employees and representatives should be mindful of the distinction between sharing personal and agency view.

5. Confidential information. City Representatives shall not directly or indirectly disclose City confidential, privileged or proprietary information nor shall they disclose confidential, private or proprietary information about City residents, vendors, suppliers or partners.

6. Media inquiries. All media inquiries related to City social media shall be referred to the City Manager or designee.

7. Compliance with applicable laws. Use of City's social media sites shall be in compliance with all applicable laws, including the Ralph M. Brown Act ("Brown Act"). Members of City Legislative Bodies shall not repost, "like," retweet or in any way respond to or comment upon posts by other members of City Legislative Bodies where such posts relate to City business or matters within the City's subject matter jurisdiction as such activity may result in a violation of the Brown Act including activity on both public and private social media platforms, which may constitute a "serial meeting" under the Brown Act. In order to assure compliance with the Brown Act, members of City Legislative Bodies should identify themselves as such when posting a comment on City social media sites. Members of City Legislative Bodies should not use City social media sites to blog or engage in serial meetings, or otherwise discuss, deliberate or express opinions on any issues within the subject matter jurisdiction of the City as doing so could result in a Brown Act violation. City Representatives should avoid using City-managed social media comment threads to conduct serial discussions or deliberations outside of duly noticed public meetings. City staff shall not facilitate such discussions through prompting, selective engagement, or by encouraging responses that could result in a quorum of a legislative body participating in a discussion. When feasible, the City may disable or limit comments on posts that are reasonably anticipated to invite real-time discussion or deliberation among a quorum of members of a City Legislative Body regarding matters within the City's subject matter jurisdiction. City Representatives are expected to demonstrate the highest standards of personal integrity, honesty and conduct in all activities in order to inspire public confidence and trust in the City.

8. Discipline for violations. City employees that post content in violation of this Policy may be subject to disciplinary action.

9. Free speech. Nothing in this Policy is intended to restrict or limit City employees' right to free speech or rights to engage in protected concerted activity under applicable law.

10. Posts in private capacity. Activity of City Representatives on social media sites outside of work must not be attributable to the City or the representative/employee's job function at the City. Examples include the following:

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a. City Representatives should not use their City e-mail address to register for social media and other sites unless authorized by the City to do so and where the purpose is directly related to their job and/or official City duties.

b. City Representatives should not display the City's logos, emblems, or patches on personal social networking accounts.

c. City Representatives should not state or imply that they speak for the City, or for City officials unless expressly authorized by the City to do so.

11. Externally posted content. Posts by members of the public (including comments, photos, and links) on City sites containing any of the following are not permitted and, to the extent allowed by law, may be removed by the City from its social media sites:

a. Profane, obscene or pornographic language or content or links to such language or content.

b. Solicitations of commerce, including but not limited to advertising of any business, product, or commercial activity.

c. Content that conducts or encourages illegal activity.

d. Information that is illegal to disseminate or that might compromise the safety or security of the public or public systems.

e. Content that violates another party's legal ownership interest, such as copyright or trademark.

f. Content that the City reasonably believes constitutes unlawful defamation or false statements of fact that are not protected speech, as determined under applicable law.

g. Threats of violence or injury to any person, property, or organization.

h. Content that violates any federal, state, or local law.

i. Content that promotes, fosters, or perpetuates discrimination based on race, color, creed, sex, gender, age, religion, national origin or ancestry, physical or mental disability, veteran status, parentage, marital status, status with regard to

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public assistance, medical condition, sexual identity, sexual orientation, or any other category protected by federal, state, or local laws.

j. Comments that contain spam or include links to other sites.

k. Harassment, stalking, or content intended to intimidate any individual or group.

l. Repetitive or duplicative comments that disrupt discussion. "Duplicate posts" include repetitive posting that substantially disrupts the comment thread or constitutes spam (including repeated identical or near-identical comments).

m. Content that interferes with public safety operations or investigations.

The City will not remove content solely because it is critical of the City, its officials, or its policies.

12. Disclaimer. The City is not responsible for, and neither endorses nor opposes, the opinions or comments placed on City social media sites by visitors or third parties. The City further disclaims any and all responsibility or liability for any posts/content that cannot lawfully be removed or for posts/content that the City deems inappropriate for posting but which cannot be or are not removed expeditiously. Publication of third-party content does not imply endorsement, approval, or agreement by the City.

13. No expectation of privacy. Given that posts on City social media sites are publicly viewable and available, users, posters, and City Representatives do not have a reasonable expectation of privacy in content posted to City social media sites.

14. Intellectual property. Use of the City's logo, trademarks, intellectual property, proprietary graphics, or photographs without the City's written permission is strictly prohibited.

15. Indemnity. By posting content, a user agrees to indemnify and hold harmless the City, its officials, officers, directors and employees, against any damages, losses, liabilities, judgments, causes of action, costs or expenses (including reasonable attorneys' fees and costs) arising out of any claim relating to any material user has posted on any City-managed social media.

16. Terms of use policies. All comments posted to City social media sites are also bound by the platform or host's specific use policy. The City reserves the right to report any violation of a social media host's use policy with the intent of taking appropriate and reasonable responsive action including, but not limited to, Facebook Community Standards, X Rules, YouTube Community Guidelines, and Instagram Community Guidelines.

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17. Questions. Questions regarding City social media may be directed to City of Banning (951) 922-3100 or email: jgarside@banningca.gov.

V. CONCLUSION.

Social media is a 24/7 medium that operates continuously; however, the City's ability to moderate content is not. The City may not detect every inappropriate comment immediately and must rely on the maturity of social media participants and the community to ignore false, misleading, inappropriate or harmful speech. The City disclaims any and all responsibility for any post/content the City has not expressly authorized and reserves the right to take reasonable and lawful action to maintain the intended purpose of its social media platforms.

Adopted: _____, 2026

Approved By:

_____

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CITY OF BANNING, CALIFORNIA

2026-2045 ELECTRIC SERVICE MASTER PLAN

APRIL 2026

Prepared by:

Finley Engineering Company, Inc.

On behalf of:

Banning Electric Utility

BANNING ELECTRIC UTILITY

PROVIDING POWER TO THE COMMUNITY OF BANNING SINCE 1922

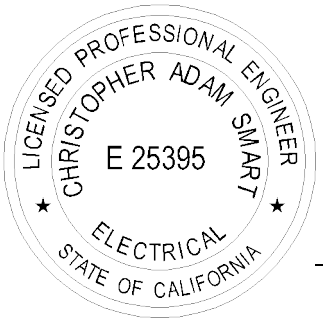
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City of Banning
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Banning, CA 92220
951.922.3100
www.banningca.gov

ENGINEERS CERTIFICATION

I, Christopher Adam Smart, P.E., herby certify that this *2026-2045 Electric Service Master Plan* was prepared by me or under my direct Supervision and that I am a duly Licensed Professional Engineer under the laws of the state of California, license number E 25395.



Christopher A. Smart, P.E.

Digitally signed by Christopher A. Smart, P.E.
Date: 2026.04.29 14:47:47 -05'00'

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1.0 - EXECUTIVE SUMMARY

1.1 - Introduction

The City of Banning owns the utility that provides electric service to Banning, California and the electric utility is maintained by Banning Electric Utility (BEU). Originally established in 1913 as a private utility, the City of Banning purchased the electric utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet the system peak demand.

Through an agreement with Southern California Edison Company (SCE), the BEU system utilizes SCE's transmission system in bringing power from the California Independent System Operator ("CAISO") controlled high voltage transmission grid to the BEU distribution system at the Banning Substation.

The City of Banning supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. BEU has met and/or exceeded the renewable energy requirements of Compliance Period #1, Compliance Period #2, and Compliance Period #3 of the State's Renewable Portfolio Standard (RPS) program. The Utility was 81 percent renewable in 2022, already exceeding the current State mandate of 60 percent by 2030.

BEU is a member of the Southern California Public Power Authority (SCPPA) enjoying the benefits of joint action through cost effective planning, construction, management, and operations of electrical energy resources.

1.2 - Purpose of Study

This Electric Service Master Plan (ESMP) is a report prepared by Finley Engineering Company, Inc. (FEC) based on an analysis and review of the historical system growth and operation to determine projections of future growth, recommendations for capital improvements, and scheduled system maintenance that will insure the continued economical and reliable operation of the system over the ensuing 20-year period.

The analysis was completed in two parts. The first 5-year analysis was completed as the Capital Improvement Plan (CIP) and includes projects and recommendations determined from the analysis, Capital Improvements specified by BEU, and Capital Maintenance also specified by BEU. This CIP will be presented to the City Council as the actual construction plan for the next 5 years. The 15 year ESMP analysis was completed as a guideline for determining the future system performance and improving system capacity for expansion.

1.3 – Existing System Review

BEU maintains three, 34.5 kV sub-transmission circuits totaling approximately eighteen miles which feed six distribution substations.

These six distribution substations have approximately 27 circuits feeding 147 miles of overhead and underground distribution line with an operating voltage of 7.2/12.5 kV. An estimated 47% of the total distribution line is underground.

Along these distribution lines, BEU serves approximately 15,570 consumer meters. In 2024, the BEU system experienced a coincident summer peak demand of 55.1 MW and a winter peak demand of 22.3 MW. Historically, the BEU system is a summer peaking system with the summer peak more than double the winter peak. Also in 2024, BEU purchased approximately 157,000 MWH's through its portfolio of long-term power purchase agreements as well as purchases from the CAISO wholesale markets, distributed among the membership of Residential, Small Commercial, Medium Commercial, Industrial, Security Lighting, Street Lighting, and Well Service customers.

1.4 – Total ESMP Cost Estimate

Table 1.4-1 – Total ESMP Cost Estimate

2026-2045 Electric Service Master Plan

	5-year CIP	15-Year ESMP	Totals
OH Maintenance Program			
Total Cost	$4,058,438	$23,968,742	$28,027,180
CIAC	$0	$0	$0
BEU Funding Cost	$4,058,438	$23,968,742	$28,027,180
Capital-Maintenance Projects			
Total Cost	$20,784,500	$8,350,000	$29,134,500
CIAC	$9,293,750	$3,000,000	$12,293,750
BEU Funding Cost	$11,490,750	$5,350,000	$16,840,750
System Improvement Projects			
Total Cost	$2,805,700	$11,539,300	$14,345,000
CIAC	$0	$0	$0
BEU Funding Cost	$2,805,700	$11,539,300	$14,345,000
Total ESMP Cost			
Total Cost	$27,648,638	$43,858,042	$71,506,680
CIAC	$9,293,750	$3,000,000	$12,293,750
BEU Funding Cost	$18,354,888	$40,858,042	$59,212,930

Of the total cost, 47% is for the OH Maintenance Program, 28% is for Capital Maintenance Projects, and 24% is for System Improvement Projects.

2.0 – SYSTEM PLANNING CRITERIA

2.1 - Distribution System Planning Criteria

The distribution projects contained in this ESMP are recommended based upon the following planning criteria.

a. With an assumed delivered voltage of 125 volts (1.041 per unit on a 120 volt base) during peak load conditions, the design minimum allowable voltage at the primary terminals of any distribution transformer shall be 118 volts (0.98 per unit on a 120 volt base).

b. Voltage regulators and step transformers will be upgraded when projected peak loads exceed 85% of the device's rating.

c. Sectionalizing devices will be upgraded when projected peak loads exceed 70% of the device's continuous current rating.

d. Primary conductors on the 7.2/12.5 kV and below distribution system will be upgraded when projected peak loads exceed 60% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 60% of the conductor's thermal rating

e. Primary conductors on the 34.5 kV sub-transmission system will be upgraded when projected peak loads exceed 90% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 90% of the conductor's thermal rating

f. Single-phase primary voltage lines will be limited to 35 amps maximum loading.

g. The power factor at the delivery point under peak loading conditions is desired to be no less than 95%. The off-peak power factor should preferably be maintained between 95% lagging and 95% leading. This criterion is subject to the cost of the installation of capacitors, switches, and controls vs. the cost of kilowatt (kW) loss reduction.

2.1.1 - Distribution System Design Criteria

The following design criteria was considered when determining projects contained in this ESMP.

a. Feeder current balance will be maintained at plus or minus 20% of the average per phase loading during peak conditions. This criterion may be relaxed in areas where it could impose unnecessary or premature costs.

b. Conductor sizes will be economically sized but may be modified to conform to BEU's standard conductor sizes.

c. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any load voltage or high conductor loading.

d. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any high single-phase loading. For areas where there is no backfeed or load switch solution, additional conductors will be added to allow for phase balancing.

e. Relocation of existing line sections will be considered where inaccessibility impedes the maintenance of line sections or jeopardizes the service or reliability of line sections.

2.2 – Substation Planning Criteria

The substation projects contained in this ESMP are recommended based upon the following planning criteria.

a. Substation transformers will limited to 95% of the max kVA rating of the transformer. The following improvements will be considered in the event the load exceeds 95% of the max kVA rating:

a. Load switching to adjacent substations
b. Upgrade of existing transformer
c. Installation of an additional transformer in the existing substation
d. Construction of a new substation

2.3 – Basis of Cost Estimates

The following tables for material and labor costs were used to determine system improvement project costs. The costs were taken from actual prices provided by BEU as well as prices received by FEC from other sources.

Table 2.3-1 Conductor Material Cost

Conductor (price per foot)				
OH Conductor			**UG Conductor**	
#2 Copper	$1.31		1/0 AL, 15 kV	$2.03
#2 ACSR	$0.26		1/0 CU, 15 kV	$10.98
#4 ACSR	$0.15		1/0 CU, 35 kV	$8.47
1/0 ACSR	$0.30		4/0 CU	$6.95
4/0 Copper	$3.11		4/0 AL	$4.97
4/0 ACSR	$0.80		350 CU	$7.53
336 ACSR	$1.62		750 AL	$13.38

Table 2.3-2 Pole Material Cost

Pole	Price per unit	Pole	Price per unit
35' Douglas Fir, H2	$1,269.30	35’ Wood, Class 2	$1,067.38
		40’ Wood, Class 2	$766.35
45' Douglas Fir, H2	$1,771.08	45’ Wood, Class 2	$953.80
		50’ Wood, Class 2	$1,135.73
55' Douglas Fir, H2	$2,889.48	55’ Wood, Class 2	$918.72
60' Douglas Fir, H2	$2,945.89	60’ Wood, Class 2	$1,362.29

Table 2.3-3 Transformer Material Cost

Transformer	Price per unit
10 kVA O.H. Transformer S-Type 7,200	$500.00
15 kVA 7,200, 120/240 DV S-Type	$645.42
25 kVA 7,200, 120/240 DV S-Type	$919.16
37 kVA 7,200, 120/240 DV S-Type	$1,496.65
50 kVA 7,200 120/240	$3,992.05
75 kVA 3Ø 12,470/7,200 120/208	$6,023.22
300 kVA DV	$8,583.61
750 kVA 3Ø 12,470/7,200	$14,626.30
1,000 kVA 3Ø 12,470/7,200 DV	$10,809.48
2,500 kVA 3Ø 12,470/7,200 277/480	$34,539.92
25 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$3,685.34
37.5 kVA 1Ø 12,400/7,200 DV Pdmnt	$1,988.01
75 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$7,110.42
300 kVA 3Ø 12,470/4,160 DV Pdmnt 208/120	$13,547.15
500 kVA 3Ø Pdmnt	$10,442.65
1,500 kVA DV 3Ø Pdmnt 277/480	$31,037.04

Table 2.3-4 Framing Units Material Cost

Framing Unit	Price per unit
A1.3P	$75.32
A1.11P	$493.46
A5.2G	$286.41
A3.1	$78.74
A6.21	$1,080.29
G1.2	$317.41
G1.2	$1,318.96
A5.1	$195.12
A5.21	$888.35
(A4.1)	$255.90
G1.3	$433.79
G1.3	$1,127.02
C1.11	$628.33
C1.81G	$1,592.53
C1.11,A5.21	$1,516.68
C5.82G	$3,472.80
C3.1	$208.96
C3.1,A5.1	$404.08
C3.1,A5.21	$1,097.31
C3.1, C5.1	$376.78
C5.1	$167.82
C5.1,A5.1	$362.94
C5.1,A5.21	$1,056.17

Table 2.3-5 Underground Material Cost

Material	Price per unit
Light Duty Secondary Box	$78.42
Light Duty Secondary Lid	$83.43
4" PVC SCH 40 (per foot)	$1.69
1/0 AL U/G (per foot)	$4.75
Service Entrance Sleeve	$0.45
Deadend Shoe Small	$8.58
Power Solve (Pulling Lube)	$58.98

Table 2.3-6 Overhead Construction Labor and Fleet Cost

	Units (hr.)	Unit Cost (per hr.)
Utility Bed P/U 1 ton (Foreman) (2 hrs. per connection)	4	$27.78
2 Person Lift (Bucket Truck) 55' (2 hrs. per connection)	2	$51.68
4 Person Crew	4	$466.73
3 Person Crew (2 hours per connection)	4	$352.02
2 Person Crew	2	$237.31
Electrical Engineering Supervisor (0.5 hrs. per connection)	1	$125.98
Electric Service Planning Supervisor (0.5 hrs. per connection)	1	$127.97
GIS Technician (1 hr. per connection)	2	$59.21

For overhead line, project cost estimates are based on an average of construction 1 mile of line per month with average span lengths at 150’.

Table 2.3-7 Underground Construction Labor and Fleet Cost

Labor	Price per hr.
4 Person Line Crew	$466.73
Powerline Crew Superintendent	$135.93
Fleet	**Price per hr.**
Dump Truck	$55.98
Utility Bed P/U 1 ton (Foreman) (3)	$27.78
Digger Derrick	$48.77
Wire Puller	$24.98
Reel Trailer	$24.98
Backhoe	$23.95

For underground line, project estimates are based on an average construction of 1 month to trench, lay conduit, pull wire and terminate, and backfill 300’.

Engineering (10%) and contingency (5%) were also added for each cost estimate.

3.0 LOAD FORECAST

The demand forecast was prepared to project the summer and winter kW demand per substation area as well as the total system demand for the City of Banning for the 2026-2045 ESMP period. The historical non-coincident substation demands as well as the historical coincident system demands were provided by BEU and used as the basis for the forecast. BEU also provided insight into new load additions that are in some sort of application or planning process and were used in the conceptual forecast.

Additional factors that were considered when reviewing the historical peaks include temporary load switching between substations, construction of new substations with permanent load switching, and removal and/or replacement of existing substations.

Along with new load additions, considerations were also made for the addition of EV chargers at new subdivision locations.

This forecast was used to run voltage drop and load flow analysis to determine system improvements required to reliably serve the City of Banning's existing consumers and allow for future consumer growth.

It is projected that the BEU system will reach a non-coincident peak of 110,556 kW in the summer of 2045 and 81,410 kW in the winter of 2045. It is also projected that the BEU system will reach a coincident peak of 90,738 kW in the summer of 2045 and 75,580 kW in the winter of 2045.

A separate conceptual forecast was created to include new load additions that are in some state of application or planning process. It is projected that the BEU system will reach a conceptual non-coincident peak of 176,165 kW in the summer of 2045 and 161,007 kW in the winter of 2045.

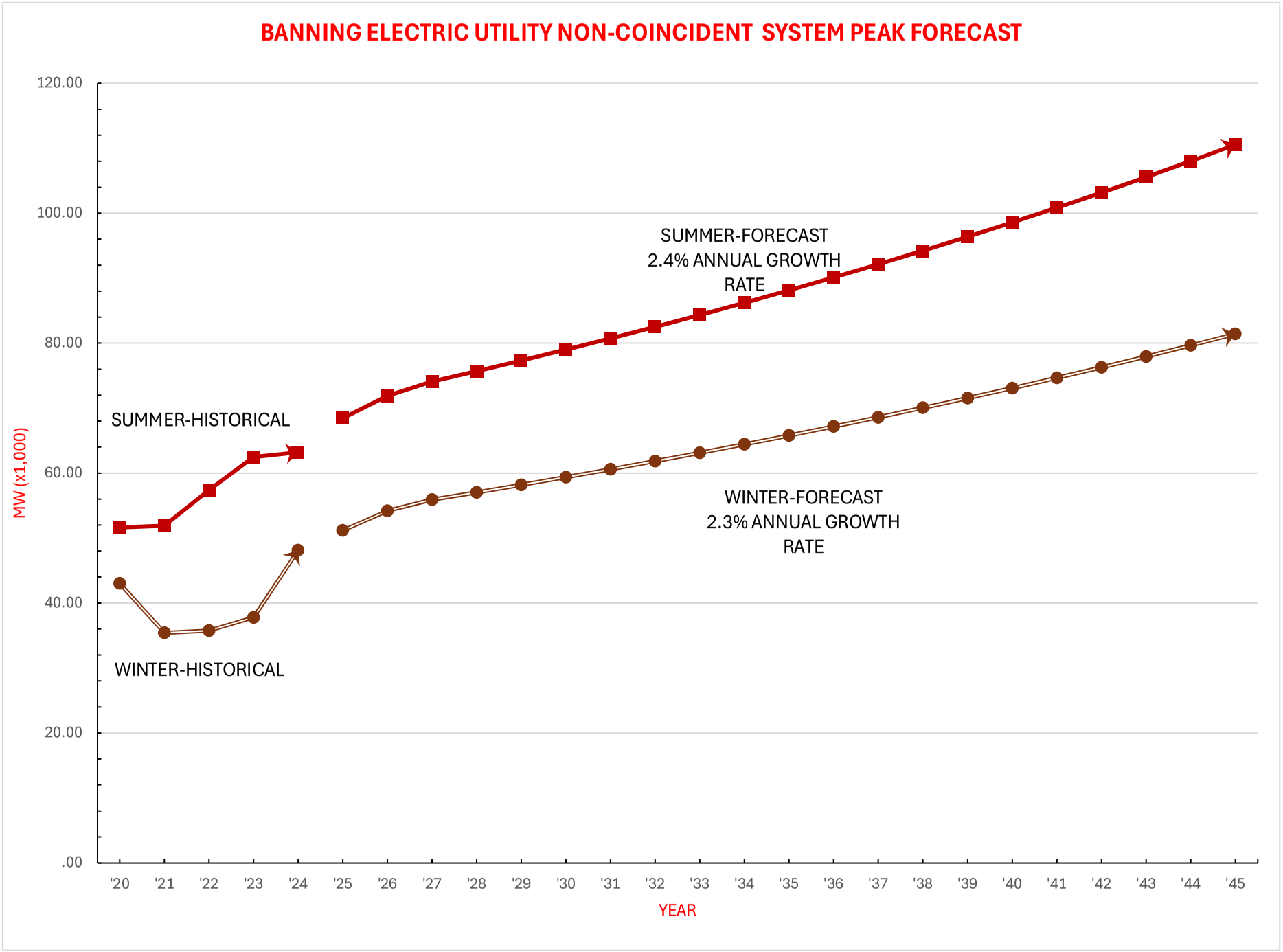
As part of the historical review, MWH purchases were also reviewed and a forecast was determined. It is projected that the BEU system will have an annual coincident purchase of 272,571 MWH's by 2045.

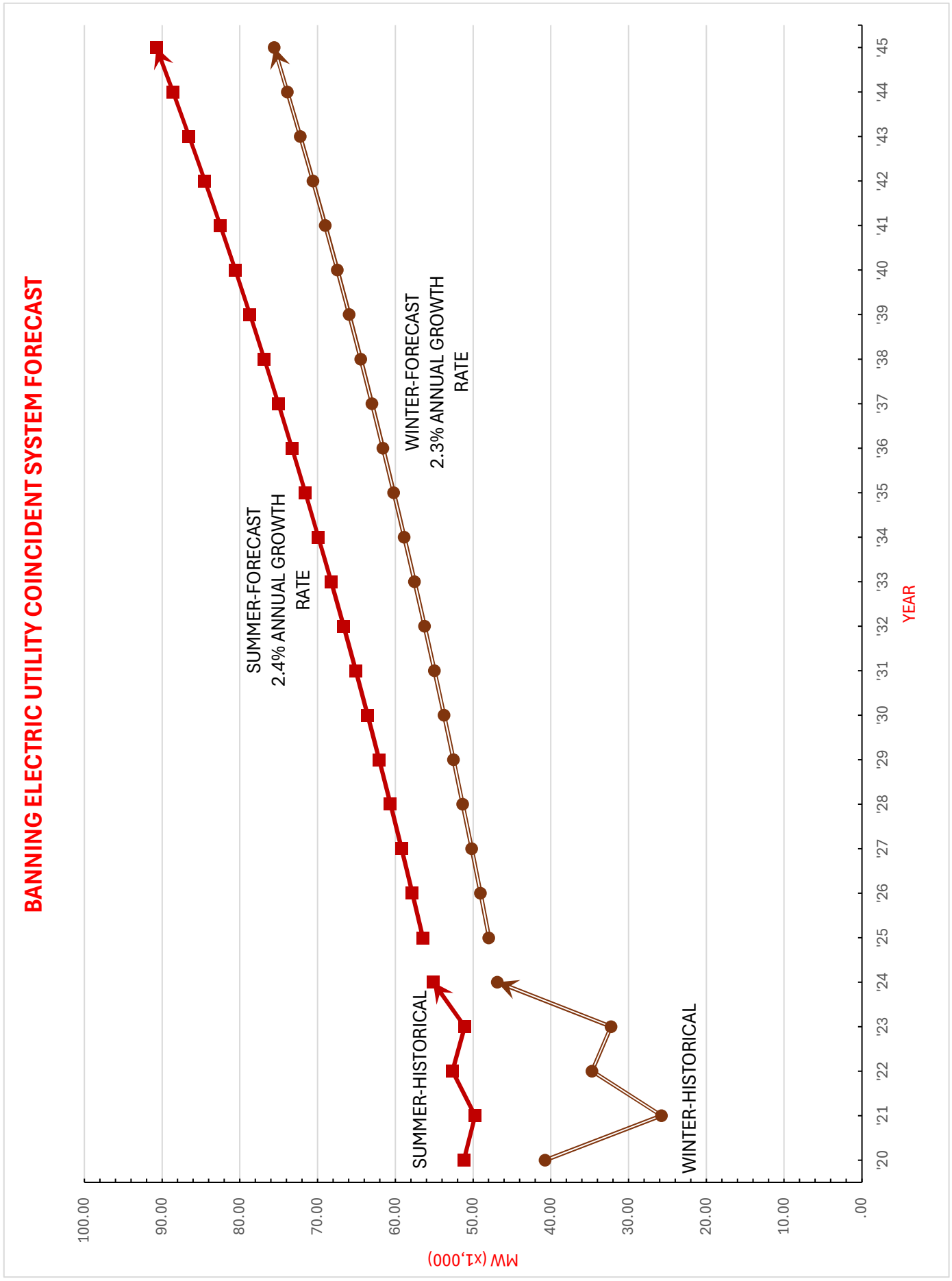
A graphical representation of the individual substation demand forecast as well as the total system coincident demand, non-coincident demand, conceptual non-coincident demand and MWH purchases is included following this page.

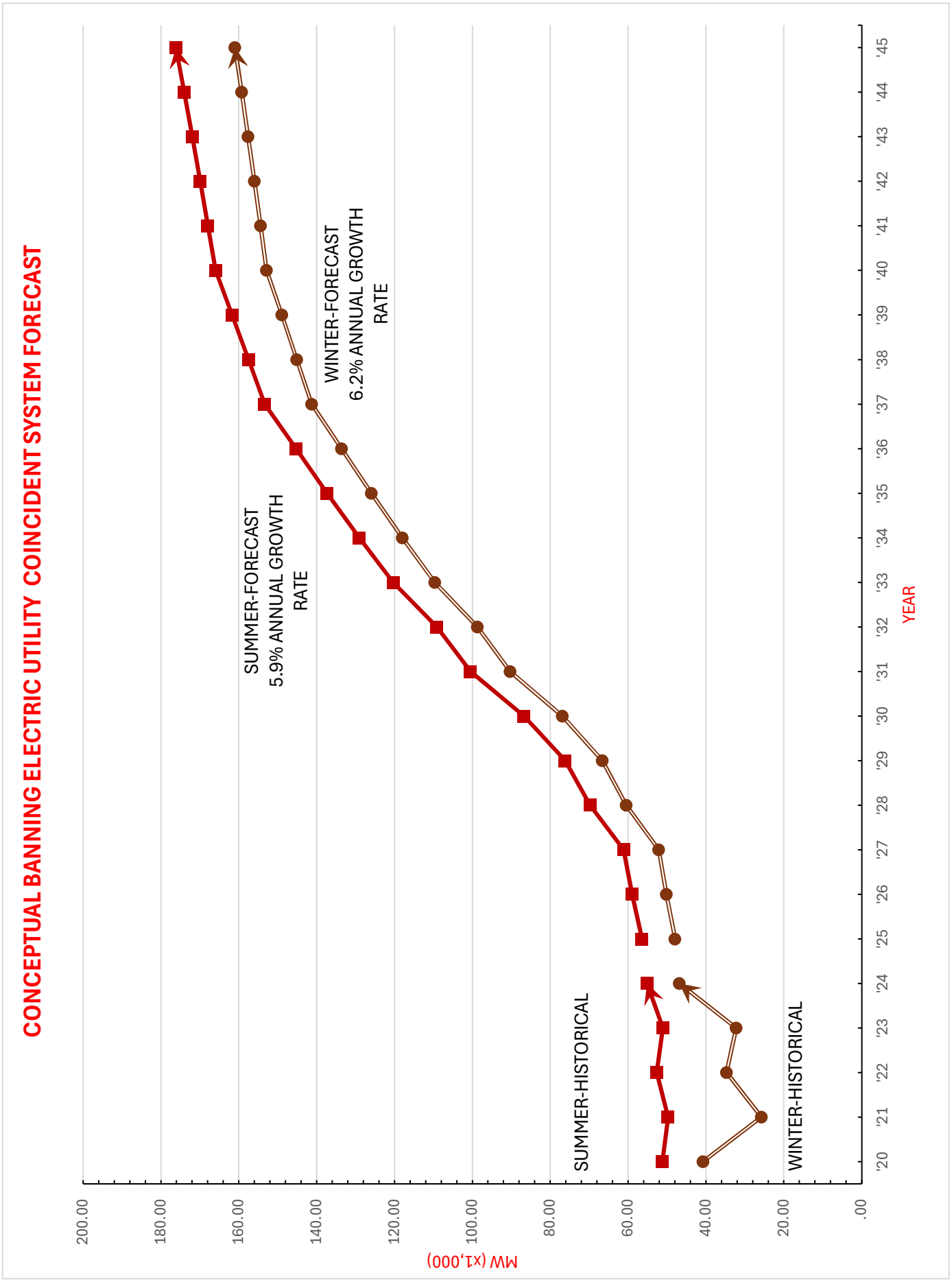
BANNING ELECTRIC UTILTIY
2026-2045 ESMP SYSTEM FORECAST

Peak kW Demand

		Historical					Forecast																					2025-2045 Annual Growth Rate
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
San Gorgonio Total																												
	S	16,425	17,079	16,472	9,131	4,958	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	19,719	20,113	20,516	20,926	21,345	21,771	22,207	22,651	23,104	23,566	24,037	24,518	2.0%
	W	15,022	12,746	11,267	7,193	3,739	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	2.0%
					Cannabis Cultivation		3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	
					Yoshinoya		89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	
	S	16,425	17,079	16,472	9,131	4,958	19,748	20,078	20,415	20,758	21,108	21,465	21,830	22,201	22,580	22,967	23,361	23,764	24,174	24,593	25,019	25,455	25,899	26,352	26,814	27,285	27,766	1.7%
	W	15,022	12,746	11,267	7,193	3,739	18,248	18,548	18,854	19,166	19,484	19,809	20,140	20,478	20,823	21,174	21,533	21,899	22,272	22,652	23,040	23,436	23,840	24,252	24,672	25,100	25,537	1.7%
Midway Total																												
	S	13,541	13,649	14,272	17,082	15,786	15,052	15,458	15,876	16,304	16,745	17,197	17,661	18,138	18,628	19,131	19,647	20,178	20,722	21,282	21,856	22,447	23,053	23,675	24,314	24,971	25,645	2.7%
	W	10,384	9,247	7,788	6,868	10,715	9,663	9,924	10,192	10,467	10,750	11,040	11,338	11,644	11,958	12,281	12,613	12,953	13,303	13,662	14,031	14,410	14,799	15,199	15,609	16,031	16,463	2.7%
Airport																												
	S	365	370	360	32	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	W	389	389	280	23	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
22nd Street																												
	S	10,233	10,319	9,736	10,585	11,240	10,670	10,787	10,906	11,026	11,147	11,270	11,394	11,519	11,646	11,774	11,904	12,034	12,167	12,301	12,436	12,573	12,711	12,851	12,992	13,135	13,280	1.1%
	W	8,140	6,529	6,105	6,567	8,018	8,210	8,300	8,392	8,484	8,577	8,672	8,767	8,863	8,961	9,059	9,159	9,260	9,362	9,465	9,569	9,674	9,781	9,888	9,997	10,107	10,218	1.1%
Stagecoach																												
	S	0	0	0	6,634	8,040	6,700	6,834	6,971	7,110	7,252	7,397	7,545	7,696	7,850	8,007	8,167	8,331	8,497	8,667	8,841	9,017	9,198	9,382	9,569	9,761	9,956	2.0%
	W	0	0	0	3,616	7,955	3,800	3,876	3,954	4,033	4,113	4,196	4,279	4,365	4,452	4,541	4,632	4,725	4,819	4,916	5,014	5,114	5,217	5,321	5,427	5,536	5,647	2.0%
Ivy																												
	S	0	0	5,308	7,206	8,333	5,400	5,508	5,618	5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583	6,714	6,849	6,985	7,125	7,268	7,413	7,561	7,713	7,867	8,024	2.0%
	W	0	0	4,493	4,890	6,235	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301	6,427	6,556	6,687	2.0%
					Morongo Health Clinic		0	0	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	
	S	0	0	5,308	7,206	8,333	5,400	5,508	6,254	6,367	6,481	6,598	6,717	6,839	6,963	7,089	7,219	7,350	7,485	7,621	7,761	7,904	8,049	8,197	8,349	8,503	8,660	2.4%
	W	0	0	4,493	4,890	6,235	4,500	4,590	5,318	5,411	5,507	5,604	5,704	5,805	5,908	6,014	6,121	6,231	6,343	6,457	6,574	6,692	6,814	6,937	7,063	7,192	7,323	2.5%
Sunset																												
	S	8,140	8,099	9,586	11,441	14,821	10,439	10,857	11,291	11,742	12,212	12,701	13,209	13,737	14,286	14,858	15,452	16,070	16,713	17,382	18,077	18,800	19,552	20,334	21,147	21,993	22,873	4.0%
	W	6,716	5,803	5,037	8,299	11,443	6,319	6,572	6,835	7,108	7,392	7,688	7,996	8,315	8,648	8,994	9,354	9,728	10,117	10,522	10,942	11,380	11,835	12,309	12,801	13,313	13,846	4.0%
					Crestwood Communities		432	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	
					Vista Robles KB homes		0	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	
	S	8,140	8,099	9,586	11,441	14,821	10,871	13,233	13,667	14,118	14,588	15,077	15,585	16,113	16,662	17,234	17,828	18,446	19,089	19,758	20,453	21,176	21,928	22,710	23,523	24,369	25,249	4.3%
	W	6,716	5,803	5,037	8,299	11,443	6,751	8,948	9,211	9,484	9,768	10,064	10,372	10,691	11,024	11,370	11,730	12,104	12,493	12,898	13,318	13,756	14,211	14,685	15,177	15,689	16,222	4.5%
Alola																												
	S	2,929	2,370	1,646	372	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	W	2,377	708	782	336	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Banning Electric Utility Non-Coincident System Peak Forecast																												
	S	51,632	51,885	57,380	62,482	63,207	68,441	71,898	74,088	75,683	77,322	79,004	80,732	82,507	84,330	86,202	88,126	90,103	92,134	94,221	96,367	98,571	100,837	103,167	105,562	108,024	110,556	2.4%
	W	43,029	35,422	35,752	37,792	48,126	51,172	54,186	55,919	57,045	58,200	59,385	60,600	61,847	63,127	64,440	65,788	67,172	68,592	70,050	71,546	73,083	74,661	76,281	77,945	79,654	81,410	2.3%
Banning Electric Utility System Coincident Forecast																												
	S	51,197	49,751	52,667	51,096	55,143	56,467	57,822	59,210	60,631	62,086	63,576	65,102	66,664	68,264	69,902	71,580	73,298	75,057	76,858	78,703	80,592	82,526	84,507	86,535	88,612	90,738	2.4%
	W	40,752	25,776	34,719	32,262	46,883	47,962	49,065	50,193	51,348	52,529	53,737	54,973	56,237	57,530	58,854	60,207	61,592	63,009	64,458	65,940	67,457	69,009	70,596	72,219	73,881	75,580	2.3%
Conceptual Banning Electric Utility System Coincident Forecast																												
	S	51,197	49,751	52,667	51,096	55,143	56,467	58,962	61,201	69,810	76,184	86,777	100,472	109,135	120,377	129,082	137,336	145,321	153,347	157,527	161,751	166,019	167,953	169,934	171,962	174,039	176,165	5.9%
	W	40,752	25,776	34,719	32,262	46,883	47,962	50,205	52,185	60,527	66,627	76,938	90,343	98,708	109,643	118,034	125,963	133,615	141,299	145,127	148,988	152,884	154,436	156,023	157,646	159,308	161,007	6.2%
						Bridge-Morongo Logistics	0	0	0	0	1,031	1,991	2,858	3,344	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	
						Sunset Crossroads	0	0	0	2,712	2,712	6,967	10,213	10,561	13,639	14,439	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	
						Rancho San Gorgonio	0	0	0	3,888	7,776	11,664	15,552	19,440	23,328	27,216	31,104	34,992	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	
						Mission Heights	0	0	0	0	0	0	2,379	4,758	7,137	9,516	11,895	14,274	16,653	19,032	21,411	23,790	23,790	23,790	23,790	23,790	23,790	23,790	
						First Hathaway Logistics	0	0	0	0	0	0	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	
						Banning Commerce Center	0	0	0	0	0	0	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	
						WEKA	0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
						Charles St. CDRE	0	0	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	
						KCB Towers	0	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
						Pallet Yard	0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
						First Lincoln Logistics	0	0	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	
						Brown Strauss	0	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	
						Wyndam Micro Hotel	0	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
						DR Horton	0	0	588	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	
						Atwell Large Retail	0	0	0	0	0	0	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	


BANNING ELECTRIC UTILITY NON-COINCIDENT SYSTEM PEAK FORECAST
120.00
100.00
80.00
60.00
40.00
20.00
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MW (x1,000)
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
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BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
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CONCEPTUAL BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
5.9% ANNUAL GROWTH
RATE
WINTER-FORECAST
6.2% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
YEAR
200.00
180.00
160.00
140.00
120.00
100.00
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BANNING ELECTRIC UTILITY
2026-2045 ESMP NON-COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	11,577	21.27	12,259	22.52	12,651	23.24	12,906	23.71	13,167	24.19	13,435	24.68	13,710	25.19
Feb	10,470	21.33	11,086	22.58	11,441	23.31	11,671	23.78	11,907	24.26	12,150	24.75	12,399	25.26
Mar	10,870	20.69	11,511	21.91	11,879	22.61	12,118	23.07	12,363	23.54	12,615	24.01	12,873	24.51
Apr	13,733	32.53	14,427	34.18	14,867	35.22	15,187	35.98	15,515	36.76	15,853	37.56	16,200	38.38
May	15,631	37.92	16,420	39.84	16,920	41.05	17,285	41.94	17,659	42.85	18,043	43.78	18,438	44.74
Jun	18,497	56.73	19,432	59.59	20,023	61.41	20,455	62.73	20,897	64.09	21,352	65.48	21,819	66.92
Jul	25,788	65.86	27,090	69.19	27,915	71.29	28,517	72.83	29,134	74.40	29,768	76.02	30,419	77.69
Aug	26,719	68.44	28,069	71.90	28,923	74.09	29,546	75.68	30,186	77.32	30,843	79.00	31,517	80.73
Sep	21,335	64.10	22,413	67.34	23,096	69.39	23,593	70.88	24,104	72.42	24,628	73.99	25,167	75.61
Oct	19,525	51.17	20,675	54.19	21,336	55.92	21,766	57.05	22,206	58.20	22,658	59.38	23,122	60.60
Nov	10,787	21.08	11,423	22.32	11,788	23.04	12,025	23.50	12,269	23.98	12,518	24.46	12,775	24.97
Dec	12,073	22.02	12,784	23.31	13,193	24.06	13,458	24.54	13,731	25.04	14,010	25.55	14,297	26.07
TOTAL:	197,005		207,588		214,032		218,526		223,138		227,873		232,734	
Summer Peak (MW)		*68.44*		*71.90*		*74.09*		*75.68*		*77.32*		*79.00*		*80.73*
Winter Peak (MW)		*51.17*		*54.19*		*55.92*		*57.05*		*58.20*		*59.38*		*60.60*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	13,992	25.71	14,282	26.24	14,579	26.79	14,884	27.35	15,197	27.92	15,518	28.51	15,848	29.12
Feb	12,654	25.78	12,916	26.31	13,184	26.86	13,460	27.42	13,743	28.00	14,034	28.59	14,332	29.20
Mar	13,138	25.01	13,410	25.53	13,689	26.06	13,975	26.60	14,269	27.16	14,571	27.74	14,880	28.33
Apr	16,556	39.22	16,922	40.09	17,297	40.98	17,683	41.89	18,080	42.83	18,488	43.80	18,907	44.79
May	18,843	45.72	19,259	46.73	19,687	47.77	20,126	48.83	20,578	49.93	21,042	51.05	21,518	52.21
Jun	22,299	68.39	22,791	69.90	23,297	71.45	23,817	73.04	24,352	74.68	24,901	76.37	25,465	78.10
Jul	31,087	79.39	31,774	81.15	32,480	82.95	33,205	84.80	33,950	86.70	34,715	88.66	35,501	90.67
Aug	32,210	82.51	32,922	84.33	33,653	86.20	34,404	88.13	35,176	90.10	35,969	92.13	36,783	94.22
Sep	25,720	77.27	26,288	78.98	26,872	80.74	27,472	82.54	28,088	84.39	28,721	86.29	29,372	88.25
Oct	23,598	61.85	24,086	63.13	24,587	64.44	25,102	65.79	25,630	67.17	26,171	68.59	26,728	70.05
Nov	13,038	25.48	13,307	26.01	13,584	26.55	13,868	27.10	14,160	27.67	14,459	28.26	14,767	28.86
Dec	14,591	26.61	14,893	27.16	15,203	27.73	15,521	28.31	15,847	28.90	16,182	29.51	16,526	30.14
TOTAL:	237,725		242,850		248,113		253,518		259,069		264,770		270,627	
Summer Peak (MW)		*82.51*		*84.33*		*86.20*		*88.13*		*90.10*		*92.13*		*94.22*
Winter Peak (MW)		*61.85*		*63.13*		*64.44*		*65.79*		*67.17*		*68.59*		*70.05*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	16,187	29.74	16,534	30.38	16,891	31.03	17,258	31.71	17,634	32.40	18,021	33.11	18,418	33.84
Feb	14,638	29.82	14,953	30.46	15,275	31.12	15,607	31.79	15,947	32.49	16,297	33.20	16,656	33.93
Mar	15,198	28.93	15,525	29.55	15,860	30.19	16,204	30.85	16,558	31.52	16,921	32.21	17,294	32.92
Apr	19,337	45.81	19,779	46.86	20,234	47.93	20,702	49.04	21,182	50.18	21,676	51.35	22,184	52.55
May	22,008	53.40	22,512	54.62	23,029	55.88	23,561	57.17	24,108	58.49	24,671	59.86	25,249	61.26
Jun	26,044	79.88	26,640	81.70	27,253	83.58	27,882	85.51	28,530	87.50	29,195	89.54	29,879	91.64
Jul	36,310	92.73	37,140	94.85	37,994	97.03	38,872	99.27	39,774	101.58	40,702	103.95	41,656	106.38
Aug	37,621	96.37	38,482	98.57	39,366	100.84	40,276	103.17	41,211	105.56	42,172	108.02	43,160	110.56
Sep	30,041	90.26	30,728	92.32	31,434	94.44	32,161	96.63	32,907	98.87	33,675	101.17	34,464	103.55
Oct	27,299	71.55	27,885	73.08	28,487	74.66	29,105	76.28	29,740	77.95	30,392	79.65	31,062	81.41
Nov	15,082	29.47	15,406	30.11	15,739	30.76	16,080	31.43	16,431	32.11	16,791	32.82	17,161	33.54
Dec	16,879	30.78	17,242	31.44	17,614	32.12	17,996	32.82	18,389	33.54	18,792	34.27	19,206	35.03
TOTAL:	276,644		282,826		289,178		295,705		302,412		309,305		316,390	
Summer Peak (MW)		*96.37*		*98.57*		*100.84*		*103.17*		*105.56*		*108.02*		*110.56*
Winter Peak (MW)		*71.55*		*73.08*		*74.66*		*76.28*		*77.95*		*79.65*		*81.41*

BANNING ELECTRIC UTILITY
2026-2045 ESMP COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,100	20.39	11,356	20.86	11,617	21.34	11,884	21.83	12,157	22.34	12,437	22.85
Feb	9,813	19.99	10,038	20.45	10,269	20.92	10,506	21.40	10,747	21.89	10,994	22.40	11,247	22.91
Mar	10,188	19.40	10,423	19.84	10,662	20.30	10,908	20.76	11,158	21.24	11,415	21.73	11,678	22.23
Apr	11,331	26.84	11,603	27.49	11,881	28.15	12,166	28.82	12,458	29.51	12,757	30.22	13,063	30.95
May	12,896	31.29	13,205	32.04	13,522	32.81	13,847	33.60	14,179	34.40	14,519	35.23	14,868	36.07
Jun	15,261	46.80	15,627	47.93	16,002	49.08	16,386	50.25	16,780	51.46	17,182	52.70	17,595	53.96
Jul	21,276	54.34	21,787	55.64	22,309	56.98	22,845	58.34	23,393	59.74	23,955	61.18	24,529	62.65
Aug	22,044	56.47	22,573	57.82	23,115	59.21	23,670	60.63	24,238	62.09	24,820	63.58	25,415	65.10
Sep	17,603	52.89	18,025	54.16	18,458	55.45	18,901	56.79	19,354	58.15	19,819	59.54	20,294	60.97
Oct	18,300	47.96	18,721	49.06	19,151	50.19	19,592	51.35	20,042	52.53	20,503	53.74	20,975	54.97
Nov	10,110	19.76	10,343	20.21	10,581	20.68	10,824	21.15	11,073	21.64	11,328	22.14	11,588	22.65
Dec	11,315	20.64	11,575	21.11	11,842	21.60	12,114	22.09	12,393	22.60	12,678	23.12	12,969	23.65
TOTAL:	170,987		175,020		179,149		183,374		187,700		192,127		196,659	
Summer Peak (MW)		*56.47*		*57.82*		*59.21*		*60.63*		*62.09*		*63.58*		*65.10*
Winter Peak (MW)		*47.96*		*49.06*		*50.19*		*51.35*		*52.53*		*53.74*		*54.97*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	12,723	23.38	13,016	23.91	13,315	24.46	13,621	25.03	13,935	25.60	14,255	26.19	14,583	26.79
Feb	11,506	23.44	11,771	23.98	12,041	24.53	12,318	25.09	12,602	25.67	12,891	26.26	13,188	26.86
Mar	11,946	22.74	12,221	23.26	12,502	23.80	12,790	24.35	13,084	24.91	13,385	25.48	13,693	26.07
Apr	13,377	31.69	13,698	32.45	14,027	33.23	14,363	34.03	14,708	34.84	15,061	35.68	15,422	36.54
May	15,225	36.94	15,590	37.83	15,964	38.73	16,347	39.66	16,740	40.62	17,142	41.59	17,553	42.59
Jun	18,017	55.26	18,449	56.58	18,892	57.94	19,346	59.33	19,810	60.75	20,285	62.21	20,772	63.71
Jul	25,118	64.15	25,721	65.69	26,338	67.27	26,970	68.88	27,618	70.53	28,281	72.23	28,959	73.96
Aug	26,025	66.66	26,650	68.26	27,289	69.90	27,944	71.58	28,615	73.30	29,302	75.06	30,005	76.86
Sep	20,781	62.44	21,280	63.94	21,791	65.47	22,314	67.04	22,849	68.65	23,398	70.30	23,959	71.98
Oct	21,457	56.24	21,951	57.53	22,456	58.85	22,972	60.21	23,501	61.59	24,041	63.01	24,594	64.46
Nov	11,855	23.17	12,128	23.70	12,406	24.25	12,692	24.80	12,984	25.37	13,282	25.96	13,588	26.55
Dec	13,268	24.20	13,573	24.75	13,885	25.32	14,204	25.90	14,531	26.50	14,865	27.11	15,207	27.73
TOTAL:	201,298		206,047		210,907		215,882		220,975		226,188		231,523	
Summer Peak (MW)		*66.66*		*68.26*		*69.90*		*71.58*		*73.30*		*75.06*		*76.86*
Winter Peak (MW)		*56.24*		*57.53*		*58.85*		*60.21*		*61.59*		*63.01*		*64.46*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	14,918	27.41	15,261	28.04	15,612	28.68	15,971	29.34	16,339	30.02	16,715	30.71	17,099	31.42
Feb	13,491	27.48	13,801	28.11	14,119	28.76	14,444	29.42	14,776	30.10	15,116	30.79	15,463	31.50
Mar	14,007	26.67	14,330	27.28	14,659	27.91	14,996	28.55	15,341	29.20	15,694	29.88	16,055	30.56
Apr	15,793	37.41	16,172	38.31	16,560	39.23	16,957	40.17	17,364	41.14	17,781	42.12	18,208	43.13
May	17,974	43.61	18,406	44.66	18,847	45.73	19,300	46.83	19,763	47.95	20,237	49.10	20,723	50.28
Jun	21,271	65.23	21,781	66.80	22,304	68.40	22,839	70.04	23,387	71.73	23,949	73.45	24,523	75.21
Jul	29,654	75.73	30,366	77.55	31,095	79.41	31,841	81.32	32,605	83.27	33,388	85.27	34,189	87.32
Aug	30,725	78.70	31,462	80.59	32,218	82.53	32,991	84.51	33,783	86.53	34,593	88.61	35,424	90.74
Sep	24,534	73.71	25,123	75.48	25,726	77.29	26,344	79.15	26,976	81.05	27,623	82.99	28,286	84.98
Oct	25,160	65.94	25,738	67.46	26,330	69.01	26,936	70.60	27,555	72.22	28,189	73.88	28,838	75.58
Nov	13,900	27.17	14,220	27.79	14,547	28.43	14,882	29.08	15,224	29.75	15,574	30.44	15,932	31.14
Dec	15,557	28.37	15,915	29.02	16,281	29.69	16,655	30.37	17,038	31.07	17,430	31.79	17,831	32.52
TOTAL:	236,985		242,576		248,298		254,156		260,152		266,289		272,571	
Summer Peak (MW)		*78.70*		*80.59*		*82.53*		*84.51*		*86.53*		*88.61*		*90.74*
Winter Peak (MW)		*65.94*		*67.46*		*69.01*		*70.60*		*72.22*		*73.88*		*75.58*

BANNING ELECTRIC UTILITY
2026-2045 ESMP CONCEPTUAL COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

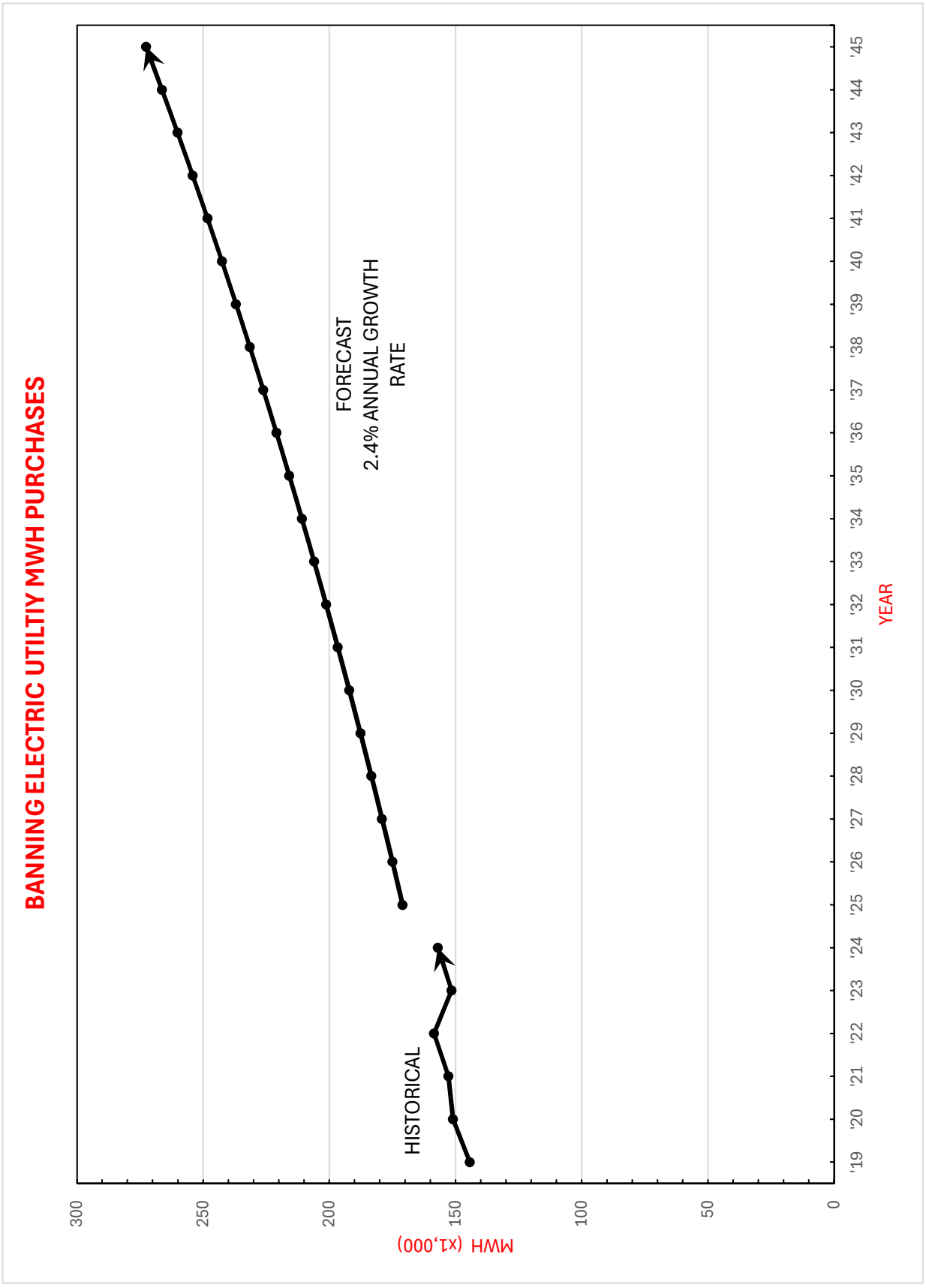
	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,358	20.87	11,806	21.69	13,693	25.16	15,074	27.69	17,406	31.98	20,439	37.55
Feb	9,813	19.99	10,272	20.92	10,677	21.75	12,384	25.23	13,632	27.77	15,741	32.07	18,484	37.65
Mar	10,188	19.40	10,665	20.30	11,085	21.10	12,857	24.48	14,153	26.94	16,344	31.11	19,191	36.53
Apr	11,331	26.84	11,831	28.03	12,281	29.09	14,008	33.19	15,287	36.22	17,413	41.25	20,161	47.76
May	12,896	31.29	13,466	32.67	13,977	33.91	15,943	38.68	17,399	42.22	19,818	48.08	22,946	55.67
Jun	15,261	46.80	15,935	48.87	16,540	50.73	18,867	57.86	20,590	63.15	23,453	71.93	27,154	83.28
Jul	21,276	54.34	22,216	56.74	23,060	58.89	26,303	67.18	28,705	73.31	32,696	83.50	37,856	96.68
Aug	22,044	56.47	23,018	58.96	23,892	61.20	27,253	69.81	29,742	76.18	33,877	86.78	39,223	100.47
Sep	17,603	52.89	18,380	55.22	19,078	57.32	21,762	65.38	23,749	71.35	27,051	81.27	31,320	94.10
Oct	18,300	47.96	19,156	50.20	19,911	52.18	23,094	60.53	25,421	66.63	29,356	76.94	34,470	90.34
Nov	10,110	19.76	10,583	20.68	11,001	21.50	12,759	24.94	14,045	27.45	16,219	31.70	19,044	37.22
Dec	11,315	20.64	11,844	21.60	12,312	22.45	14,280	26.04	15,719	28.67	18,151	33.10	21,314	38.87
TOTAL:	170,987		178,725		185,621		213,204		233,515		267,525		311,603	
Summer Peak (MW)	*56.47*		*58.96*		*61.20*		*69.81*		*76.18*		*86.78*		*100.47*	
Winter Peak (MW)	*47.96*		*50.20*		*52.18*		*60.53*		*66.63*		*76.94*		*90.34*	

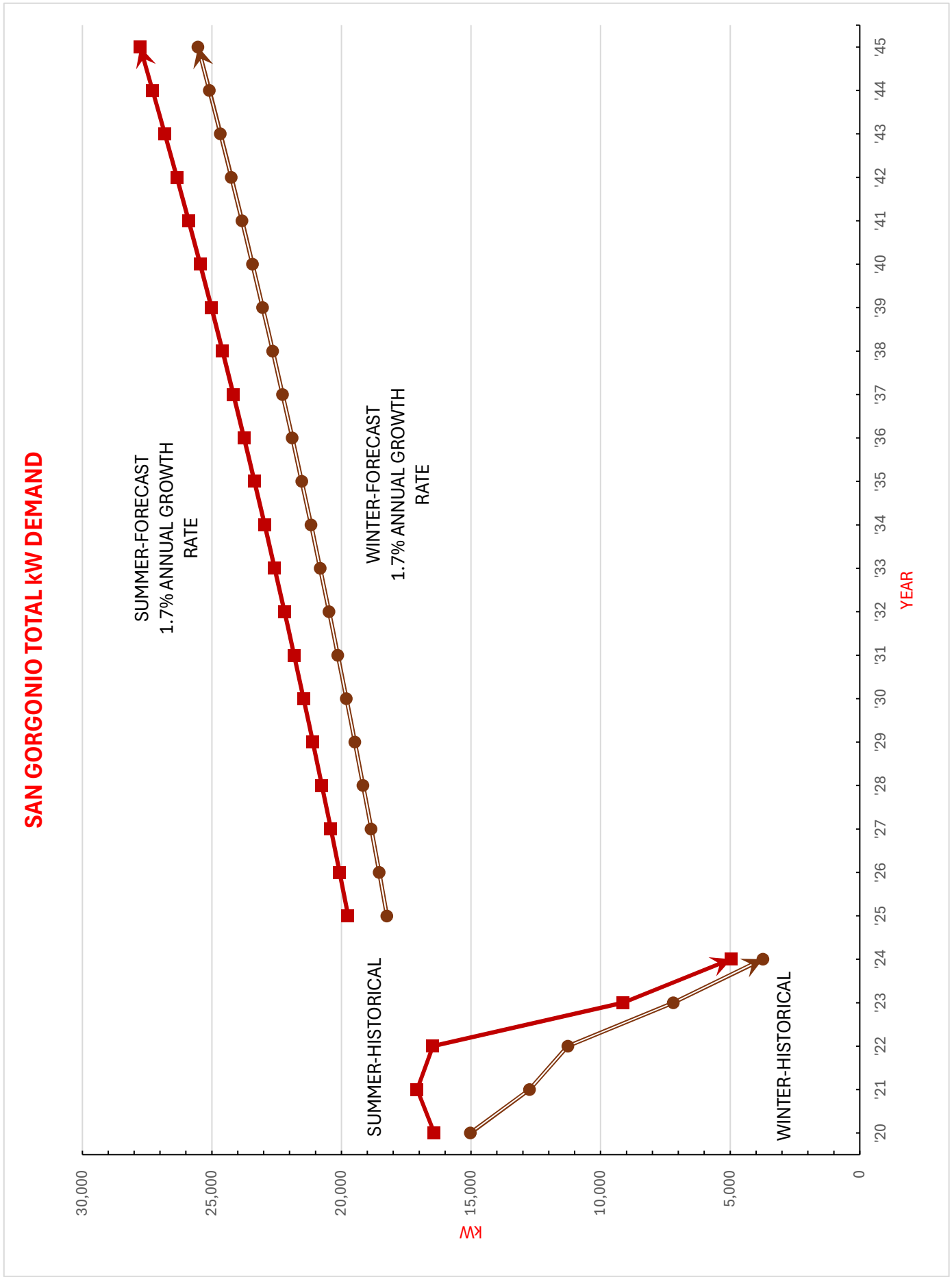
Projected Load Data 2032-2038

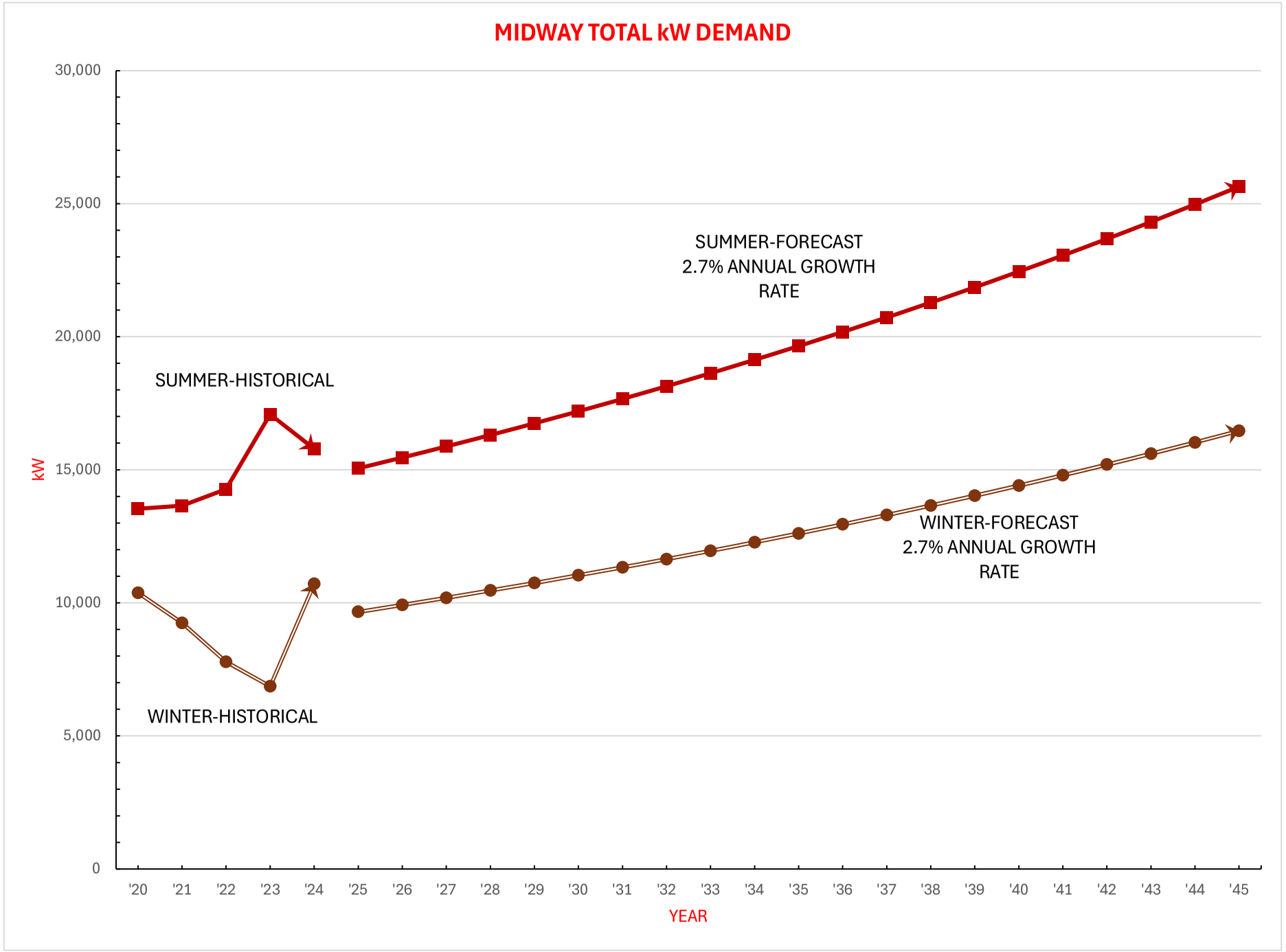
	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	22,332	41.03	24,806	45.58	26,704	49.06	28,498	52.36	30,229	55.54	31,967	58.73	32,833	60.32
Feb	20,195	41.14	22,433	45.70	24,149	49.19	25,772	52.50	27,337	55.69	28,909	58.89	29,692	60.49
Mar	20,968	39.92	23,291	44.34	25,073	47.73	26,758	50.94	28,383	54.03	30,016	57.14	30,829	58.69
Apr	21,899	51.88	24,155	57.22	25,902	61.36	27,558	65.29	29,160	69.08	30,771	72.90	31,610	74.88
May	24,924	60.47	27,492	66.70	29,480	71.53	31,365	76.10	33,188	80.53	35,021	84.97	35,976	87.29
Jun	29,495	90.46	32,534	99.78	34,886	106.99	37,117	113.83	39,275	120.45	41,444	127.10	42,574	130.57
Jul	41,121	105.02	45,356	115.84	48,637	124.21	51,746	132.15	54,755	139.84	57,779	147.56	59,354	151.58
Aug	42,606	109.14	46,994	120.38	50,393	129.08	53,615	137.34	56,732	145.32	59,866	153.35	61,498	157.53
Sep	34,021	102.21	37,526	112.74	40,239	120.90	42,812	128.63	45,301	136.11	47,803	143.62	49,107	147.54
Oct	37,662	98.71	41,835	109.64	45,036	118.03	48,061	125.96	50,981	133.62	53,913	141.30	55,373	145.13
Nov	20,808	40.66	23,113	45.17	24,882	48.63	26,553	51.89	28,166	55.05	29,786	58.21	30,593	59.79
Dec	23,287	42.47	25,867	47.17	27,847	50.78	29,718	54.20	31,523	57.49	33,336	60.79	34,239	62.44
TOTAL:	339,319		375,401		403,228		429,573		455,032		480,611		493,678	
Summer Peak (MW)	*109.14*		*120.38*		*129.08*		*137.34*		*145.32*		*153.35*		*157.53*	
Winter Peak (MW)	*98.71*		*109.64*		*118.03*		*125.96*		*133.62*		*141.30*		*145.13*	

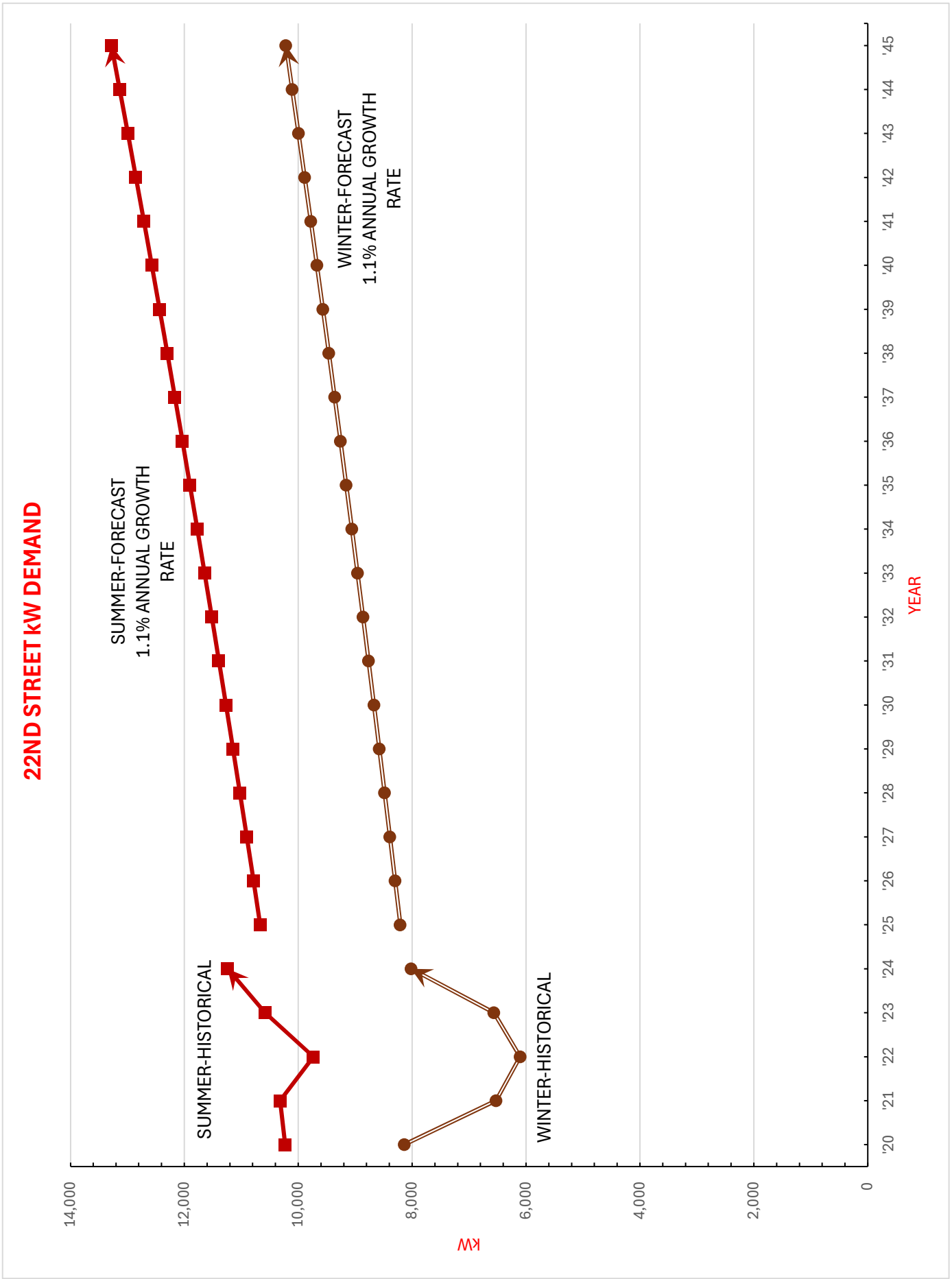
Projected Load Data 2039-2045

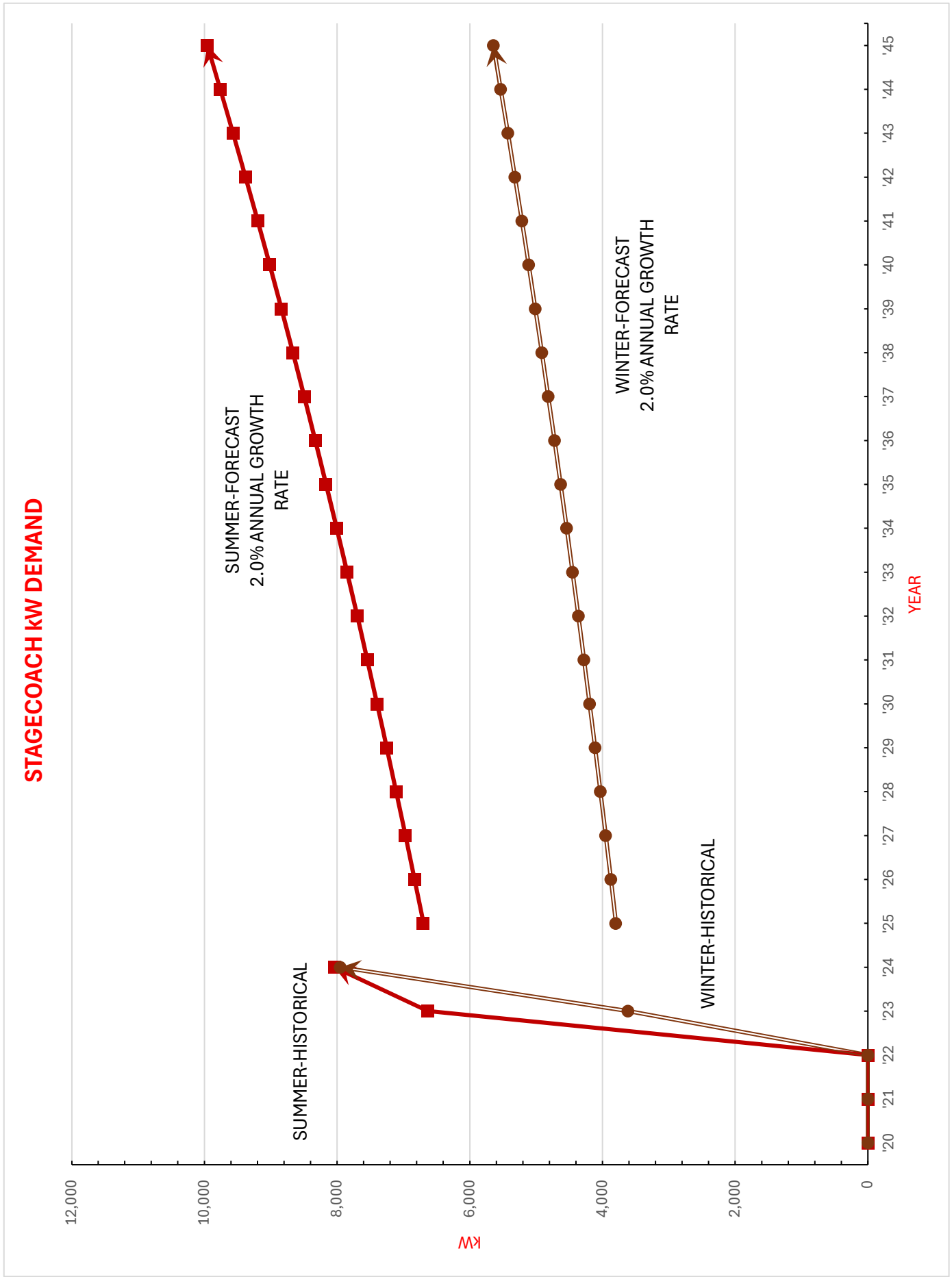
	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	33,707	61.93	34,588	63.55	34,939	64.19	35,298	64.85	35,666	65.53	36,042	66.22	36,426	66.93
Feb	30,483	62.10	31,280	63.72	31,597	64.37	31,922	65.03	32,254	65.70	32,594	66.40	32,941	67.10
Mar	31,649	60.25	32,477	61.82	32,806	62.45	33,143	63.09	33,488	63.75	33,841	64.42	34,202	65.11
Apr	32,457	76.89	33,314	78.92	33,702	79.84	34,099	80.78	34,506	81.75	34,923	82.73	35,350	83.74
May	36,941	89.63	37,915	91.99	38,357	93.07	38,810	94.16	39,273	95.29	39,747	96.44	40,233	97.62
Jun	43,716	134.07	44,869	137.61	45,392	139.21	45,927	140.85	46,475	142.53	47,037	144.25	47,611	146.02
Jul	60,946	155.65	62,554	159.76	63,283	161.62	64,029	163.52	64,793	165.47	65,575	167.47	66,377	169.52
Aug	63,146	161.75	64,813	166.02	65,568	167.95	66,341	169.93	67,133	171.96	67,943	174.04	68,774	176.17
Sep	50,423	151.49	51,754	155.49	52,357	157.30	52,974	159.16	53,606	161.06	54,254	163.00	54,917	164.99
Oct	56,847	148.99	58,333	152.88	58,925	154.44	59,531	156.02	60,150	157.65	60,784	159.31	61,432	161.01
Nov	31,407	61.38	32,228	62.98	32,555	63.62	32,890	64.28	33,232	64.95	33,582	65.63	33,941	66.33
Dec	35,150	64.10	36,069	65.78	36,435	66.45	36,809	67.13	37,192	67.83	37,584	68.54	37,985	69.27
TOTAL:	506,871		520,193		525,915		531,773		537,769		543,906		550,188	
Summer Peak (MW)	*161.75*		*166.02*		*167.95*		*169.93*		*171.96*		*174.04*		*176.17*	
Winter Peak (MW)	*148.99*		*152.88*		*154.44*		*156.02*		*157.65*		*159.31*		*161.01*	

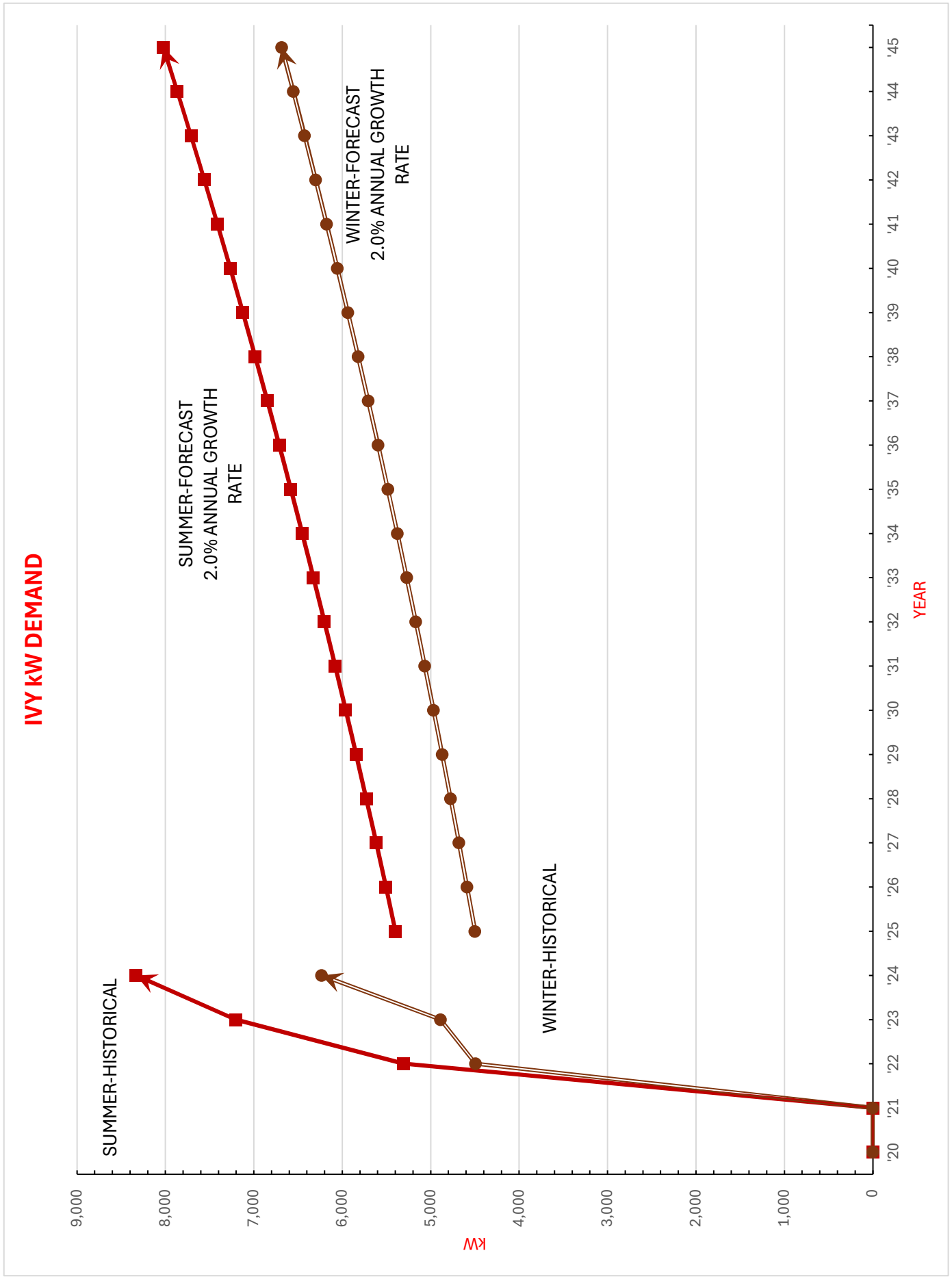

BANNING ELECTRIC UTILTIY MWH PURCHASES
FORECAST
2.4% ANNUAL GROWTH
RATE
HISTORICAL
MWH (x1,000)
YEAR
300
250
200
150
100
50
0
'19
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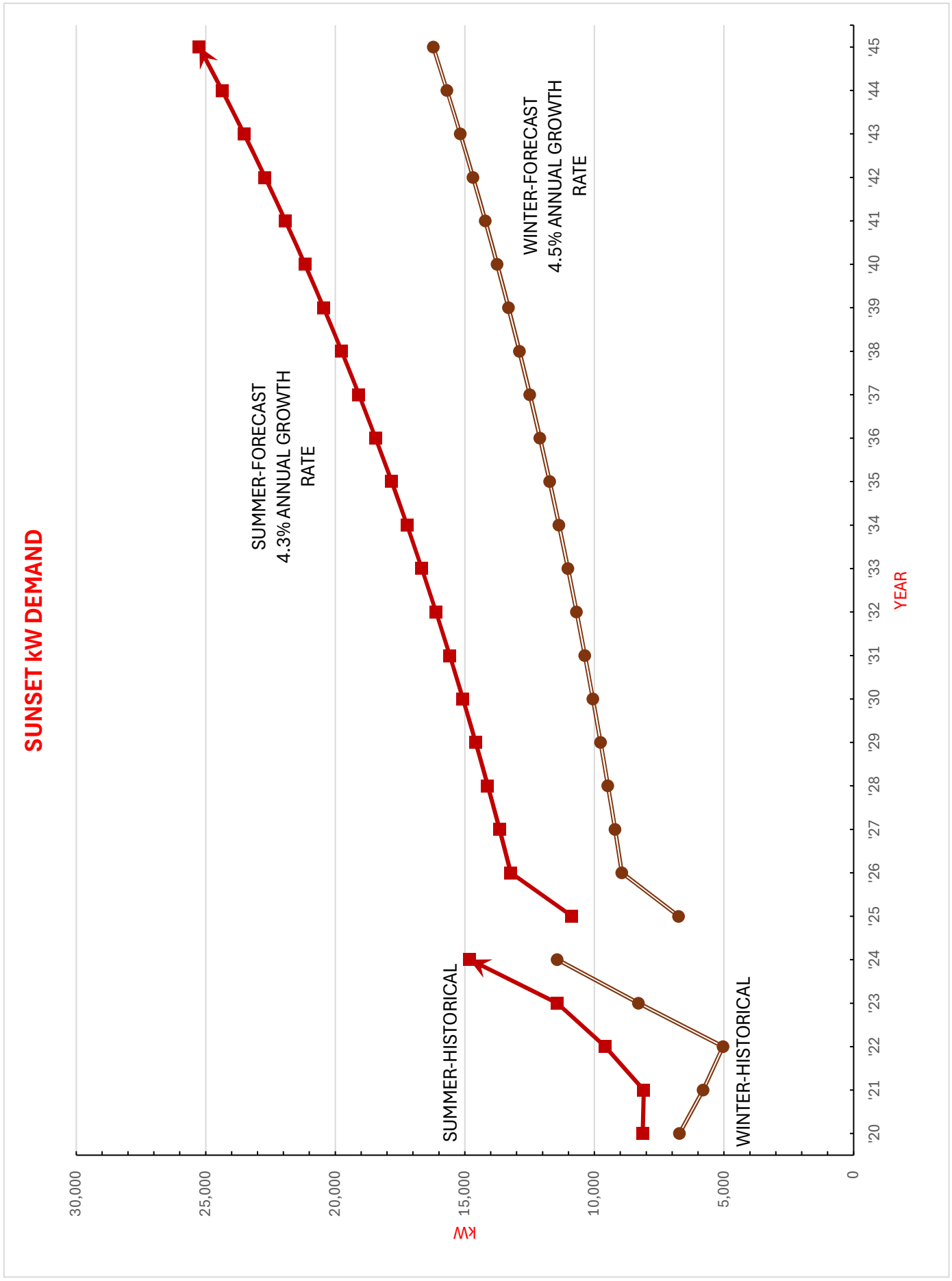

SAN GORGONIO TOTAL kW DEMAND
SUMMER-FORECAST
1.7% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
25,000
20,000
15,000
10,000
5,000
0
'20
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'22
'23
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'42
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'44
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MIDWAY TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
2.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
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'45
YEAR


22ND STREET kW DEMAND
SUMMER-FORECAST
1.1% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.1% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
'20
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STAGECOACH kW DEMAND
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
12,000
10,000
8,000
6,000
4,000
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IVY kW DEMAND
SUMMER-HISTORICAL
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
9,000
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SUNSET kW DEMAND
SUMMER-FORECAST
4.3% ANNUAL GROWTH
RATE
WINTER-FORECAST
4.5% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
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4.0 – LAND USE AND POPULATION

The City of Banning is located in Riverside County and has a reported 2026 population of approximately 33,000 people which has increased by an estimated 10% since the most recent census in 2020. The annual growth rate is projected at 1.6%

The BEU service area for the most part is the same as the Banning City Boundary which covers approximately 23 square miles.

The following table shows current development whose load was included in the ESMP analysis.

Table 4.0-1 – Current Developments

Development	Classification	Land Area (acres)	Size
Atwell Subdivision	Residential	1,457	14,000 + lots
Cannabis Cultivation	Industrial	0.5	-
Yoshinoya	Commercial	-	-
Morongo Health Clinic	Commercial	-	-
Crestwood Communities	Residential	5.9	19 lots
Vista Robles Homes	Residential	72	140 lots

The following table shows future developments whose load was included in the ESMP analysis.

Table 4.0-2 – Future Developments

Development	Classification	Land Area (acres)	Size
Bridge-Morongo Logistics	Commercial/Industrial	509	5 buildings
Sunset Crossroads	Commercial/Industrial	559	6 buildings
Rancho San Gorgonio	Residential	710	3,600 lots
Mission Heights	Residential	-	2,200 lots
First Hathaway Logistics	Commercial/Industrial	88	-
Banning Commerce Center	Industrial	124	-
WEKA	Industrial	3.4	-
Charlles St. CDRE	Industrial	4.6	-
KCB Towers	Industrial	4.5	-
Pallet Yard	Industrial	0.3	-
First Lincoln Logistics	Commercial	6.2	-
Brown Strauss	Commercial	15.8	-
Wyndam Micro Hotel	Residential/Commercial	1.3	-
DR Horton	Residential	-	98 lots
Atwell Large Retail	Commercial	-	-

CITY OF BANNING, CALIFORNIA

2026-2030 5-YEAR CAPITAL IMPROVEMENT PLAN

April 2026

Prepared by:

Finley Engineering Company, Inc.

On behalf of:

Banning Electric Utility

BANNING ELECTRIC UTILITY
PROVIDING POWER TO THE COMMUNITY OF BANNING SINCE 1922

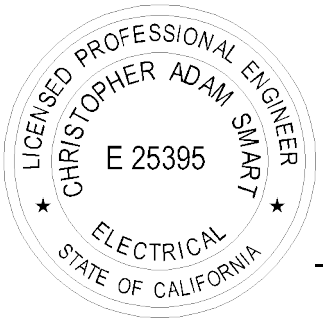
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417.682.5531
www.finleyusa.com

City of Banning
99 E. Ramsey Street
Banning, CA 92220
951.922.3100
www.banningca.gov

ENGINEERS CERTIFICATION

I, Christopher Adam Smart, P.E., herby certify that this *2026-2030 5-Year Capital Improvement Plan* was prepared by me or under my direct Supervision and that I am a duly Licensed Professional Engineer under the laws of the state of California, license number E 25395.



X _____

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5.1 - EXECUTIVE SUMMARY

5.1.1 - Introduction

The City of Banning owns the utility that provides electric service to Banning, California and the electric utility is maintained by Banning Electric Utility (BEU). Originally established in 1913 as a private utility, the City of Banning purchased the electric utility in 1922 and has been providing electric service to its residents since that time. Banning's energy resource base includes portions of nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet the system peak demand.

Through an agreement with Southern California Edison Company (SCE), the BEU system utilizes SEC's transmission system in bringing power from the California Independent System Operator ("CAISO") controlled high voltage transmission grid to the BEU distribution system at the Banning Substation. BEU maintains three, 34.5kV sub-transmission circuits totaling approximately eighteen miles which feed six distribution substations.

These six distribution substations have approximately 27 circuits feeding 147 miles of overhead and underground distribution line with an operating voltage of 7.2/12.5 kV. An estimated 47% of the total distribution line is underground.

The City of Banning supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. BEU has met and/or exceeded the renewable energy requirements of Compliance Period #1, Compliance Period #2, and Compliance Period #3 of the State's Renewables Portfolio Standard (RPS) program. The Utility was 81 percent renewable in 2022, already exceeding the current State mandate of 60 percent by 2030.

BEU is a member of the Southern California Public Power Authority (SCPPA) enjoying the benefits of joint action through cost effective planning, construction, management, and operations of electrical energy resources.

5.1.2 - Purpose of Study

This 5-year Capital Improvement Plan (CIP) is a study prepared by Finley Engineering Company, Inc. (Finley) based on an analysis and review of the historical system growth and operation to determine projections of future growth, recommendations for capital improvements, and scheduled system maintenance that will insure the continued economical and reliable operation of the system over the ensuing 5-year period.

5.1.3 – General Conclusions and Recommendations

The 5-Year CIP includes projects and estimated costs for Overhead Maintenance, Capital Maintenance, and Distribution System Improvements.

The Overhead Maintenance program include the inspection of 3,900 poles and the replacement of 350 pole at a total estimated cost of $4,058,438.

Capital Maintenance includes 18 various projects such as underground conductor replacement, fiber extensions, substation breaker upgrades, fire mitigation, line hardening, line re-routes and/or relocation, recloser installations for sectionalizing, etc. The total estimated cost for these projects

is $20,784,500. It is expected that BEU will receive $9,293,750 in cost in aid to construction (CIAC) bringing the total BEU funding cost to $11,490,750.

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include 14 projects to switch load to adjacent lines to reduce single-phase line loading at a total estimated cost of $41,700, 2 projects for new line construction of 600' totaling $336,400, 9 projects for single-phase to three-phase line rebuild of 10,107' totaling $2,142,100, and 2 projects for three-phase line rebuild using larger conductor of 2,130' totaling $285,500. The total estimated cost for distribution system improvements is $2,805,700.

The total estimated cost for the 5-Year CIP is $27,648,638 with an estimated $9,293,750 in CIAC reducing the BEU funding estimate to $18,354,888. For the BEU funding cost, 22% is for Overhead Maintenance, 63% is for Capital Maintenance, and 15% is for Distribution System improvements.

5.2 – Planning Criteria

5.2.1 - Distribution System

The distribution projects contained in this 5-Year CIP are recommended based upon the following planning criteria.

a. With an assumed delivered voltage of 125 volts (1.041 per unit on a 120 volt base) during peak load conditions, the design minimum allowable voltage at the primary terminals of any distribution transformer shall be 118 volts (0.98 per unit on a 120 volt base).

b. Voltage regulators and step transformers will be upgraded when projected peak loads exceed 85% of the device's rating.

c. Sectionalizing devices will be upgraded when projected peak loads exceed 70% of the device's continuous current rating.

d. Primary conductors on the 7.2/12.5 kV and below distribution system will be upgraded when projected peak loads exceed 60% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 60% of the conductor's thermal rating

e. Primary conductors on the 34.5 kV sub-transmission system will be upgraded when projected peak loads exceed 90% of the conductor's thermal rating and may be subject to upgrade before this time if anticipated load growth may potentially exceed 90% of the conductor's thermal rating

f. Single-phase primary voltage lines will be limited to 35 amps maximum loading.

g. The power factor at the delivery point under peak loading conditions is desired to be no less than 95%. The off-peak power factor should preferably be maintained between 95% lagging and 95% leading. This criterion is subject to the cost of the installation of capacitors, switches, and controls vs. the cost of kilowatt (kW) loss reduction.

5.2.1.1 - Distribution System Design Criteria

The following design criteria was considered when determining projects contained in this 5-year CIP.

a. Feeder current balance will be maintained at plus or minus 20% of the average per phase loading during peak conditions. This criterion may be relaxed in areas where it could impose unnecessary or premature costs.

b. Conductor sizes will be economically sized but may be modified to conform to BEU's standard conductor sizes.

c. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any load voltage or high conductor loading.

d. Load switching and backfeeding will be considered to defer unnecessary or premature costs to correct any high single-phase loading. For areas where there is no backfeed or load switch solution, additional conductors will be added to allow for phase balancing.

e. Relocation of existing line sections will be considered where inaccessibility impedes the maintenance of line sections or jeopardizes the service or reliability of line sections.

5.2.2 – Substation

The substation projects contained in this 5-Year CIP are recommended based upon the following planning criteria.

a. Substation transformers will limited to 95% of the max kVA rating of the transformer. The following improvements will be considered in the event the load exceeds 95% of the max kVA rating:

a. Load switching to adjacent substations
b. Upgrade of existing transformer
c. Installation of an additional transformer in the existing substation
d. Construction of a new substation

5.2.3 – Basis of Cost Estimates

The following tables for material and labor costs were used to determine total project costs. The costs were taken from actual prices provided by BEU as well as prices received by FEC from other sources.

Table 5.2.3-1 Conductor Material Cost

Conductor (price per foot)				
OH Conductor			**UG Conductor**	
#2 Copper	$1.31		1/0 AL, 15 kV	$2.03
#2 ACSR	$0.26		1/0 CU, 15 kV	$10.98
#4 ACSR	$0.15		1/0 CU, 35 kV	$8.47
1/0 ACSR	$0.30		4/0 CU	$6.95
4/0 Copper	$3.11		4/0 AL	$4.97
4/0 ACSR	$0.80		350 CU	$7.53
336 ACSR	$1.62		750 AL	$13.38

Table 5.2.3-2 Pole Material Cost

Pole	Price per unit	Pole	Price per unit
35' Douglas Fir, H2	$1,269.30	35’ Wood, Class 2	$1,067.38
		40’ Wood, Class 2	$766.35
45' Douglas Fir, H2	$1,771.08	45’ Wood, Class 2	$953.80
		50’ Wood, Class 2	$1,135.73
55' Douglas Fir, H2	$2,889.48	55’ Wood, Class 2	$918.72
60' Douglas Fir, H2	$2,945.89	60’ Wood, Class 2	$1,362.29

Table 5.2.3-3 Transformer Material Cost

Transformer	Price per unit
10 kVA O.H. Transformer S-Type 7,200	$500.00
15 kVA 7,200, 120/240 DV S-Type	$645.42
25 kVA 7,200, 120/240 DV S-Type	$919.16
37 kVA 7,200, 120/240 DV S-Type	$1,496.65
50 kVA 7,200 120/240	$3,992.05
75 kVA 3Ø 12,470/7,200 120/208	$6,023.22
300 kVA DV	$8,583.61
750 kVA 3Ø 12,470/7,200	$14,626.30
1,000 kVA 3Ø 12,470/7,200 DV	$10,809.48
2,500 kVA 3Ø 12,470/7,200 277/480	$34,539.92
25 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$3,685.34
37.5 kVA 1Ø 12,400/7,200 DV Pdmnt	$1,988.01
75 kVA 1Ø 12,470/7,200 120/240 Pdmnt	$7,110.42
300 kVA 3Ø 12,470/4,160 DV Pdmnt 208/120	$13,547.15
500 kVA 3Ø Pdmnt	$10,442.65
1,500 kVA DV 3Ø Pdmnt 277/480	$31,037.04

Table 5.2.3-4 Framing Units Material Cost

Framing Unit	Price per unit
A1.3P	$75.32
A1.11P	$493.46
A5.2G	$286.41
A3.1	$78.74
A6.21	$1,080.29
G1.2	$317.41
G1.2	$1,318.96
A5.1	$195.12
A5.21	$888.35
(A4.1)	$255.90
G1.3	$433.79
G1.3	$1,127.02
C1.11	$628.33
C1.81G	$1,592.53
C1.11,A5.21	$1,516.68
C5.82G	$3,472.80
C3.1	$208.96
C3.1,A5.1	$404.08
C3.1,A5.21	$1,097.31
C3.1, C5.1	$376.78
C5.1	$167.82
C5.1,A5.1	$362.94
C5.1,A5.21	$1,056.17

Table 5.2.3-5 Underground Material Cost

Material	Price per unit
Light Duty Secondary Box	$78.42
Light Duty Secondary Lid	$83.43
4" PVC SCH 40 (per foot)	$1.69
1/0 AL U/G (per foot)	$4.75
Service Entrance Sleeve	$0.45
Deadend Shoe Small	$8.58
Power Solve (Pulling Lube)	$58.98

Table 5.2.3-6 Overhead Construction Labor and Fleet Cost

	Units (hr.)	Unit Cost (per hr.)
Utility Bed P/U 1 ton (Foreman) (2 hrs. per connection)	4	$27.78
2 Person Lift (Bucket Truck) 55' (2 hrs. per connection)	2	$51.68
4 Person Crew	4	$466.73
3 Person Crew (2 hours per connection)	4	$352.02
2 Person Crew	2	$237.31
Electrical Engineering Supervisor (0.5 hrs. per connection)	1	$125.98
Electric Service Planning Supervisor (0.5 hrs. per connection)	1	$127.97
GIS Technician (1 hr. per connection)	2	$59.21

For overhead line, project cost estimates are based on an average of construction 1 mile of line per month with average span lengths at 150’.

Table 5.2.3-7 Underground Construction Labor and Fleet Cost

Labor	Price per hr.
4 Person Line Crew	$466.73
Powerline Crew Superintendent	$135.93
Fleet	**Price per hr.**
Dump Truck	$55.98
Utility Bed P/U 1 ton (Foreman) (3)	$27.78
Digger Derrick	$48.77
Wire Puller	$24.98
Reel Trailer	$24.98
Backhoe	$23.95

For underground line, project estimates are based on an average construction of 1 month to trench, lay conduit, pull wire and terminate, and backfill 300’.

Engineering (10%) and contingency (5%) were also added for each cost estimate.

5.3 – System Forecast

The 5-year CIP demand forecast was prepared to project the summer and winter kW demand per substation area as well as the total system demand for the City of Banning for the 2025-2030 CIP period. The historical non-coincident substation demands as well as the historical coincident system demands were provided by BEU and used as the basis for the forecast. BEU also provided insight into new load additions that are in some sort of application or planning process and were used in the conceptual forecast.

Additional factors that were considered when reviewing the historical peaks include temporary load switching between substations, construction of new substations with permanent load switching, and removal and/or replacement of existing substations.

Along with new load additions, considerations were also made for the addition of EV chargers at new subdivision locations.

This forecast will be used to run voltage drop and load flow analysis to determine system improvements required to reliably serve the City of Banning existing consumers and allow for future consumer growth.

It is projected that the BEU system will reach a non-coincident peak of 79,004 kW in the summer of 2030 and 59,385 kW in the winter of 2030. It is also projected that the BEU system will reach a coincident peak of 63,576 kW in the summer of 2030 and 53,737 kW in the winter of 2030.

A separate conceptual forecast was created to include new load additions that are in some state of application or planning process. It is projected that the BEU system will reach a conceptual non-coincident peak of 86,777 kW in the summer of 2030 and 76,938 kW in the winter of 2030.

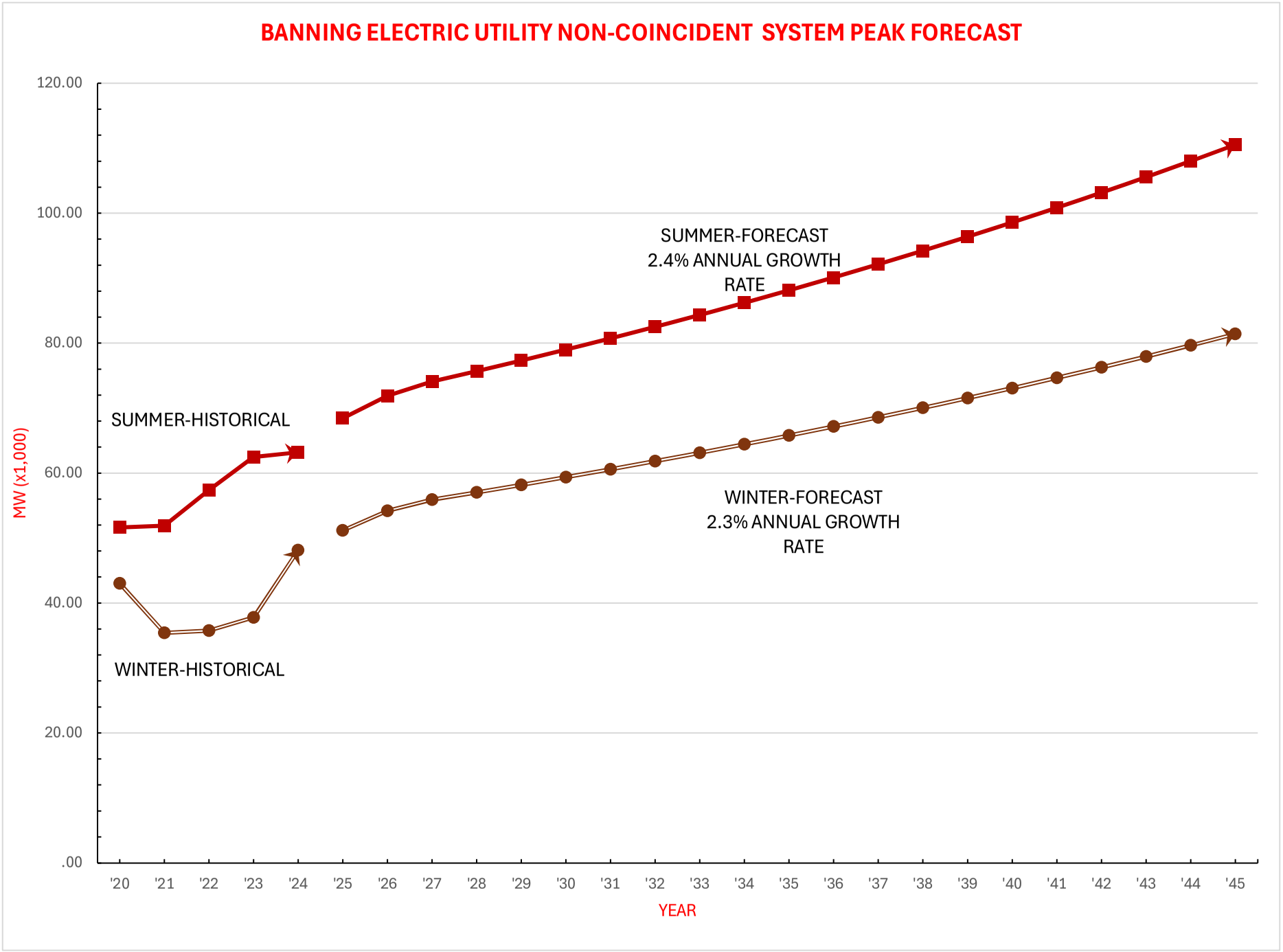
As part of the historical review, MWH purchases were also reviewed and a forecast was determined. It is projected that the BEU system will have an annual coincident purchase of 192,127 MWH's by 2030.

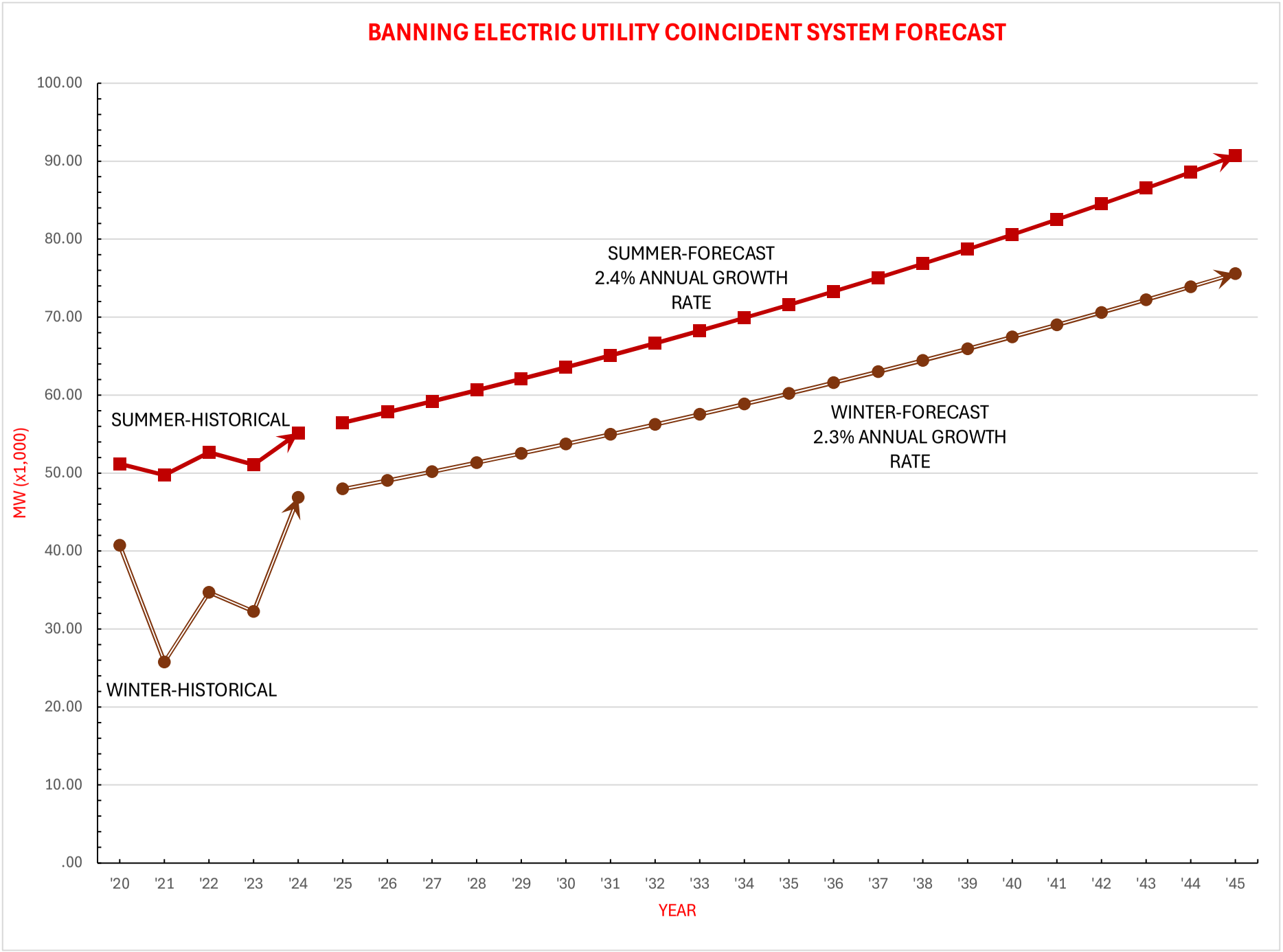
A graphical representation of the individual substation demand forecast as well as the total system coincident demand, non-coincident demand, conceptual non-coincident demand and MWH purchases is included following this page.

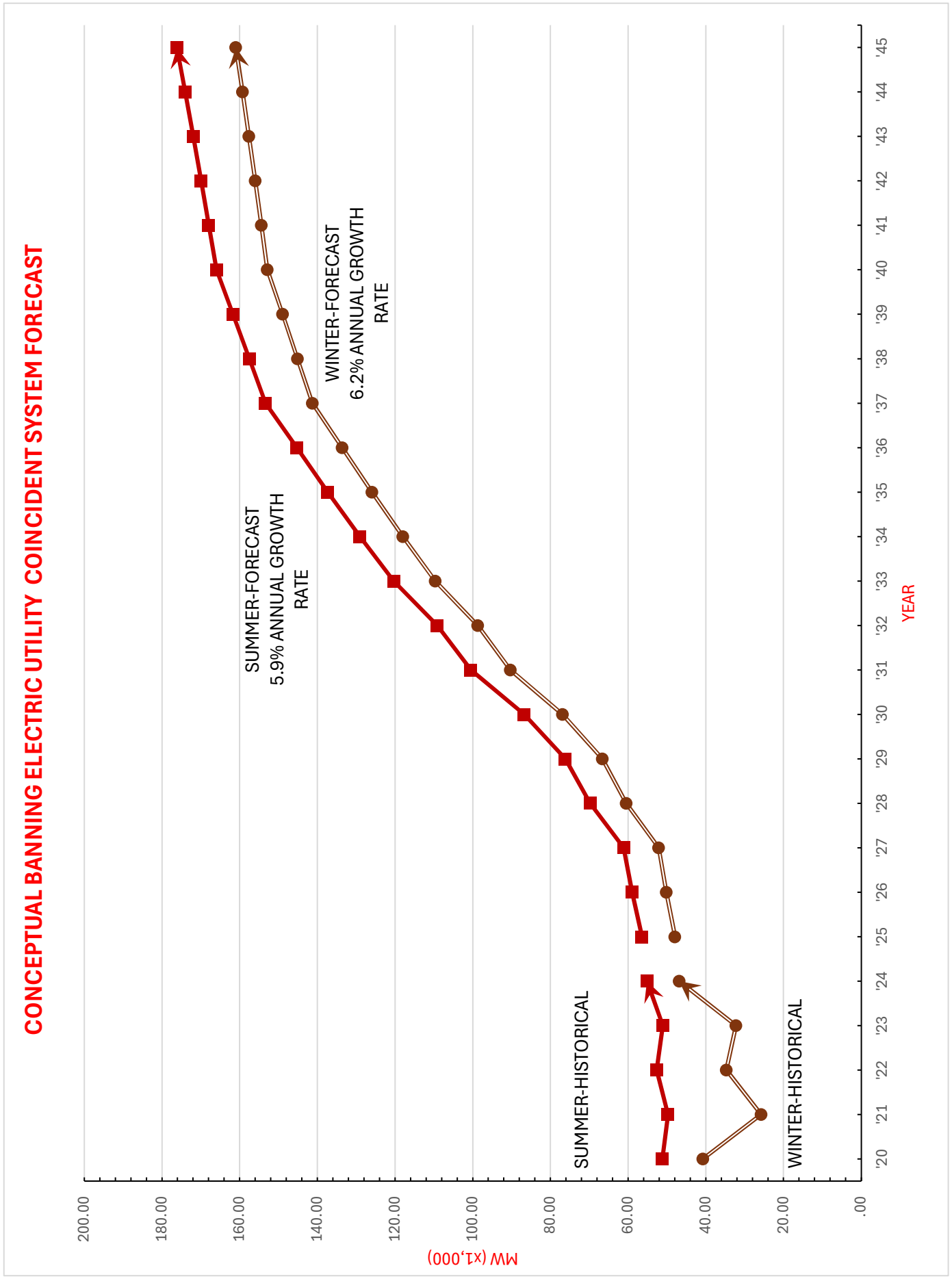
BANNING ELECTRIC UTILTIY
2026-2045 ESMP SYSTEM FORECAST

Peak kW Demand

	Historical					Forecast																					2025-2045 Annual Growth Rate
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
San Gorgonio Total																											
S	16,425	17,079	16,472	9,131	4,958	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	19,719	20,113	20,516	20,926	21,345	21,771	22,207	22,651	23,104	23,566	24,037	24,518	2.0%
W	15,022	12,746	11,267	7,193	3,739	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	2.0%
			Cannabis Cultivation			3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	3,159	
			Yoshinoya			89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	
S	16,425	17,079	16,472	9,131	4,958	19,748	20,078	20,415	20,758	21,108	21,465	21,830	22,201	22,580	22,967	23,361	23,764	24,174	24,593	25,019	25,455	25,899	26,352	26,814	27,285	27,766	1.7%
W	15,022	12,746	11,267	7,193	3,739	18,248	18,548	18,854	19,166	19,484	19,809	20,140	20,478	20,823	21,174	21,533	21,899	22,272	22,652	23,040	23,436	23,840	24,252	24,672	25,100	25,537	1.7%
Midway Total																											
S	13,541	13,649	14,272	17,082	15,786	15,052	15,458	15,876	16,304	16,745	17,197	17,661	18,138	18,628	19,131	19,647	20,178	20,722	21,282	21,856	22,447	23,053	23,675	24,314	24,971	25,645	2.7%
W	10,384	9,247	7,788	6,868	10,715	9,663	9,924	10,192	10,467	10,750	11,040	11,338	11,644	11,958	12,281	12,613	12,953	13,303	13,662	14,031	14,410	14,799	15,199	15,609	16,031	16,463	2.7%
Airport																											
S	365	370	360	32	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
W	389	389	280	23	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
22nd Street																											
S	10,233	10,319	9,736	10,585	11,240	10,670	10,787	10,906	11,026	11,147	11,270	11,394	11,519	11,646	11,774	11,904	12,034	12,167	12,301	12,436	12,573	12,711	12,851	12,992	13,135	13,280	1.1%
W	8,140	6,529	6,105	6,567	8,018	8,210	8,300	8,392	8,484	8,577	8,672	8,767	8,863	8,961	9,059	9,159	9,260	9,362	9,465	9,569	9,674	9,781	9,888	9,997	10,107	10,218	1.1%
Stagecoach																											
S	0	0	0	6,634	8,040	6,700	6,834	6,971	7,110	7,252	7,397	7,545	7,696	7,850	8,007	8,167	8,331	8,497	8,667	8,841	9,017	9,198	9,382	9,569	9,761	9,956	2.0%
W	0	0	0	3,616	7,955	3,800	3,876	3,954	4,033	4,113	4,196	4,279	4,365	4,452	4,541	4,632	4,725	4,819	4,916	5,014	5,114	5,217	5,321	5,427	5,536	5,647	2.0%
Ivy																											
S	0	0	5,308	7,206	8,333	5,400	5,508	5,618	5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583	6,714	6,849	6,985	7,125	7,268	7,413	7,561	7,713	7,867	8,024	2.0%
W	0	0	4,493	4,890	6,235	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821	5,938	6,056	6,178	6,301	6,427	6,556	6,687	2.0%
			Morongo Health Clinic			0	0	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	
S	0	0	5,308	7,206	8,333	5,400	5,508	6,254	6,367	6,481	6,598	6,717	6,839	6,963	7,089	7,219	7,350	7,485	7,621	7,761	7,904	8,049	8,197	8,349	8,503	8,660	2.4%
W	0	0	4,493	4,890	6,235	4,500	4,590	5,318	5,411	5,507	5,604	5,704	5,805	5,908	6,014	6,121	6,231	6,343	6,457	6,574	6,692	6,814	6,937	7,063	7,192	7,323	2.5%
Sunset																											
S	8,140	8,099	9,586	11,441	14,821	10,439	10,857	11,291	11,742	12,212	12,701	13,209	13,737	14,286	14,858	15,452	16,070	16,713	17,382	18,077	18,800	19,552	20,334	21,147	21,993	22,873	4.0%
W	6,716	5,803	5,037	8,299	11,443	6,319	6,572	6,835	7,108	7,392	7,688	7,996	8,315	8,648	8,994	9,354	9,728	10,117	10,522	10,942	11,380	11,835	12,309	12,801	13,313	13,846	4.0%
			Crestwood Communities			432	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	864	
			Vista Robles KB homes			0	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	
S	8,140	8,099	9,586	11,441	14,821	10,871	13,233	13,667	14,118	14,588	15,077	15,585	16,113	16,662	17,234	17,828	18,446	19,089	19,758	20,453	21,176	21,928	22,710	23,523	24,369	25,249	4.3%
W	6,716	5,803	5,037	8,299	11,443	6,751	8,948	9,211	9,484	9,768	10,064	10,372	10,691	11,024	11,370	11,730	12,104	12,493	12,898	13,318	13,756	14,211	14,685	15,177	15,689	16,222	4.5%
Alola																											
S	2,929	2,370	1,646	372	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
W	2,377	708	782	336	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Banning Electric Utility Non-Coincident System Peak Forecast																											
S	51,632	51,885	57,380	62,482	63,207	68,441	71,898	74,088	75,683	77,322	79,004	80,732	82,507	84,330	86,202	88,126	90,103	92,134	94,221	96,367	98,571	100,837	103,167	105,562	108,024	110,556	2.4%
W	43,029	35,422	35,752	37,792	48,126	51,172	54,186	55,919	57,045	58,200	59,385	60,600	61,847	63,127	64,440	65,788	67,172	68,592	70,050	71,546	73,083	74,661	76,281	77,945	79,654	81,410	2.3%
Banning Electric Utility System Coincident Forecast																											
S	51,197	49,751	52,667	51,096	55,143	56,467	57,822	59,210	60,631	62,086	63,576	65,102	66,664	68,264	69,902	71,580	73,298	75,057	76,858	78,703	80,592	82,526	84,507	86,535	88,612	90,738	2.4%
W	40,752	25,776	34,719	32,262	46,883	47,962	49,065	50,193	51,348	52,529	53,737	54,973	56,237	57,530	58,854	60,207	61,592	63,009	64,458	65,940	67,457	69,009	70,596	72,219	73,881	75,580	2.3%
Conceptual Banning Electric Utility System Coincident Forecast																											
S	51,197	49,751	52,667	51,096	55,143	56,467	58,962	61,201	69,810	76,184	86,777	100,472	109,135	120,377	129,082	137,336	145,321	153,347	157,527	161,751	166,019	167,953	169,934	171,962	174,039	176,165	5.9%
W	40,752	25,776	34,719	32,262	46,883	47,962	50,205	52,185	60,527	66,627	76,938	90,343	98,708	109,643	118,034	125,963	133,615	141,299	145,127	148,988	152,884	154,436	156,023	157,646	159,308	161,007	6.2%
			Bridge-Morongo Logistics			0	0	0	0	1,031	1,991	2,858	3,344	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	3,641	
			Sunset Crossroads			0	0	0	2,712	2,712	6,967	10,213	10,561	13,639	14,439	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	14,748	
			Rancho San Gorgonio			0	0	0	3,888	7,776	11,664	15,552	19,440	23,328	27,216	31,104	34,992	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	38,880	
			Mission Heights			0	0	0	0	0	0	2,379	4,758	7,137	9,516	11,895	14,274	16,653	19,032	21,411	23,790	23,790	23,790	23,790	23,790	23,790	23,790	
			First Hathaway Logistics			0	0	0	0	0	0	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	
			Banning Commerce Center			0	0	0	0	0	0	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	
			WEKA			0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
			Charles St. CDRE			0	0	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	
			KCB Towers			0	0	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
			Pallet Yard			0	0	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
			First Lincoln Logistics			0	0	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	
			Brown Strauss			0	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	390	
			Wyndam Micro Hotel			0	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	
			DR Horton			0	0	588	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	
			Atwell Large Retail			0	0	0	0	0	0	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	880	


BANNING ELECTRIC UTILITY NON-COINCIDENT SYSTEM PEAK FORECAST
120.00
100.00
80.00
60.00
40.00
20.00
.00
MW (x1,000)
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
'24
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'39
'40
'41
'42
'43
'44
'45
YEAR


BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
.00
MW (x1,000)
SUMMER-HISTORICAL
WINTER-HISTORICAL
SUMMER-FORECAST
2.4% ANNUAL GROWTH
RATE
WINTER-FORECAST
2.3% ANNUAL GROWTH
RATE
'20
'21
'22
'23
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'25
'26
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'44
'45
YEAR


CONCEPTUAL BANNING ELECTRIC UTILITY COINCIDENT SYSTEM FORECAST
SUMMER-FORECAST
5.9% ANNUAL GROWTH
RATE
WINTER-FORECAST
6.2% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
MW (x1,000)
YEAR
200.00
180.00
160.00
140.00
120.00
100.00
80.00
60.00
40.00
20.00
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BANNING ELECTRIC UTILITY
2026-2045 ESMP NON-COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	11,577	21.27	12,259	22.52	12,651	23.24	12,906	23.71	13,167	24.19	13,435	24.68	13,710	25.19
Feb	10,470	21.33	11,086	22.58	11,441	23.31	11,671	23.78	11,907	24.26	12,150	24.75	12,399	25.26
Mar	10,870	20.69	11,511	21.91	11,879	22.61	12,118	23.07	12,363	23.54	12,615	24.01	12,873	24.51
Apr	13,733	32.53	14,427	34.18	14,867	35.22	15,187	35.98	15,515	36.76	15,853	37.56	16,200	38.38
May	15,631	37.92	16,420	39.84	16,920	41.05	17,285	41.94	17,659	42.85	18,043	43.78	18,438	44.74
Jun	18,497	56.73	19,432	59.59	20,023	61.41	20,455	62.73	20,897	64.09	21,352	65.48	21,819	66.92
Jul	25,788	65.86	27,090	69.19	27,915	71.29	28,517	72.83	29,134	74.40	29,768	76.02	30,419	77.69
Aug	26,719	68.44	28,069	71.90	28,923	74.09	29,546	75.68	30,186	77.32	30,843	79.00	31,517	80.73
Sep	21,335	64.10	22,413	67.34	23,096	69.39	23,593	70.88	24,104	72.42	24,628	73.99	25,167	75.61
Oct	19,525	51.17	20,675	54.19	21,336	55.92	21,766	57.05	22,206	58.20	22,658	59.38	23,122	60.60
Nov	10,787	21.08	11,423	22.32	11,788	23.04	12,025	23.50	12,269	23.98	12,518	24.46	12,775	24.97
Dec	12,073	22.02	12,784	23.31	13,193	24.06	13,458	24.54	13,731	25.04	14,010	25.55	14,297	26.07
TOTAL:	197,005		207,588		214,032		218,526		223,138		227,873		232,734	
Summer Peak (MW)		*68.44*		*71.90*		*74.09*		*75.68*		*77.32*		*79.00*		*80.73*
Winter Peak (MW)		*51.17*		*54.19*		*55.92*		*57.05*		*58.20*		*59.38*		*60.60*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	13,992	25.71	14,282	26.24	14,579	26.79	14,884	27.35	15,197	27.92	15,518	28.51	15,848	29.12
Feb	12,654	25.78	12,916	26.31	13,184	26.86	13,460	27.42	13,743	28.00	14,034	28.59	14,332	29.20
Mar	13,138	25.01	13,410	25.53	13,689	26.06	13,975	26.60	14,269	27.16	14,571	27.74	14,880	28.33
Apr	16,556	39.22	16,922	40.09	17,297	40.98	17,683	41.89	18,080	42.83	18,488	43.80	18,907	44.79
May	18,843	45.72	19,259	46.73	19,687	47.77	20,126	48.83	20,578	49.93	21,042	51.05	21,518	52.21
Jun	22,299	68.39	22,791	69.90	23,297	71.45	23,817	73.04	24,352	74.68	24,901	76.37	25,465	78.10
Jul	31,087	79.39	31,774	81.15	32,480	82.95	33,205	84.80	33,950	86.70	34,715	88.66	35,501	90.67
Aug	32,210	82.51	32,922	84.33	33,653	86.20	34,404	88.13	35,176	90.10	35,969	92.13	36,783	94.22
Sep	25,720	77.27	26,288	78.98	26,872	80.74	27,472	82.54	28,088	84.39	28,721	86.29	29,372	88.25
Oct	23,598	61.85	24,086	63.13	24,587	64.44	25,102	65.79	25,630	67.17	26,171	68.59	26,728	70.05
Nov	13,038	25.48	13,307	26.01	13,584	26.55	13,868	27.10	14,160	27.67	14,459	28.26	14,767	28.86
Dec	14,591	26.61	14,893	27.16	15,203	27.73	15,521	28.31	15,847	28.90	16,182	29.51	16,526	30.14
TOTAL:	237,725		242,850		248,113		253,518		259,069		264,770		270,627	
Summer Peak (MW)		*82.51*		*84.33*		*86.20*		*88.13*		*90.10*		*92.13*		*94.22*
Winter Peak (MW)		*61.85*		*63.13*		*64.44*		*65.79*		*67.17*		*68.59*		*70.05*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	16,187	29.74	16,534	30.38	16,891	31.03	17,258	31.71	17,634	32.40	18,021	33.11	18,418	33.84
Feb	14,638	29.82	14,953	30.46	15,275	31.12	15,607	31.79	15,947	32.49	16,297	33.20	16,656	33.93
Mar	15,198	28.93	15,525	29.55	15,860	30.19	16,204	30.85	16,558	31.52	16,921	32.21	17,294	32.92
Apr	19,337	45.81	19,779	46.86	20,234	47.93	20,702	49.04	21,182	50.18	21,676	51.35	22,184	52.55
May	22,008	53.40	22,512	54.62	23,029	55.88	23,561	57.17	24,108	58.49	24,671	59.86	25,249	61.26
Jun	26,044	79.88	26,640	81.70	27,253	83.58	27,882	85.51	28,530	87.50	29,195	89.54	29,879	91.64
Jul	36,310	92.73	37,140	94.85	37,994	97.03	38,872	99.27	39,774	101.58	40,702	103.95	41,656	106.38
Aug	37,621	96.37	38,482	98.57	39,366	100.84	40,276	103.17	41,211	105.56	42,172	108.02	43,160	110.56
Sep	30,041	90.26	30,728	92.32	31,434	94.44	32,161	96.63	32,907	98.87	33,675	101.17	34,464	103.55
Oct	27,299	71.55	27,885	73.08	28,487	74.66	29,105	76.28	29,740	77.95	30,392	79.65	31,062	81.41
Nov	15,082	29.47	15,406	30.11	15,739	30.76	16,080	31.43	16,431	32.11	16,791	32.82	17,161	33.54
Dec	16,879	30.78	17,242	31.44	17,614	32.12	17,996	32.82	18,389	33.54	18,792	34.27	19,206	35.03
TOTAL:	276,644		282,826		289,178		295,705		302,412		309,305		316,390	
Summer Peak (MW)		*96.37*		*98.57*		*100.84*		*103.17*		*105.56*		*108.02*		*110.56*
Winter Peak (MW)		*71.55*		*73.08*		*74.66*		*76.28*		*77.95*		*79.65*		*81.41*

BANNING ELECTRIC UTILITY
2026-2045 ESMP COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,100	20.39	11,356	20.86	11,617	21.34	11,884	21.83	12,157	22.34	12,437	22.85
Feb	9,813	19.99	10,038	20.45	10,269	20.92	10,506	21.40	10,747	21.89	10,994	22.40	11,247	22.91
Mar	10,188	19.40	10,423	19.84	10,662	20.30	10,908	20.76	11,158	21.24	11,415	21.73	11,678	22.23
Apr	11,331	26.84	11,603	27.49	11,881	28.15	12,166	28.82	12,458	29.51	12,757	30.22	13,063	30.95
May	12,896	31.29	13,205	32.04	13,522	32.81	13,847	33.60	14,179	34.40	14,519	35.23	14,868	36.07
Jun	15,261	46.80	15,627	47.93	16,002	49.08	16,386	50.25	16,780	51.46	17,182	52.70	17,595	53.96
Jul	21,276	54.34	21,787	55.64	22,309	56.98	22,845	58.34	23,393	59.74	23,955	61.18	24,529	62.65
Aug	22,044	56.47	22,573	57.82	23,115	59.21	23,670	60.63	24,238	62.09	24,820	63.58	25,415	65.10
Sep	17,603	52.89	18,025	54.16	18,458	55.45	18,901	56.79	19,354	58.15	19,819	59.54	20,294	60.97
Oct	18,300	47.96	18,721	49.06	19,151	50.19	19,592	51.35	20,042	52.53	20,503	53.74	20,975	54.97
Nov	10,110	19.76	10,343	20.21	10,581	20.68	10,824	21.15	11,073	21.64	11,328	22.14	11,588	22.65
Dec	11,315	20.64	11,575	21.11	11,842	21.60	12,114	22.09	12,393	22.60	12,678	23.12	12,969	23.65
TOTAL:	170,987		175,020		179,149		183,374		187,700		192,127		196,659	
Summer Peak (MW)		*56.47*		*57.82*		*59.21*		*60.63*		*62.09*		*63.58*		*65.10*
Winter Peak (MW)		*47.96*		*49.06*		*50.19*		*51.35*		*52.53*		*53.74*		*54.97*

Projected Load Data 2032-2038

	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	12,723	23.38	13,016	23.91	13,315	24.46	13,621	25.03	13,935	25.60	14,255	26.19	14,583	26.79
Feb	11,506	23.44	11,771	23.98	12,041	24.53	12,318	25.09	12,602	25.67	12,891	26.26	13,188	26.86
Mar	11,946	22.74	12,221	23.26	12,502	23.80	12,790	24.35	13,084	24.91	13,385	25.48	13,693	26.07
Apr	13,377	31.69	13,698	32.45	14,027	33.23	14,363	34.03	14,708	34.84	15,061	35.68	15,422	36.54
May	15,225	36.94	15,590	37.83	15,964	38.73	16,347	39.66	16,740	40.62	17,142	41.59	17,553	42.59
Jun	18,017	55.26	18,449	56.58	18,892	57.94	19,346	59.33	19,810	60.75	20,285	62.21	20,772	63.71
Jul	25,118	64.15	25,721	65.69	26,338	67.27	26,970	68.88	27,618	70.53	28,281	72.23	28,959	73.96
Aug	26,025	66.66	26,650	68.26	27,289	69.90	27,944	71.58	28,615	73.30	29,302	75.06	30,005	76.86
Sep	20,781	62.44	21,280	63.94	21,791	65.47	22,314	67.04	22,849	68.65	23,398	70.30	23,959	71.98
Oct	21,457	56.24	21,951	57.53	22,456	58.85	22,972	60.21	23,501	61.59	24,041	63.01	24,594	64.46
Nov	11,855	23.17	12,128	23.70	12,406	24.25	12,692	24.80	12,984	25.37	13,282	25.96	13,588	26.55
Dec	13,268	24.20	13,573	24.75	13,885	25.32	14,204	25.90	14,531	26.50	14,865	27.11	15,207	27.73
TOTAL:	201,298		206,047		210,907		215,882		220,975		226,188		231,523	
Summer Peak (MW)		*66.66*		*68.26*		*69.90*		*71.58*		*73.30*		*75.06*		*76.86*
Winter Peak (MW)		*56.24*		*57.53*		*58.85*		*60.21*		*61.59*		*63.01*		*64.46*

Projected Load Data 2039-2045

	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	14,918	27.41	15,261	28.04	15,612	28.68	15,971	29.34	16,339	30.02	16,715	30.71	17,099	31.42
Feb	13,491	27.48	13,801	28.11	14,119	28.76	14,444	29.42	14,776	30.10	15,116	30.79	15,463	31.50
Mar	14,007	26.67	14,330	27.28	14,659	27.91	14,996	28.55	15,341	29.20	15,694	29.88	16,055	30.56
Apr	15,793	37.41	16,172	38.31	16,560	39.23	16,957	40.17	17,364	41.14	17,781	42.12	18,208	43.13
May	17,974	43.61	18,406	44.66	18,847	45.73	19,300	46.83	19,763	47.95	20,237	49.10	20,723	50.28
Jun	21,271	65.23	21,781	66.80	22,304	68.40	22,839	70.04	23,387	71.73	23,949	73.45	24,523	75.21
Jul	29,654	75.73	30,366	77.55	31,095	79.41	31,841	81.32	32,605	83.27	33,388	85.27	34,189	87.32
Aug	30,725	78.70	31,462	80.59	32,218	82.53	32,991	84.51	33,783	86.53	34,593	88.61	35,424	90.74
Sep	24,534	73.71	25,123	75.48	25,726	77.29	26,344	79.15	26,976	81.05	27,623	82.99	28,286	84.98
Oct	25,160	65.94	25,738	67.46	26,330	69.01	26,936	70.60	27,555	72.22	28,189	73.88	28,838	75.58
Nov	13,900	27.17	14,220	27.79	14,547	28.43	14,882	29.08	15,224	29.75	15,574	30.44	15,932	31.14
Dec	15,557	28.37	15,915	29.02	16,281	29.69	16,655	30.37	17,038	31.07	17,430	31.79	17,831	32.52
TOTAL:	236,985		242,576		248,298		254,156		260,152		266,289		272,571	
Summer Peak (MW)		*78.70*		*80.59*		*82.53*		*84.51*		*86.53*		*88.61*		*90.74*
Winter Peak (MW)		*65.94*		*67.46*		*69.01*		*70.60*		*72.22*		*73.88*		*75.58*

BANNING ELECTRIC UTILITY
2026-2045 ESMP CONCEPTUAL COINCIDENT SYSTEM FORECAST

Projected Load Data 2025 - 2031

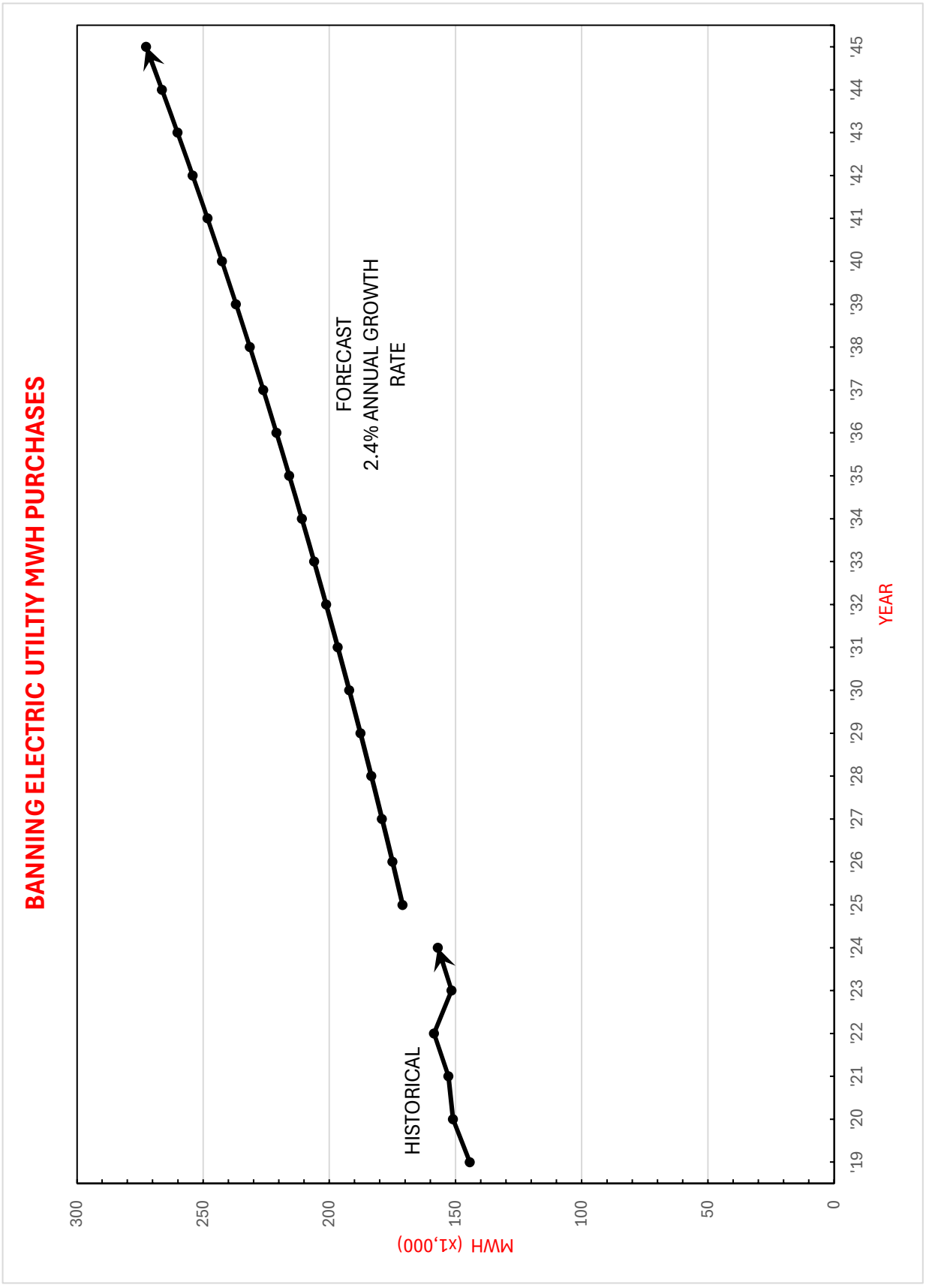
	2025		2026		2027		2028		2029		2030		2031	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	10,851	19.94	11,358	20.87	11,806	21.69	13,693	25.16	15,074	27.69	17,406	31.98	20,439	37.55
Feb	9,813	19.99	10,272	20.92	10,677	21.75	12,384	25.23	13,632	27.77	15,741	32.07	18,484	37.65
Mar	10,188	19.40	10,665	20.30	11,085	21.10	12,857	24.48	14,153	26.94	16,344	31.11	19,191	36.53
Apr	11,331	26.84	11,831	28.03	12,281	29.09	14,008	33.19	15,287	36.22	17,413	41.25	20,161	47.76
May	12,896	31.29	13,466	32.67	13,977	33.91	15,943	38.68	17,399	42.22	19,818	48.08	22,946	55.67
Jun	15,261	46.80	15,935	48.87	16,540	50.73	18,867	57.86	20,590	63.15	23,453	71.93	27,154	83.28
Jul	21,276	54.34	22,216	56.74	23,060	58.89	26,303	67.18	28,705	73.31	32,696	83.50	37,856	96.68
Aug	22,044	56.47	23,018	58.96	23,892	61.20	27,253	69.81	29,742	76.18	33,877	86.78	39,223	100.47
Sep	17,603	52.89	18,380	55.22	19,078	57.32	21,762	65.38	23,749	71.35	27,051	81.27	31,320	94.10
Oct	18,300	47.96	19,156	50.20	19,911	52.18	23,094	60.53	25,421	66.63	29,356	76.94	34,470	90.34
Nov	10,110	19.76	10,583	20.68	11,001	21.50	12,759	24.94	14,045	27.45	16,219	31.70	19,044	37.22
Dec	11,315	20.64	11,844	21.60	12,312	22.45	14,280	26.04	15,719	28.67	18,151	33.10	21,314	38.87
TOTAL:	170,987		178,725		185,621		213,204		233,515		267,525		311,603	
Summer Peak (MW)		*56.47*		*58.96*		*61.20*		*69.81*		*76.18*		*86.78*		*100.47*
Winter Peak (MW)		*47.96*		*50.20*		*52.18*		*60.53*		*66.63*		*76.94*		*90.34*

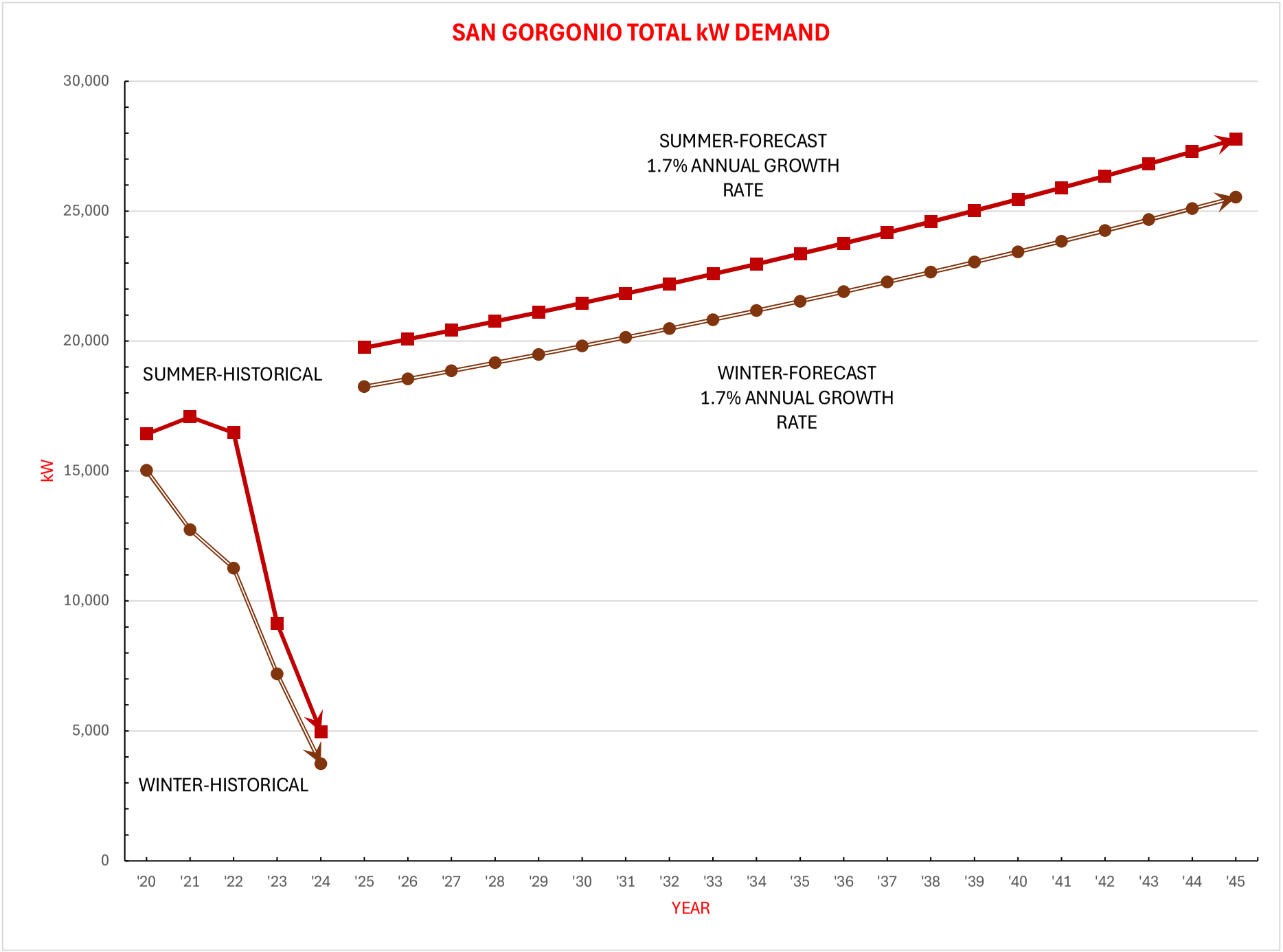
Projected Load Data 2032-2038

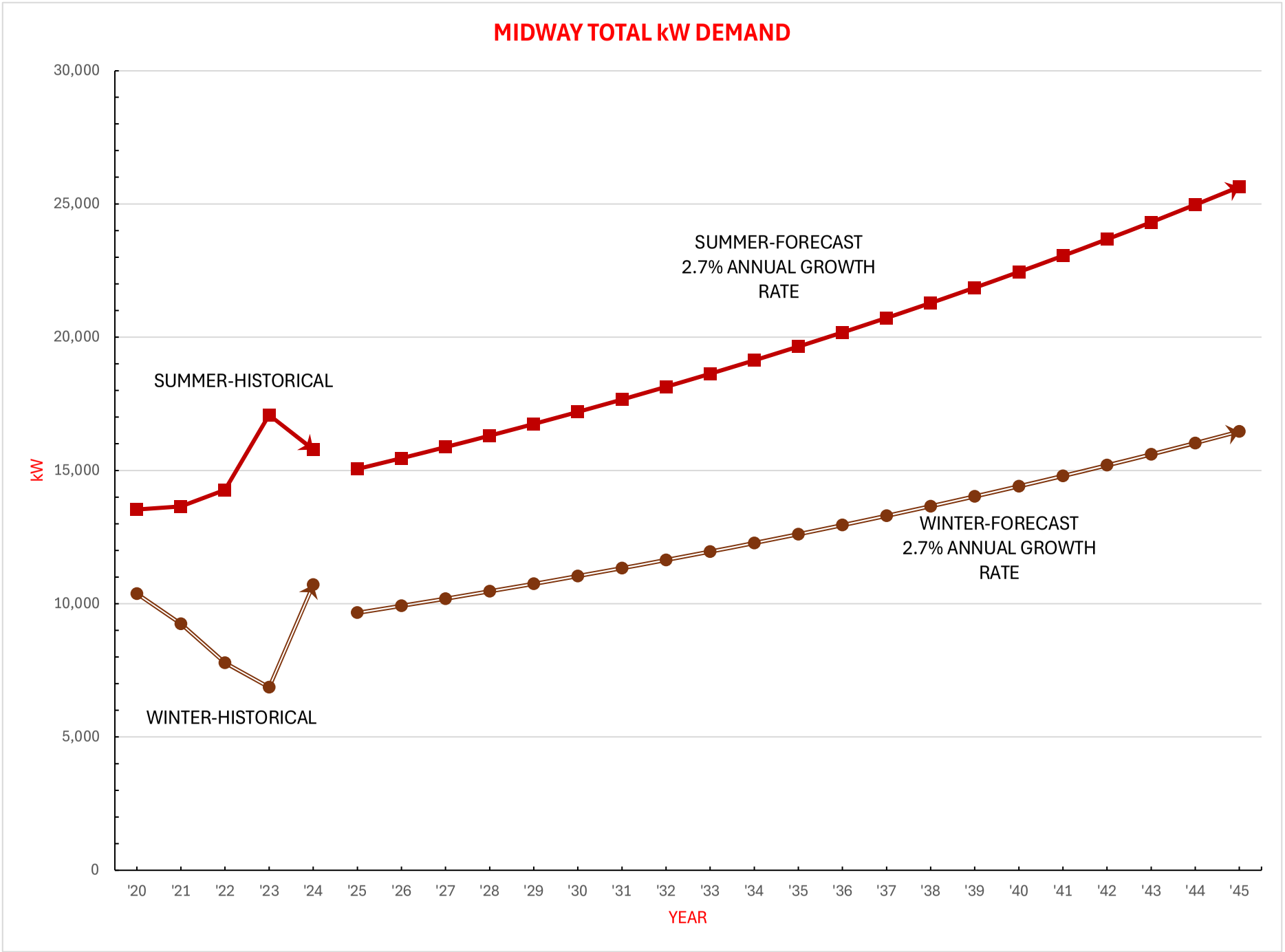
	2032		2033		2034		2035		2036		2037		2038	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	22,332	41.03	24,806	45.58	26,704	49.06	28,498	52.36	30,229	55.54	31,967	58.73	32,833	60.32
Feb	20,195	41.14	22,433	45.70	24,149	49.19	25,772	52.50	27,337	55.69	28,909	58.89	29,692	60.49
Mar	20,968	39.92	23,291	44.34	25,073	47.73	26,758	50.94	28,383	54.03	30,016	57.14	30,829	58.69
Apr	21,899	51.88	24,155	57.22	25,902	61.36	27,558	65.29	29,160	69.08	30,771	72.90	31,610	74.88
May	24,924	60.47	27,492	66.70	29,480	71.53	31,365	76.10	33,188	80.53	35,021	84.97	35,976	87.29
Jun	29,495	90.46	32,534	99.78	34,886	106.99	37,117	113.83	39,275	120.45	41,444	127.10	42,574	130.57
Jul	41,121	105.02	45,356	115.84	48,637	124.21	51,746	132.15	54,755	139.84	57,779	147.56	59,354	151.58
Aug	42,606	109.14	46,994	120.38	50,393	129.08	53,615	137.34	56,732	145.32	59,866	153.35	61,498	157.53
Sep	34,021	102.21	37,526	112.74	40,239	120.90	42,812	128.63	45,301	136.11	47,803	143.62	49,107	147.54
Oct	37,662	98.71	41,835	109.64	45,036	118.03	48,061	125.96	50,981	133.62	53,913	141.30	55,373	145.13
Nov	20,808	40.66	23,113	45.17	24,882	48.63	26,553	51.89	28,166	55.05	29,786	58.21	30,593	59.79
Dec	23,287	42.47	25,867	47.17	27,847	50.78	29,718	54.20	31,523	57.49	33,336	60.79	34,239	62.44
TOTAL:	339,319		375,401		403,228		429,573		455,032		480,611		493,678	
Summer Peak (MW)		*109.14*		*120.38*		*129.08*		*137.34*		*145.32*		*153.35*		*157.53*
Winter Peak (MW)		*98.71*		*109.64*		*118.03*		*125.96*		*133.62*		*141.30*		*145.13*

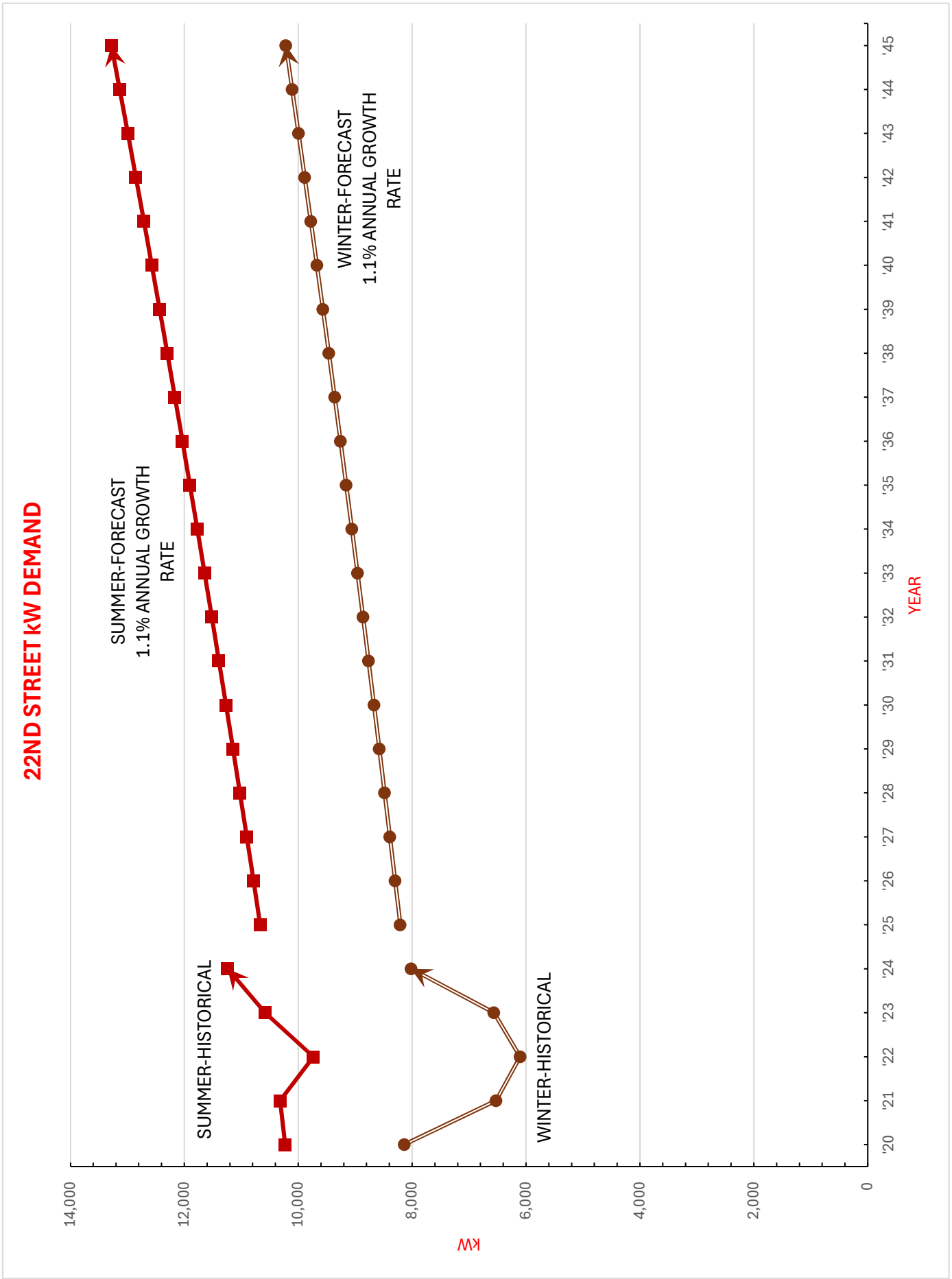
Projected Load Data 2039-2045

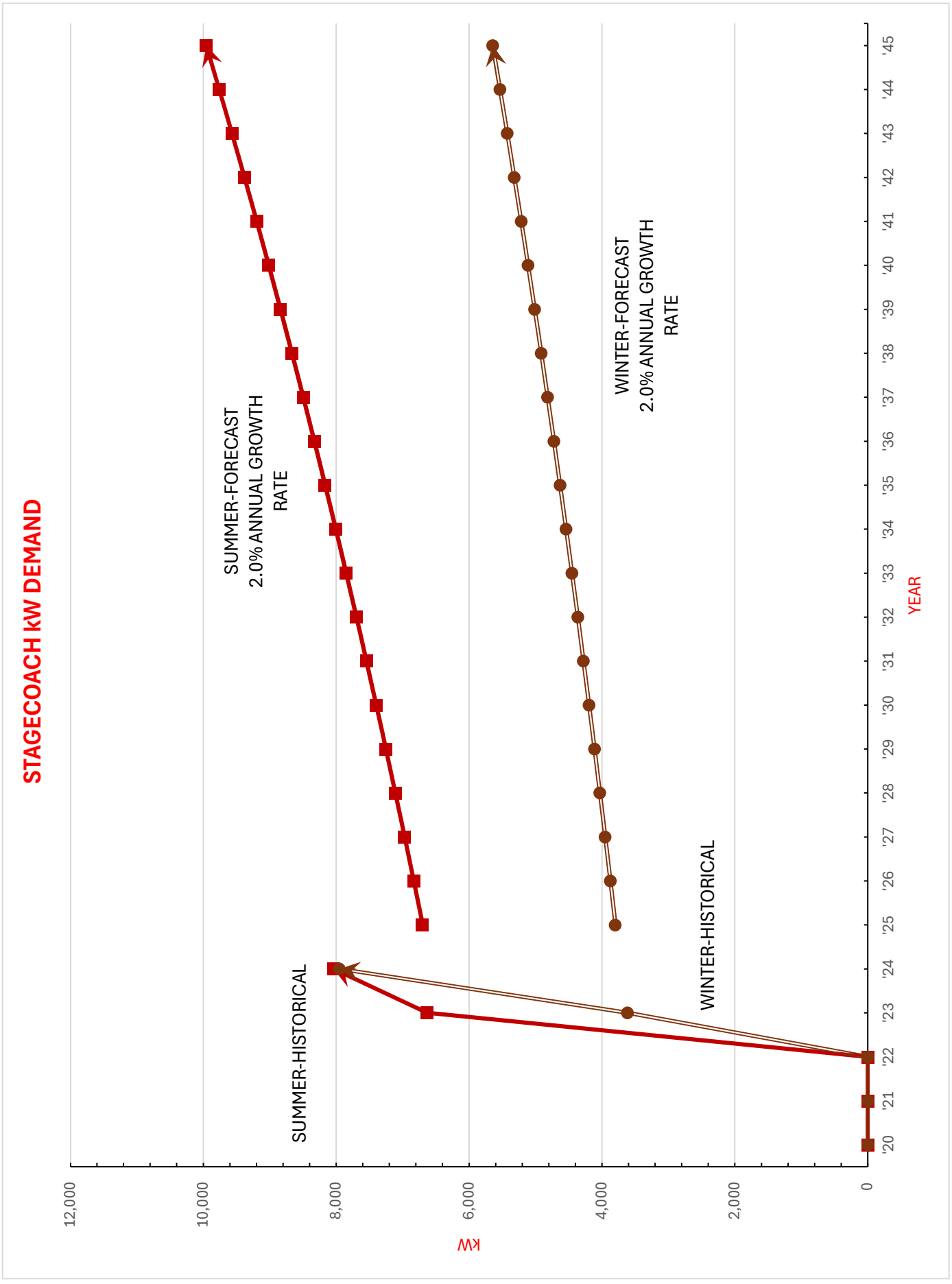
	2039		2040		2041		2042		2043		2044		2045	
	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW	Total Load for Month (MWh)	Peak MW
Jan	33,707	61.93	34,588	63.55	34,939	64.19	35,298	64.85	35,666	65.53	36,042	66.22	36,426	66.93
Feb	30,483	62.10	31,280	63.72	31,597	64.37	31,922	65.03	32,254	65.70	32,594	66.40	32,941	67.10
Mar	31,649	60.25	32,477	61.82	32,806	62.45	33,143	63.09	33,488	63.75	33,841	64.42	34,202	65.11
Apr	32,457	76.89	33,314	78.92	33,702	79.84	34,099	80.78	34,506	81.75	34,923	82.73	35,350	83.74
May	36,941	89.63	37,915	91.99	38,357	93.07	38,810	94.16	39,273	95.29	39,747	96.44	40,233	97.62
Jun	43,716	134.07	44,869	137.61	45,392	139.21	45,927	140.85	46,475	142.53	47,037	144.25	47,611	146.02
Jul	60,946	155.65	62,554	159.76	63,283	161.62	64,029	163.52	64,793	165.47	65,575	167.47	66,377	169.52
Aug	63,146	161.75	64,813	166.02	65,568	167.95	66,341	169.93	67,133	171.96	67,943	174.04	68,774	176.17
Sep	50,423	151.49	51,754	155.49	52,357	157.30	52,974	159.16	53,606	161.06	54,254	163.00	54,917	164.99
Oct	56,847	148.99	58,333	152.88	58,925	154.44	59,531	156.02	60,150	157.65	60,784	159.31	61,432	161.01
Nov	31,407	61.38	32,228	62.98	32,555	63.62	32,890	64.28	33,232	64.95	33,582	65.63	33,941	66.33
Dec	35,150	64.10	36,069	65.78	36,435	66.45	36,809	67.13	37,192	67.83	37,584	68.54	37,985	69.27
TOTAL:	506,871		520,193		525,915		531,773		537,769		543,906		550,188	
Summer Peak (MW)		*161.75*		*166.02*		*167.95*		*169.93*		*171.96*		*174.04*		*176.17*
Winter Peak (MW)		*148.99*		*152.88*		*154.44*		*156.02*		*157.65*		*159.31*		*161.01*

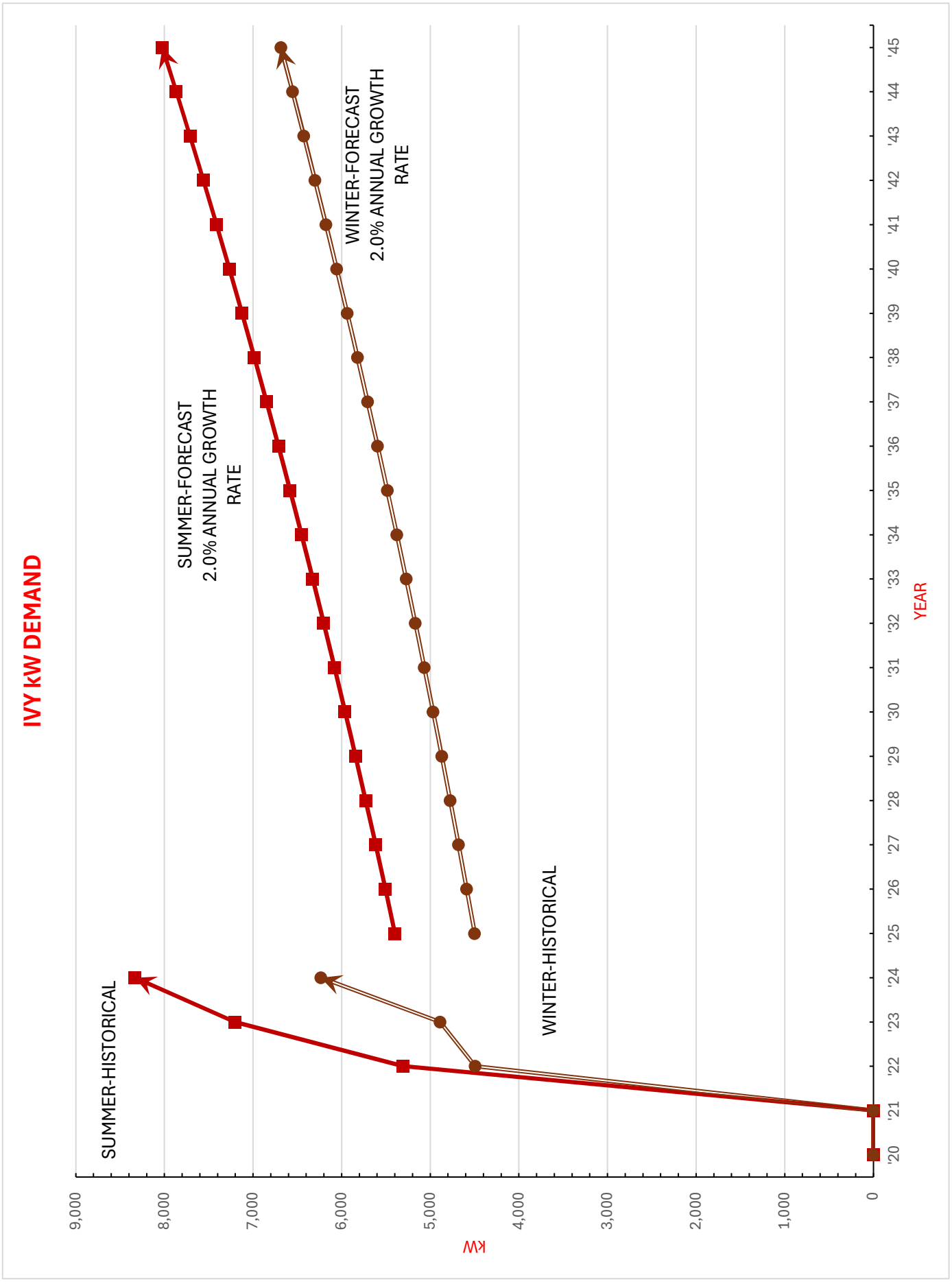

BANNING ELECTRIC UTILTIY MWH PURCHASES
FORECAST
2.4% ANNUAL GROWTH
RATE
HISTORICAL
MWH (x1,000)
YEAR
300
250
200
150
100
50
0
'19
'20
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'22
'23
'24
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'44
'45

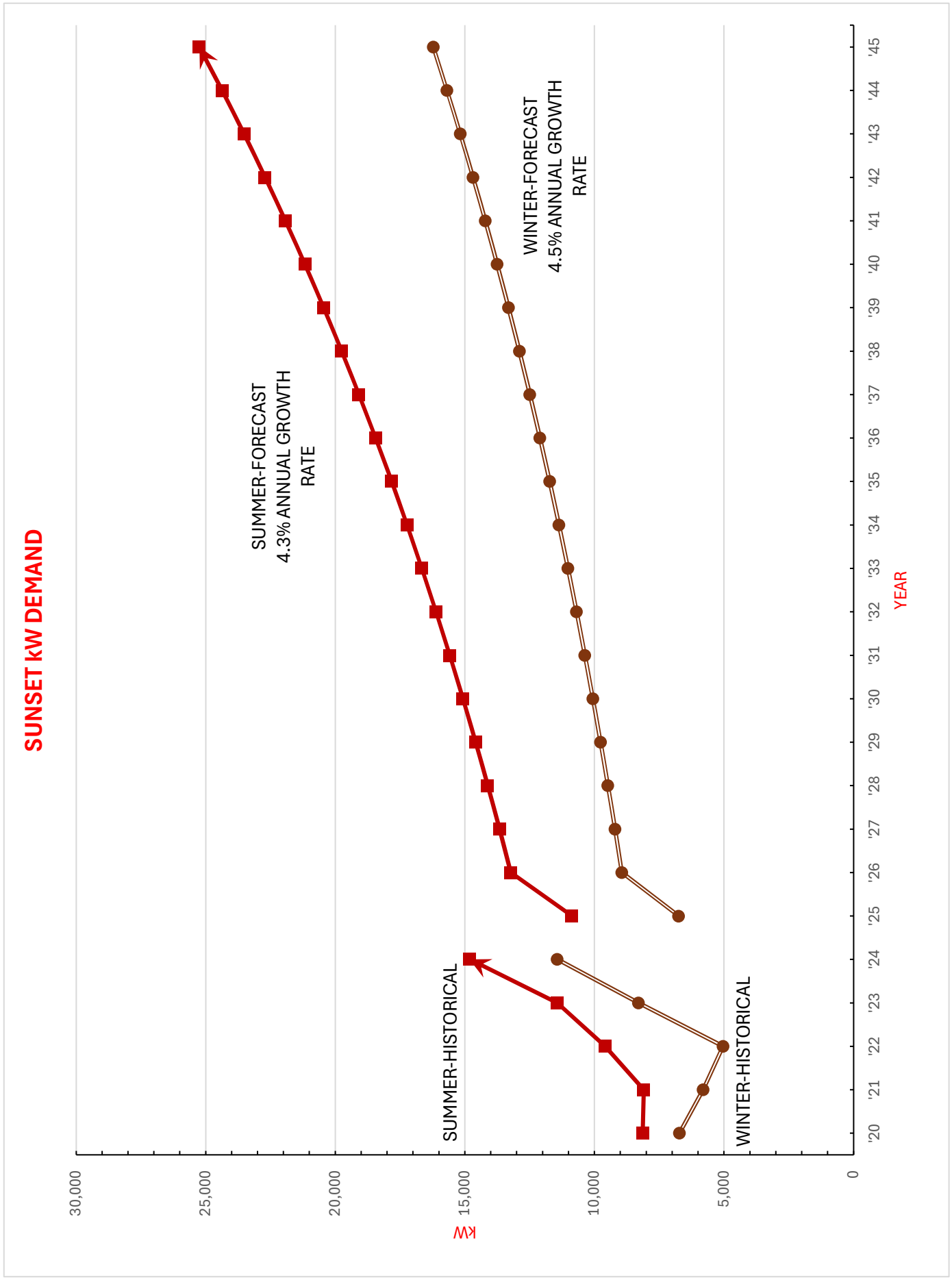

SAN GORGONIO TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
1.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
1.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
'24
'25
'26
'27
'28
'29
'30
'31
'32
'33
'34
'35
'36
'37
'38
'39
'40
'41
'42
'43
'44
'45
YEAR


MIDWAY TOTAL kW DEMAND
30,000
25,000
20,000
15,000
10,000
5,000
0
kW
SUMMER-FORECAST
2.7% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.7% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
'20
'21
'22
'23
'24
'25
'26
'27
'28
'29
'30
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'41
'42
'43
'44
'45
YEAR


22ND STREET kW DEMAND
SUMMER-FORECAST
1.1% ANNUAL GROWTH
RATE
WINTER-FORECAST
1.1% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
'20
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STAGECOACH kW DEMAND
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
kW
YEAR
12,000
10,000
8,000
6,000
4,000
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IVY kW DEMAND
SUMMER-HISTORICAL
SUMMER-FORECAST
2.0% ANNUAL GROWTH
RATE
WINTER-HISTORICAL
WINTER-FORECAST
2.0% ANNUAL GROWTH
RATE
kW
YEAR
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
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SUNSET kW DEMAND
SUMMER-FORECAST
4.3% ANNUAL GROWTH
RATE
WINTER-FORECAST
4.5% ANNUAL GROWTH
RATE
SUMMER-HISTORICAL
WINTER-HISTORICAL
kW
YEAR
30,000
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5.4 – Overhead Maintenance Program

The Overhead Maintenance Program include the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect 15 poles per week for the years 2026 thru 2030. This totals to 780 poles inspected per year and 3,900 poles inspected for the duration of the 5-Year CIP. An estimated cost of $270 per pole inspection was used and a 3% inflation to this cost was assumed per year starting in 2027. The total estimated cost for pole inspections for the 5-Year CIP is $1,151,647.

It is projected that BEU will replace 50 poles per year for the years 2026 thru 2028 and 100 poles per year for the years 2029 and 2030. This totals to 350 poles replaced for the duration of the 5-Year CIP. An estimated cost of $7,520 per pole replacement was used and a 3% inflation to this cost was assumed per year starting in 2027. The total estimated cost for pole replacements for the 5-Year CIP is $2,906,791.

The total estimated cost for the Overhead Maintenance Program for the 5-year CIP is $4,058,438. The table below shows a breakdown of the Overhead Maintenance Program.

Table 5.4-1 – Overhead Maintenance Program Costs

	2026	2027	2028	2029	2030	Total
Number of Poles Inspected	780	780	780	780	780	3,900
Cost per Inspection	278	286	295	304	313	-
Total Cost of Inspection	$216,918	$223,426	$230,128	$237,032	$244,143	$1,151,647
Number of Poles Replaced	50	50	50	100	100	350
Cost per Replacement	$7,746	$7,978	$8,217	$8,422	$8,675	-
Total Cost of Replacement	$387,280	$398,898	$410,865	$842,240	$867,507	$2,906,791
Total Overhead Maintenance Program	**$604,198**	**$622,324**	**$640,994**	**$1,079,272**	**$1,111,650**	**$4,058,438**

5.5 – Capital Maintenance Projects

BEU has identified 18 Capital Maintenance projects to include in the 5-year CIP. The total estimated cost for these projects is $20,784,500. It is projected that BEU will receive $9,293,750 in contributions in aid to these projects bringing the total BEU funding cost to $11,490,750.

The following tables list the Capital Maintenance projects that have been identified for inclusion to the 5-year CIP.

Table 5.5-1 – Capital Maintenance Project Costs

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola)	2027-2028	$149,500	$0	$149,500
Underground Conductor Replacement Barbour St E/O Hathaway	2027	$275,000	$0	$275,000
Underground Conductor Replacement at Mockingbird Lane and Hillside Dr	2027	$750,000	$0	$750,000
Underground Conductor Replacement at Westward Ave from 4th St to 8th St	2027	$625,000	$0	$625,000
Fiber Extension to Stagecoach Substation (UG and OH)	2027	$285,000	$0	$285,000
Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement)	2027-2030	$6,125,000	$0	$6,125,000
34.5 kV/12.47 kV (Cir 77)/fiber UG and OH Extension to Sunset Ave	2029	$2,000,000[1]	$1,200,000	$800,000
SoCalGas Reimbursement for Feeder Circuits to Cottonwood Ave	2027	TBD	100%	$0

[1] Up to 60% contribution from WKJ Development

Table 5.5-1 – Capital Maintenance Project Costs (continued)

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Underground Conductor Replacement at Vista Serena Ave	2029	$350,000	$175,000[2]	$175,000
Fire Mitigation Tier 2/3 High Threat Area (Various)	2026-2028	$450,000	$0	$450,000
Mias Canyon Line Hardening	2027	$2,100,000	$2,100,000[3]	$0
34.5 kV/12.47 kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St	2029-2030	$2,000,000	$2,000,000[4]	$0
34.5 kV/12.47 kV/fiber Underground Circuits Lincoln St to John St	2027, 2029	$150,000	$0	$150,000
Install Two (2) Engineered base-plate pole at Sunset and Lincoln	2028-2029	$850,000	$0	$850,000
Install Reclosers on 34.5 kV and 12.47 kV system	2028	$250,000	$0	$250,000
Robertson's Ready Mix Circuit Re-route	2026-2028	$425,000	$318,750[5]	$106,250
Sun Lakes Blvd Extension - Electric Relocation	2026-2028	$3,500,000	$3,500,000[6]	$0

[2] Up to 50% contribution from Vista Serena Developer
[3] 100% grant funded
[4] 100% funded from Sansone Group and First Hathaway Industrial
[5] Up to 75% contribution from Robertson's Ready Mix
[6] 100% Public Works funded

Table 5.5-1 – Capital Maintenance Project Costs (continued)

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
SCE Upfront Capital Costs	2028	$500,000	$0	$500,000
		$20,784,500	**$9,293,750**	**$11,490,750**

The following pages contain the CIP worksheets as provided by BEU.

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conversion Livingston to Hargrave (Backbone/Fiber loop at Ramsey/Livingston/Alola)	**12/1/2027**

Project Description:

Complete distribution circuit ties between San Gorgonio Substation and Stagecoach Substation that will provide electric distribution to the area that had been previously served by the decommissioned Alola Substation. This project will include short distance line extensions, installation of PME switches, and fiber optic cable installation.

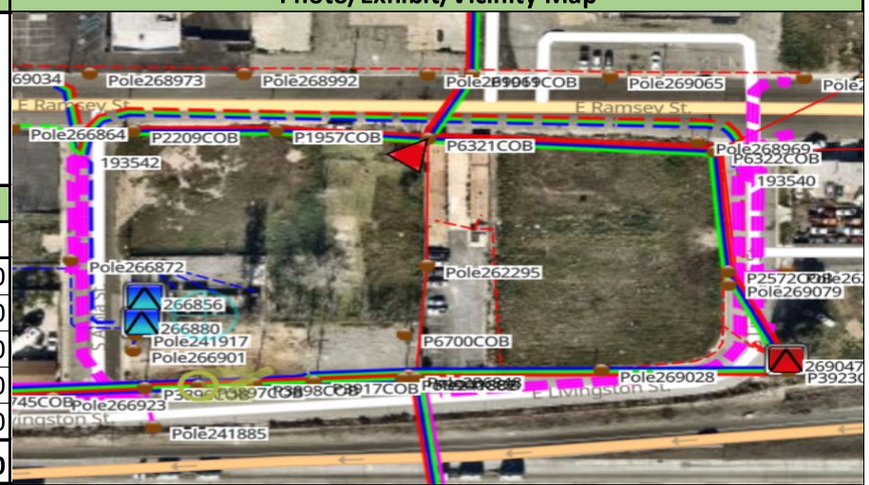
Project Benefit:

Provides added redundancy and resiliency to distribution service in the northeast section of BEU's service territory.

Project Status:

Currently in design; construction phase is tentatively scheduled to commence construction during FY 26/27 and will conclude in FY 27/28.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$9,500
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$135,000
Total	**$149,500**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$149,500	$9,500	$140,000					**$149,500**
								$0
								$0
Total	**$149,500**	**$9,500**	**$140,000**	**$0**	**$0**	**$0**	**$0**	**$149,500**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conversion Barbour St (12kV Conversion at 700 S. Hathaway)	**12/1/2026**

Project Description:

Complete 12.47kV conversion for four service at 700 S. Hathaway St. Decommission Airport Substation.

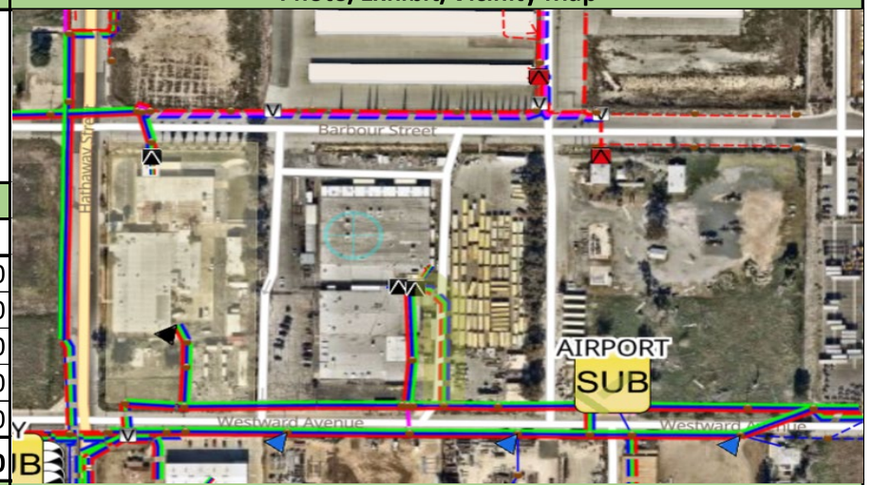
Project Benefit:

This project will conclude the 12kV Conversion project that has taken BEU nearly 50 years to complete. This will provide stable service reliability in the area.

Project Status:

Currently in design; construction phase is tentatively scheduled to commence construction during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$20,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$250,000
Total	**$275,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$275,000	$275,000						**$275,000**
								$0
								$0
Total	**$275,000**	**$275,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$275,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement - Mockingbird & Hillside	**12/1/2026**

Project Description:

Complete reconductoring on Hillside Dr and Mockingbird Ln.

Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

The initial phase of this project was completed in 2023 due to the occurrence of a fault on an unjacketed primary distribution conductor within the project area; the final phase of construction phase is tentatively scheduled to commence during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$55,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$18,000
Construction	$677,000
Total	**$750,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$750,000	$750,000						**$750,000**
								$0
								$0
Total	**$750,000**	**$750,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$750,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement - Westward Ave to Barbour St, 4th St to 8th St	**6/1/2026**

Project Description:

Complete reconductoring on between Westward Ave and Barbour St, from 4th St to 8th St.

Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

Some preliminary reconductoring occurred during a 2022 fault event involving unjacketed primary distribution conductor within the project area; construction of all improvements is tentatively scheduled to commence during FY 26/27.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$25,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$10,000
Construction	$590,000
Total	**$625,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$625,000	$625,000						**$625,000**
								$0
								$0
Total	**$625,000**	**$625,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$625,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Fiber Extension to Stagecoach	**12/30/2027**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits thru easement within Banning Airport property from Lincoln St to John St.

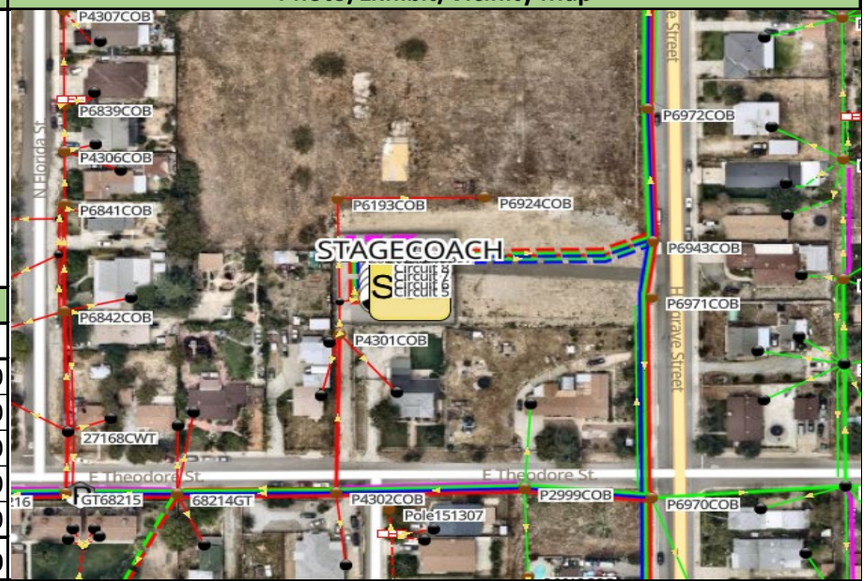
Project Benefit:

This project will help push BEU toward completion of fiber optic hard line connectivity all six substations for SCADA monitoring and control.

Project Status:

In 2022, BEU completed a line extension on Hargrave Street from the site of the decommissioned Alola Substation to the newly built Stagecoach Substation in order to energize the asset and provide service to the northeast portion of BEU's service area. The design for this pole line extension included provisions for a future utility fiber optic line attachment to support SCADA communication. BEU anticipates construction to commence during FY 26/27, but may be able to be delayed and encumbered into future fiscal year budgets if needed.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$15,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$265,000
Total	**$285,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$285,000	$285,000						**$285,000**
CIAC	$0							**$0**
								$0
Total	**$285,000**	**$285,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$285,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Midway Substation Upgrades (breaker replacement and SCADA upgrades)	**5/30/2028**

Project Description:

Install SCADA RTU and other equipment to make Midway Substation SCADA ready. Replace distribution with spare breakers as needed. This project will also address potential full substation upgrade if direction is to utilize the existing property.

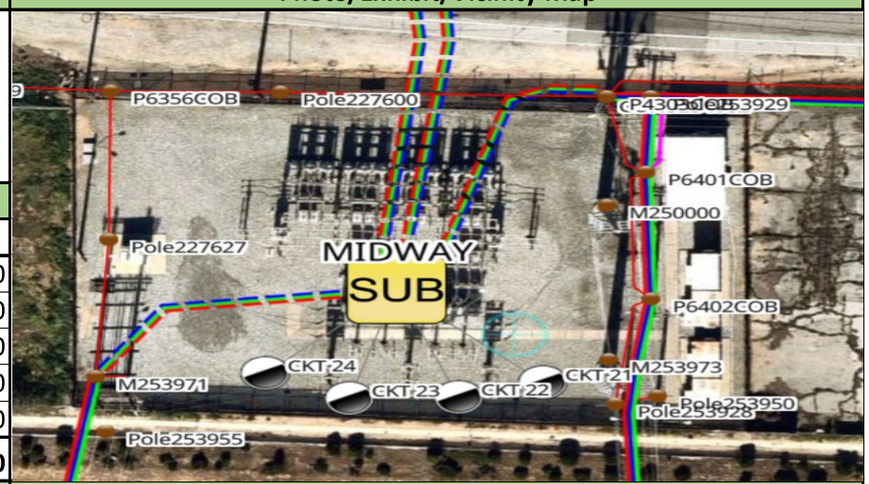
Project Benefit:

Midway is BEU's oldest Substation, built in 1972. Most of the equipment, including the transformers and distribution breakers are original and nearing the end of useful life. The SCADA upgrades will allow remote visibility at the substation, while as-needed breaker replacement will allow the substation to continue operating as intended. The eventual replacement of all equipment at the substation will help conclude modernization of all BEU's substation assets.

Project Status:

BEU has began vetting equipment that will be utilized to make Midway Substation SCADA-ready. Construction of this phase is tentatively scheduled to commence during FY 26/27. All other improvements we be evaluated later in the initial 5-yr CIP period.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$5,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$2,500
Construction	$117,500
Total	**$125,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$125,000	$75,000	$50,000					**$125,000**
								$0
								$0
Total	**$125,000**	**$75,000**	**$50,000**	**$0**	**$0**	**$0**	**$0**	**$125,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV (Cir 77)/fiber UG and OH Extension to Sunset Ave	**6/30/2029**

Project Description:

Extend electric sub-transmission and distribution from Mountain Ave to Sunset Ave.

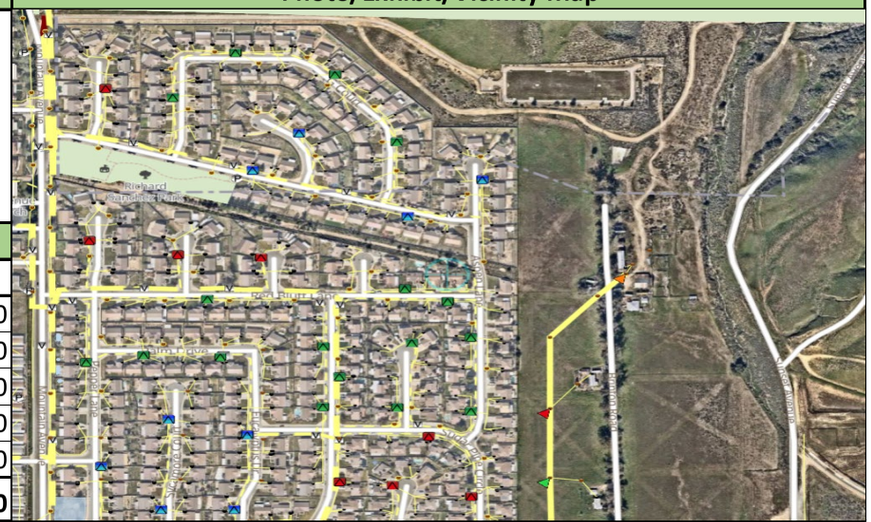
Project Benefit:

Circuit #77, which originates from Sunset Substation, is terminated in a switch cabinet on Mountain Ave. This circuit was designed to provide distribution services to newer developments along Sunset Ave north of Wilson St. Completing this line extension allows BEU to fulfill this need, while also seeking monetary contributions from these developments thru line extension agreements.

Project Status:

BEU has completed a preliminary design of the 12.47kV distribution extension thru the area. Design for the 34.5kV and fiber extension still needs to be completed. Environmental, survey, and possible ROW acquisition will be required for this project. Construction is tentatively scheduled to commence during FY 28/29, or as soon as advance on construction is received for from developers in the area that will be served with this line extension.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$115,000
Right of Way Acquisition	$50,000
Construction Support (e.g. survey, soils, etc.)	$75,000
Construction Management/Inspections	$45,000
Construction	$1,715,000
Total	**$2,000,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$800,000			$800,000				**$800,000**
CIAC (WJK Development)	$1,200,000			$1,200,000				**$1,200,000**
								$0
Total	**$2,000,000**	**$0**	**$0**	**$2,000,000**	**$0**	**$0**	**$0**	**$2,000,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Underground Conductor Replacement at Vista Serena	**6/30/2029**

Project Description:

Complete reconductoring of unjacketed cable in the Vista Serena development in conjunction with an ongoing development-driven project to complete buildout of the complex.

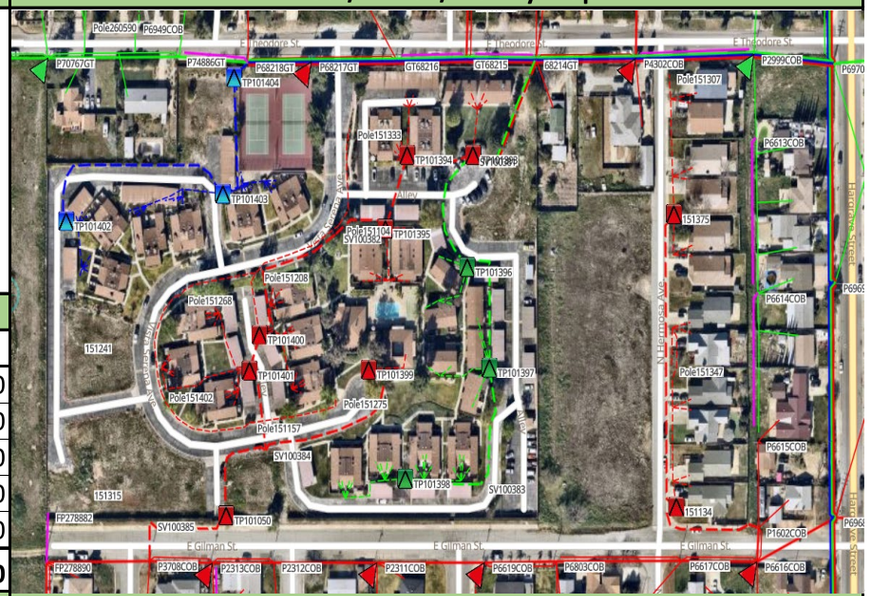
Project Benefit:

This project will address replacement of antiquated unjacketed cable in BEU's system. The unjacketed cable has become obsolete and is prone to greater percentage of fault occurrence, which leads to longer customer outages.

Project Status:

BEU has completed minor reconductoring within Vista Serena that had come as a result of outages created by cable fault/failure. Design for the complete distribution upgrades to serve the development is in progress. The developer will have a cost responsibility for new line extensions within the development, as well as replacement of some of the existing unjacketed cable. Construction is tentatively scheduled to commence during FY 26/27, or as soon as advance on construction is received from the developer. Completion of all remaining reconductoring outside of developer requirements will occur during FY 28/29.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$6,500
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$15,000
Construction	$328,500
Total	**$350,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$175,000			$175,000				**$175,000**
CIAC (Vista Serena)	$175,000	$175,000						**$175,000**
								$0
Total	**$350,000**	**$175,000**	**$0**	**$175,000**	**$0**	**$0**	**$0**	**$350,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Fire Mitigation Improvements in High Fire Threat District	**6/30/2029**

Project Description:

BEU will complete improvements to control of electricity in the Tiers 2 & 3 High Fire Threat District (HFTD). BEU will begin with the installation of distribution circuit reclosers to allow power to be shut off to these areas in the event that an imminent threat to public safety becomes present.

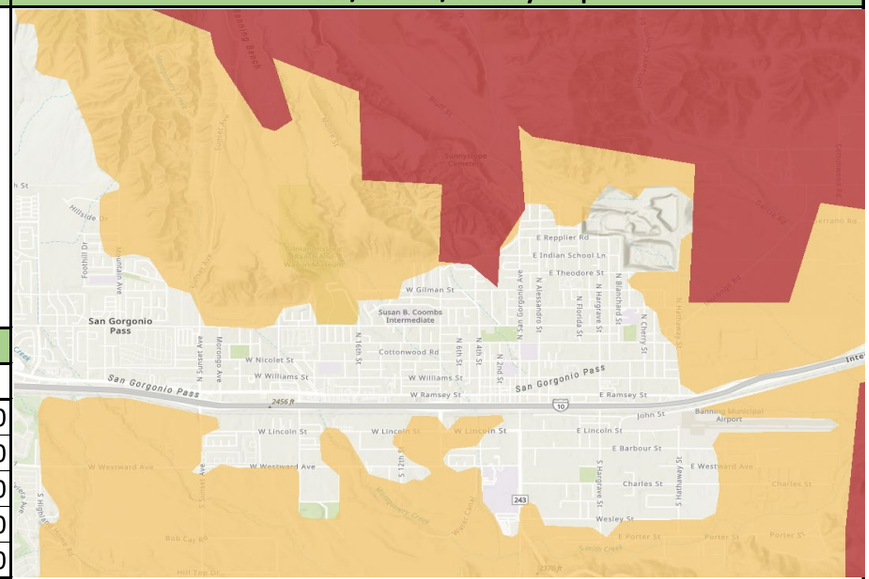
Project Benefit:

This project will assist with the continued monitoring and operation of the electric distribution facilities within the HFTD Tiers 2 & 3 areas. The California Public Utility Commission's Wildfire Safety Advisory Board (WSAB) recommended that utilities with electric transmission or distribution facilities in HFTDs make tangible improvements to the monitoring and operation of these facilities to reduce wildfire risk.

Project Status:

BEU has been required to submit a Wildfire Mitigation Plan for review to the WSAB each year since 2020. Within this time, BEU has completed minor improvements to facilities in Banning Canyon (water canyon) and has applied for grant funding to upgrade facilities within Mias Canyon. BEU is obligated to continue fire mitigation efforts, and has identified the use of reclosers as a high priority solution for circuits that enter the HFTD. BEU anticipates construction to begin during FY 26/27, and continue annually until grid hardening solutions have been met. BEU will continue to search for and apply for grant funding to offset revenue expenditures.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$25,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$420,000
Total	**$450,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$450,000	$150,000	$150,000	$150,000				**$450,000**
CIAC	$0							**$0**
								$0
Total	**$450,000**	**$150,000**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$450,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

Project Title:	Estimated Completion Date:
Mias Canyon Line Hardening	12/30/2028

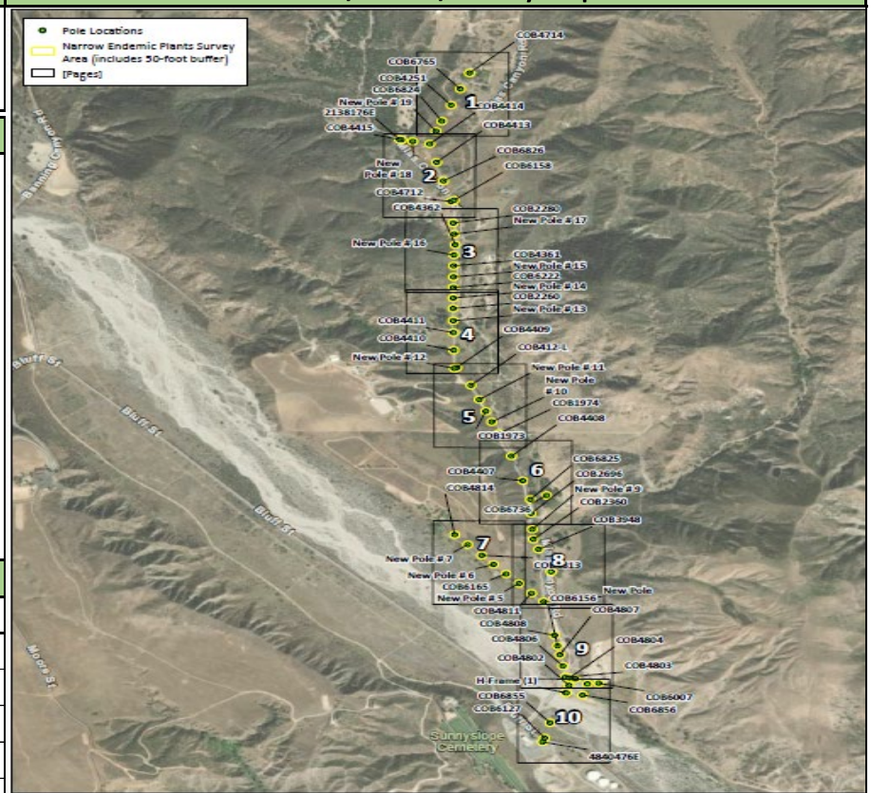
Project Description:

This project involves replacing 75 utility poles with new fire retardant-treated poles; replacing wooden crossarms on poles with fiberglass crossarms; installing insulated/covered wire and jumpers; installing covered insulators; installing line protection measures; and completing hazardous fuels reduction.

Project Benefit:

This project will help provide redundancy on our 34.5kV and 12.47kV and assist providing a point of connection to the 34.5kV system for the proposed substation to support expansion in the eastern part of the City.

Photo/Exhibit/Vicinity Map



Project Status:

The result from the Apple Fire in 2020 prompted BUE to search for funding to complete much needed upgrades/line hardening in areas within the service territory that are most susceptible to fire ignition. BEU began the design and grant application process for this project in 2021, and is currently awaiting funding after various design and environmental clearance activities. This project will be grant-funded thru the federal government's Hazard Mitigation Grant Program at 75% of total project cost, with 25% matching contributions form California Governor's Office of Emergency Services (CalOES) to complete the full 100% funding. Construction start for this project is dependent upon the grant funding during FY 26/27, in which BEU will be given 24 months to complete.

Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$185,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$10,000
Construction Management/Inspections	$45,000
Construction	$1,860,000
Total	**$2,100,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$0							**$0**
CIAC (Grant)	$2,100,000	$2,100,000						**$2,100,000**
Total	**$2,100,000**	**$2,100,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,100,000**

Department:	Division:	Contacts:
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV/fiber Underground Circuits Hathaway St from Williams St to Hoffer St	**6/30/2030**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits on Hathaway St and new utility service extensions to accomodate new industrial development. This project is fully dependent on the completion of this development.

Project Benefit:

This project will accommodate street improvements required by the Sansone Group and First Hathaway Industrial warehouse developments. This will also assist with beautification of the eastern corridor due to the undergrounding of BEU utilities.

Project Status:

BEU has completed UG conversion of facilities from Ramsey St to Williams St along Hathaway St in 2022. Design for this project is in progress. The developers will have a full responsibility for relocation/conversion along Hathaway St and new line extensions within the development. Construction is tentatively scheduled to commence during FY 28/29, or as soon as advance on construction is received from the developer.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$55,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$35,000
Construction	$1,910,000
Total	**$2,000,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue								**$0**
CIAC (Sansone/First Hathaway)	$2,000,000			$1,000,000	$1,000,000			**$2,000,000**
								$0
Total	**$2,000,000**	**$0**	**$0**	**$1,000,000**	**$1,000,000**	**$0**	**$0**	**$2,000,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
34.5kV/12.47kV/fiber Underground Circuits Lincoln St to John St	**6/30/2029**

Project Description:

Underground conversion of 34.5kV, 12.47kV and fiber optic circuits thru easement within Banning Airport property from Lincoln St to John St.

Project Benefit:

This project will help provide redundancy on our 34.5kV and 12.47kV and assist providing a point of connection to the 34.5kV system for the proposed substation to support expansion in the eastern part of the City.

Project Status:

In 2015, BEU completed a line extension thru an existing utility easement on the airport property to accommodate future redundancy needs. BEU has also completed UG line extensions to new facilities in the area which began in 2021. As the City continues to build out, more capacity will be needed in East Banning. Design for this project should begin early 2027. There may be a design/construction cost responsibility for future developers, but that cost is still unknown. BEU anticipates construction to commence during FY 28/29, as the need for additional capacity may become a requirement.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$20,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$125,000
Total	**$150,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$175,000	$20,000		$130,000				**$150,000**
CIAC	$0							**$0**
								$0
Total	**$175,000**	**$20,000**	**$0**	**$130,000**	**$0**	**$0**	**$0**	**$150,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Engineered Base-Plate Poles at Sunset and Lincoln	**6/30/2029**

Project Description:

Installation of two engineer-base steel pole to support 69/ 34.5kV, 12.47kV and fiber optic circuits on the west side of Sunset Ave north of Lincoln St.

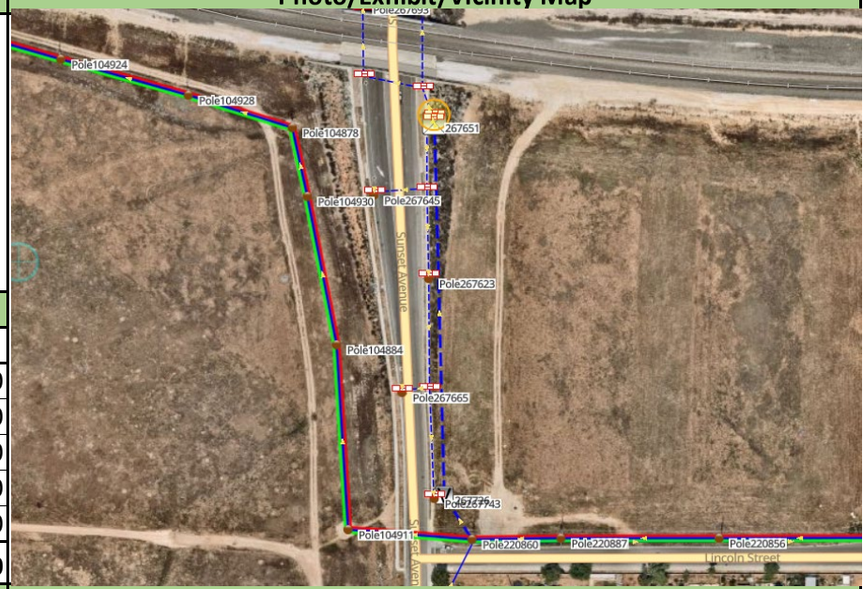
Project Benefit:

This project will provide a much needed infrastructure upgrade for a critical 69/34.5kV/12.47kV/fiber pole line that contains the capacity to support 2/3 of BEU's total energy demand. This pole line carries transmission to Midway and Subset Substations which account for the largest loads within BEU's service territory.

Project Status:

In 2014, BEU completed a relocation of the steel pole transmission line at Sunset Ave and Lincoln Street. The final phase of this project was to be completed prior to 2017, however budget constraints prevented the completion of the project. There may be a design/construction cost responsibility for future developers, but that cost is still unknown. BEU anticipates construction to commence during FY 28/29, which is anticipated to coincide with commercial development within the area.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$60,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$50,000
Construction Management/Inspections	$35,000
Construction	$705,000
Total	**$850,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$850,000		$425,000	$425,000				**$850,000**
CIAC	$0							**$0**
								$0
Total	**$850,000**	**$0**	**$425,000**	**$425,000**	**$0**	**$0**	**$0**	**$850,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Install Reclosers on 34.5 kV and 12.47 kV system	**6/30/2028**

Project Description:

BEU will complete a pilot project to install reclosers and other sectionalizing devices on the distribution and sub-transmission system.

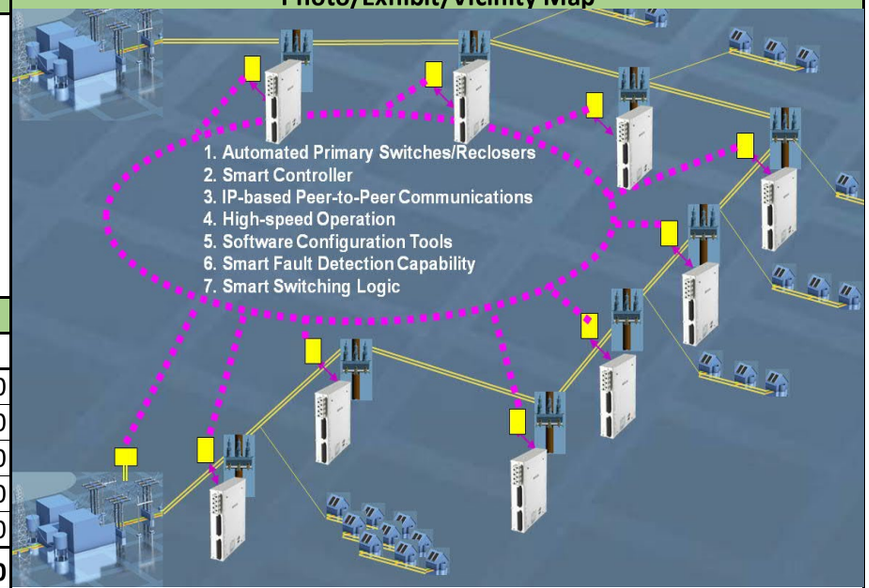
Project Benefit:

This project will allow BEU to improve redundancy and reliability within the system by isolating outages to a smaller area and reduce power restoration times.

Project Status:

Planning and equipment research for this project began in 2022 and will continue with the completion of a system impact study of the current electric grid. BEU will vet different equipment manufacturers and determine the best method for initiating the pilot. The project will be constructed using BEU's in-house power line construction services. The pilot will include investigation and implementation of distribution automation (DA) solutions to provide communication with the field devices that are installed. BEU anticipates this pilot to begin in FY 27/28.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$35,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$5,000
Construction	$210,000
Total	**$250,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$250,000		$250,000					**$250,000**
CIAC (Grant)								**$0**
								$0
Total	**$250,000**	**$0**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$250,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Robertson's Ready Mix Circuit Re-route	**6/30/2028**

Project Description:

Re-route/rebuild of 34.5kV, 12.47kV and fiber optic circuits around the Robertson's Ready Mix mining site.

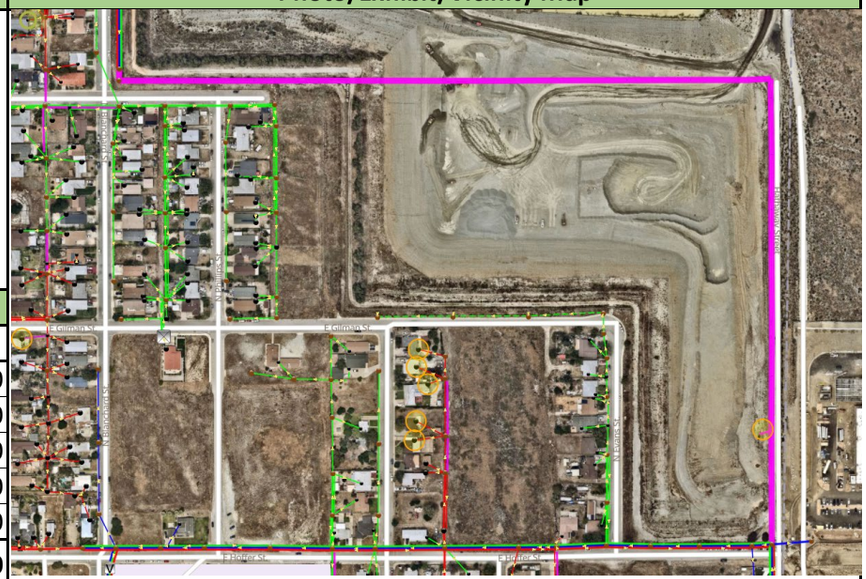
Project Benefit:

This project will be required to rebuild BEU's distribution circuit around Robertson's Ready Mix's expanded mining site that was previously removed. BEU will regain the loss in capacity and redundancy in the system be completing this circuit re-build.

Project Status:

BEU is negotiating a line extension agreement with Roberston's Ready Mix to complete the circuit re-route around the expanded mining area north of Hoffer St and west of Hathaway St. BEU has already completed removal of utility poles in conflict with the new mining activities in anticipation of beginning the construction of the circuit re-rout by 2025. There will be a design/construction cost responsibility for Robertson's that will total 75% or more of total project costs. BEU anticipates construction to commence during FY 26/27 and be completed in the following fiscal year.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$65,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$15,000
Construction	$345,000
Total	**$425,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$106,250		$106,250					**$106,250**
CIAC	$318,750	$318,750						**$318,750**
								$0
Total	**$425,000**	**$318,750**	**$106,250**	**$0**	**$0**	**$0**	**$0**	**$425,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

CITY OF BANNING

5 YEAR CAPITAL IMPROVEMENT PROGRAM (FY 2027- 2031)

Project Title:	**Estimated Completion Date:**
Sun Lakes Blvd Extension - Electric Relocation	**12/30/2027**

Project Description:

BEU will relocate transmission, distribution, and fiber optic infrastructure on Westward Ave/Sun Lakes Blvd due to roadway improvements. This project will include both underground conversion and overhead line hardening as these improvements will occur in the Tier 2 High Fire Threat District (HFTD).

Project Benefit:

This project will accommodate roadway improvements to connect Sun Lakes Blvd from Highland Home Road to Sunset Ave.

Project Status:

Planning and field investigation for this project started in 2021. BEU completed a design to convert overhead facilities to underground construction to accommodate the roadway extension. The project was bid to a construction contractor and approved by City Council in late 2025. Since BEU is obligated to continue fire mitigation efforts, improvements to the overhead infrastructure that will remain will include line hardening elements to protect from and prevent wildfire in the HFTD. BEU anticipates construction to begin toward the end of FY 26/27, and continue thru FY 27/28. Electric improvements for this project will be grant funded.

Photo/Exhibit/Vicinity Map



Project Budget:

Budget Distribution	Est. Amount
Design/Engineering/Enviro.	$125,000
Right of Way Acquisition	$0
Construction Support (e.g. survey, soils, etc.)	$0
Construction Management/Inspections	$50,000
Construction	$3,325,000
Total	**$3,500,000**

Funding Plan:

Funding Source	Funds	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Funds	Total
Electric Revenue	$0							**$0**
CIAC (Grant)	$3,500,000	$2,500,000	$1,000,000					**$3,500,000**
								$0
Total	**$3,500,000**	**$2,500,000**	**$1,000,000**	**$0**	**$0**	**$0**	**$0**	**$3,500,000**

Department:	**Division:**	**Contacts:**
Electric	Engineering	Fred Lyn, Deputy Electric Utility Director Brandon Robinson, Electric Engineering Supervisor

5.6 – Substation Capacity Analysis

The table below represents the substation capacity analysis based on the 2030 substation demand forecast. As shown in the table, the Midway, San Gorgonio, and Sunset summer forecast exceeds the base rating of their respective transformer; however, the forecast does not exceed the max rating of the transformer, therefore, no substation improvements are required in the 5-Year CIP.

The table also shows that the BEU system non-coincident peak exceeds the SCE Banning substation transformer base capacity for the summer and winter forecast and also the max capacity in the summer. Based on the non-coincident forecast, the total BEU system load is expected to exceed the max capacity by the summer of 2026. It is recommended that BEU continue to coordinate with SCE on the substation transformer capacity and develop a plan to increase the substation transformer capacity through the end of the forecast period.

Table 5.6-1 – Substation Capacity Analysis

		2030 kW Demand Forecast	Transformer Base MVA	Transformer Max MVA	Transformer High Side kV	Transformer Low Side kV	Transformer % Capacity Base	Transformer % Capacity Max
22nd Street	S	11,270	15	25	34.4	12.47	75%	45%
	W	8,672	18	29			48%	30%
Ivy	S	6,598	15	25	69x34.4	12.47	44%	26%
	W	5,604	18	29			31%	19%
Midway	S	17,197	2 x 7.5	2 x 9.375	34.4	12.47	115%	92%
	W	11,040	18	22			61%	51%
San Gorgonio	S	21,465	2 x 10	2 x 14	69x34.5	12.47	107%	77%
	W	19,809	24	32			83%	62%
Stagecoach	S	7,397	10	12.5	69x34.5	12.47	74%	59%
	W	4,196	12	14			35%	29%
Sunset	S	15,077	15	25	69x34.5	12.47	101%	60%
	W	10,064	18	29			56%	35%
SCE-Banning	S	63,576	2 x 21	2 x 28		34.5	151%	114%
	W	53,737	50.4	64			107%	83%

Notes:

1. Individual substation kW Demand forecast shown as the non-coincident peak.
2. SCE-Banning kW Demand forecast shown as the coincident peak.
3. Base winter rating determined by IEEE C57.91-1995, Table 4 (1% increase per °C)
4. Max winter rating determined by IEEE C57.91-1995, Table 4 (0.75% increase per °C)

5.7 – Distribution System Analysis

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include 14 projects to switch load to adjacent lines to reduce single-phase line loading at a total estimated cost of $41,700, 2 projects for new line construction of 600' totaling $336,400, 9 projects for single-phase to three-phase line rebuild of 10,107' totaling $2,142,100, and 2 projects for three-phase line rebuild using larger conductor of 2,130' totaling $285,500. The total estimated cost for distribution system improvements is $2,805,700.

The following pages detail the recommended distribution system improvements by substation and circuit.

22ND STREET SUBSTATION

CKT 63

CIP-1

Issue: UG146168, 1Ø, #2 URD line with 36 amps, 94 thru consumers.

Resolution: Close switch at vault 143589 at the intersection of Weather Way and Spring Pl. and open at the transformer at pad 146130 at the intersection of Summer Set Cir. and Amper Sky St. and feed load along Autumn Ln. from SW145671-B. Estimated cost: $2,300 (2030).

Image 5.7-1 – CIP Project 1

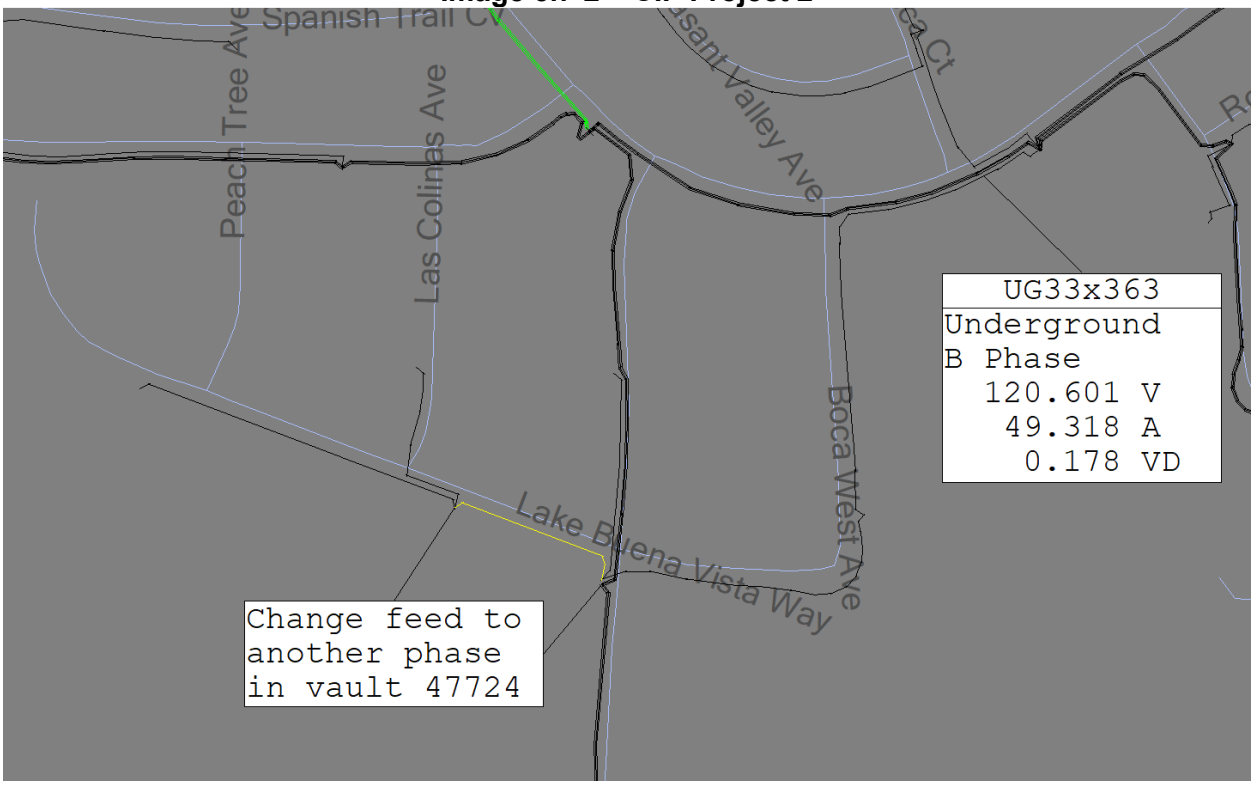


CIP-2

Issue: UG33x363, 1Ø, 1/0 URD line with 49 amps, 102 thru consumers.

Resolution: BEU will inspect the facilities at the intersection of Lake Buena Vista Way and Birdie Dr. and switch some of this B phase load along Lake Buena Vista Way west of Birdie Dr. to the 3Ø line that runs along Birdie Dr. Estimated cost: $2,000 (2028).

Image 5.7-2 – CIP Project 2



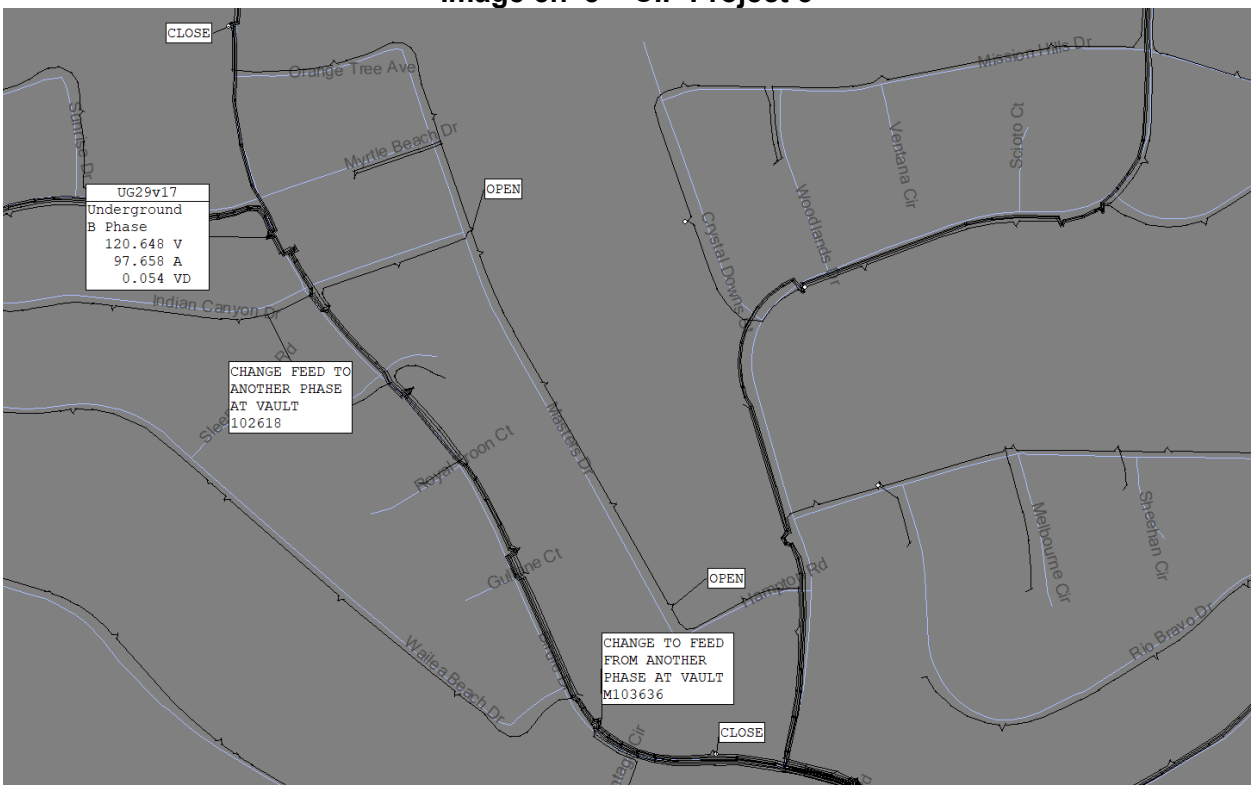
CIP-3

Issue: UG29v17, 1Ø, 1/0 URD with 97 amps, 239 thru consumers.

Resolution:

- Close switch at vault 101946 and open at vault 102621 at the intersection of Indian Canyon Dr. and Masters Dr. and backfeed all load north from SW103762-A.
- Close switch at pad 103628 and open at pad 103513 to switch load south from pad 103628A.
- Install 3Ø vault at the intersection of Indian Canyon Dr. and Birdie Dr. and change feed of UG33x433 from 3Ø line along Birdie Dr. to feed all load along Indian Canyon Dr. west of Birdie Dr. from the 3Ø vault. Estimated cost: $5,900 (2026).

Image 5.7-3 – CIP Project 3



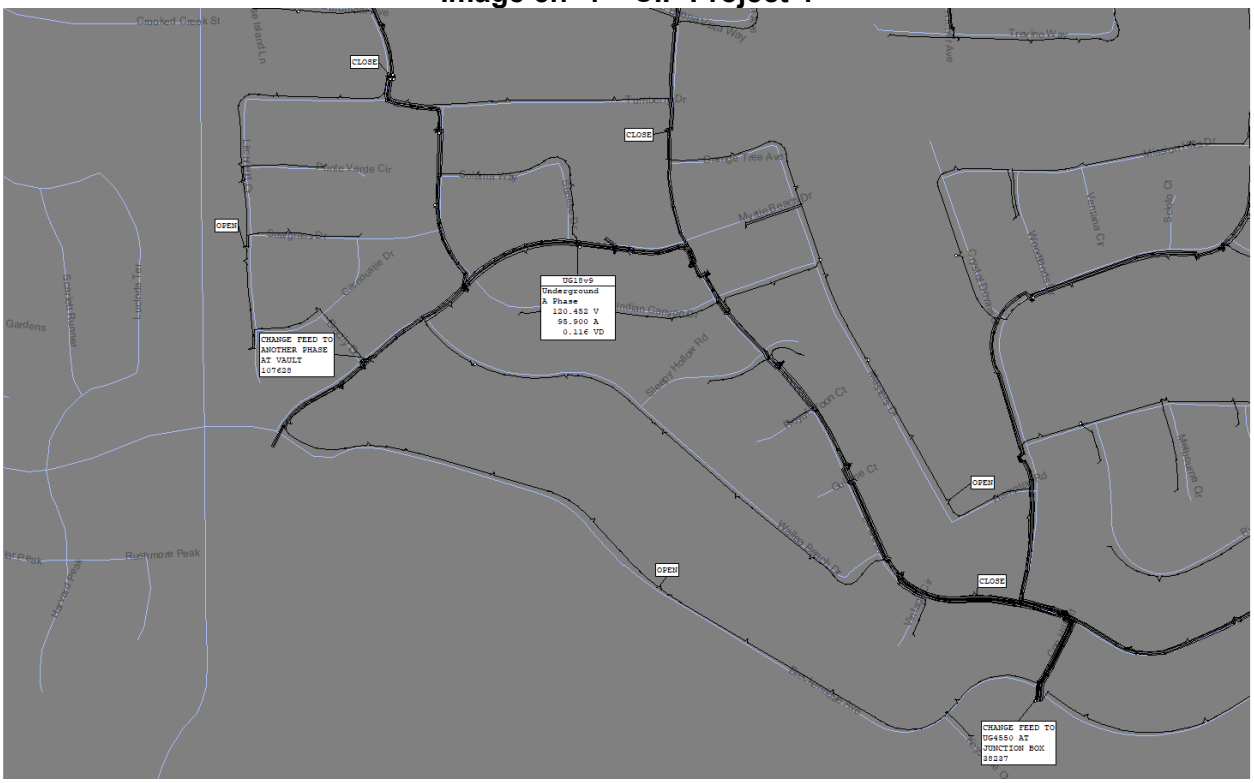
CIP-4

Issue: UG18v9, 1Ø, 1/0 URD with 96 amps, 230 thru customers.

Resolution:

- Change feed of line along Bradley St. to feed from 3Ø junction box and connect UG133185 by closing a switch at vault 103523 and open at the intersection of Sawgrass Dr. and Litchfield Ct. to serve all load north of vault 103523.
- Backfeed UG109597 from 3Ø UG4550 and open around UG33x474 along Brackenridge Ave. Estimated cost: $4,000 (2027).

Image 5.7-4 – CIP Project 4



CKT 64

Issue: None

IVY SUBSTATION

CKT 11

Issue: None

CKT 12

Issue: None

CKT 13

Issue: None

MIDWAY SUBSTATION

CKT 21

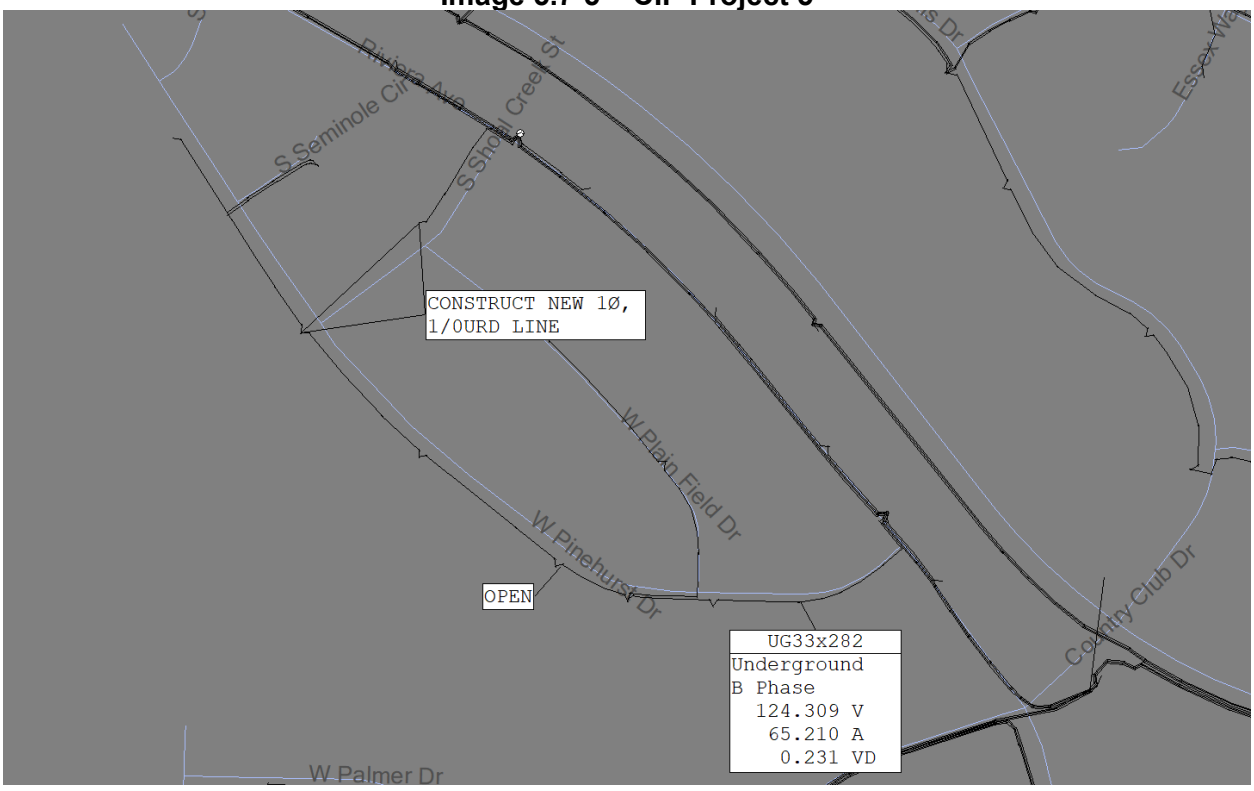
CIP-5

Issue: UG33x282, 1Ø, #2 URD with 65 amps, 97 thru consumers.

Resolution:

- Construct a new, 300', 1Ø, 1/0 AL URD primary voltage tie from pad 42503 to pad 42498, crossing W. Pinehurst Dr. and following S. Shoal Creek St.
- Open the line at pad 42491 and serve all load to the west from the 1Ø line at S. Shoal Creek St. and Riveria Ave. Estimated cost: $114,600 (2027).

Image 5.7-5 – CIP Project 5

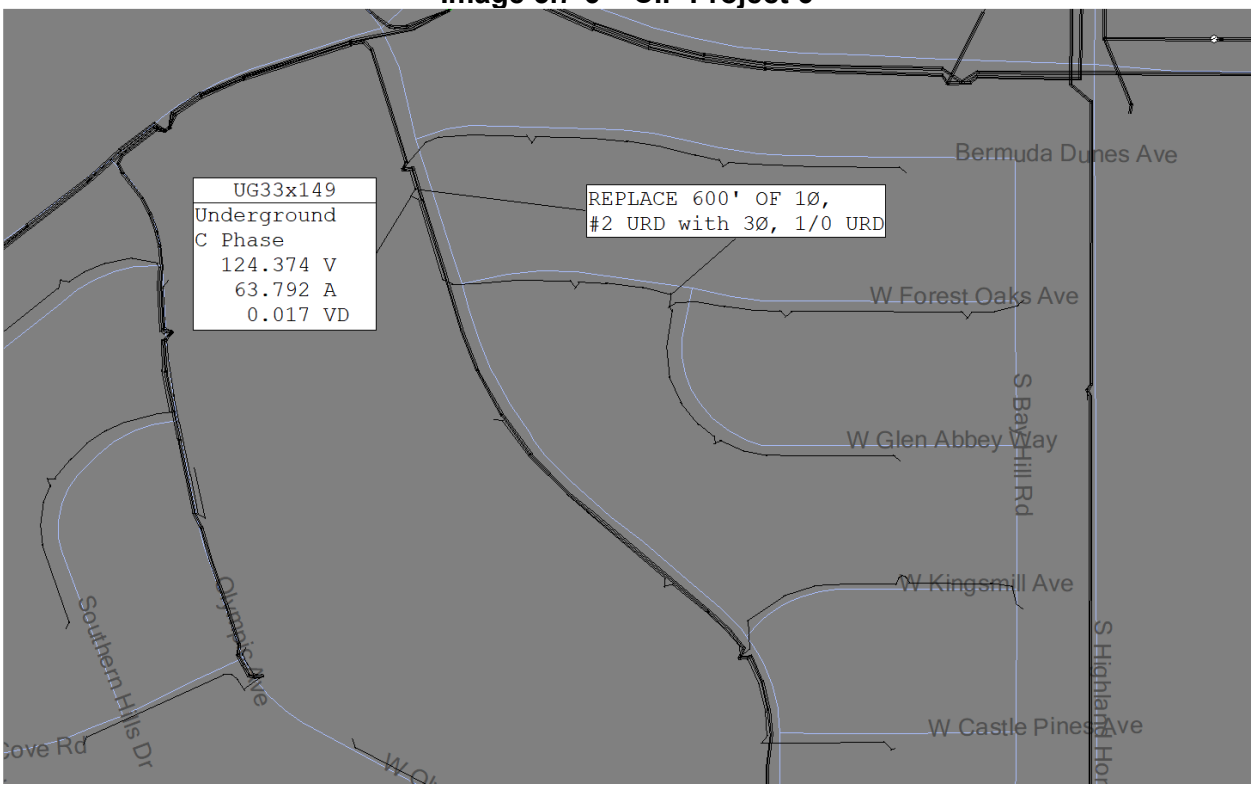


CIP-6

Issue: UG33x149, 1Ø, 2 URD with 64 amps, 86 thru consumers.

Resolution: Replace 600' of 1Ø, #2 URD line with 3Ø, 1/0 URD line from vault 36857 along Rivera Ave. just south of Bermuda Dunes Ave to vault 36879 at the intersection of W. Forest Oaks Ave and W. Glen Abbey Way and split the load between multiple phases. Estimated cost: $223,300 (2027).

Image 5.7-6 – CIP Project 6

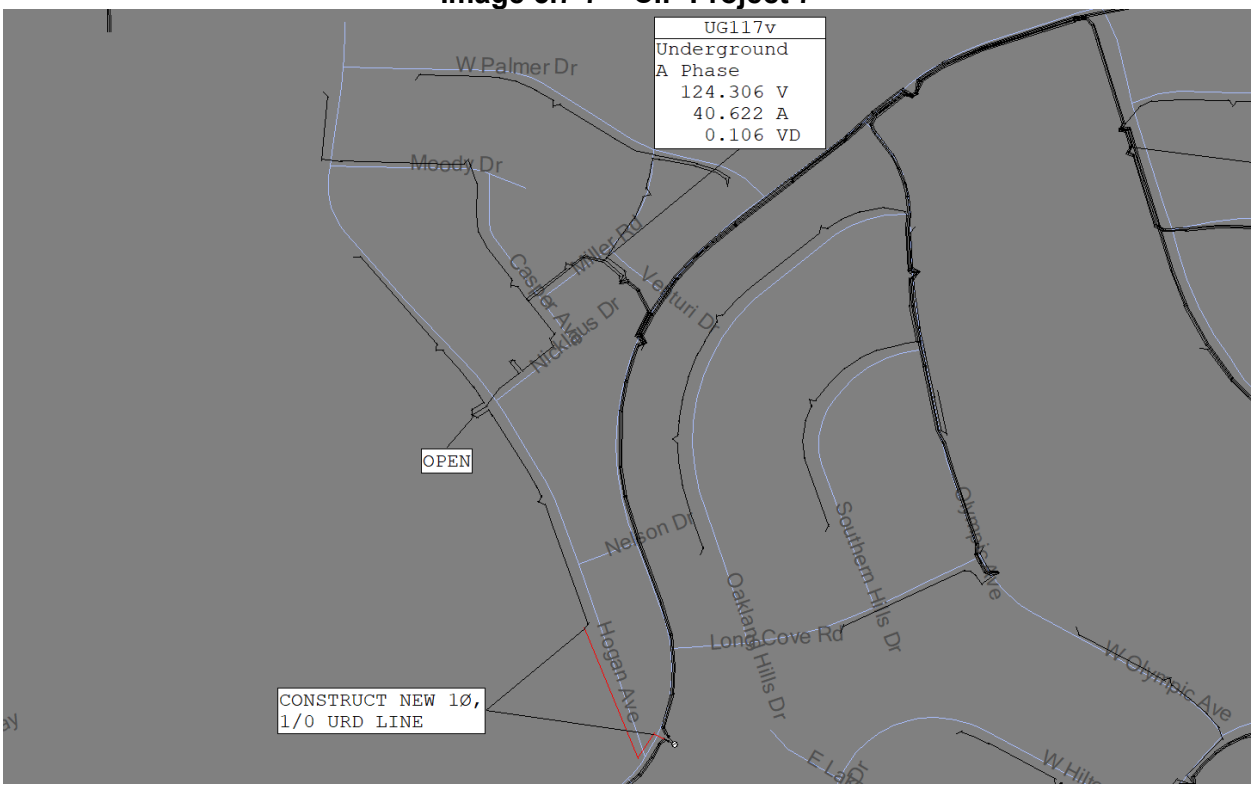


CIP-7

Issue: UG117v, 1Ø, #2 URD with 41 amps, 65 thru consumers.

Resolution: Construct a new, 600', 1Ø, 1/0 URD primary voltage tie from vault 41797 to pad 41823. Open at pad 41830 and switch all load southeast of Nicklaus Dr. along Hogan Ave. to feed from pad 41797. Estimated cost: $221,800 (2028).

Image 5.7-7 – CIP Project 7

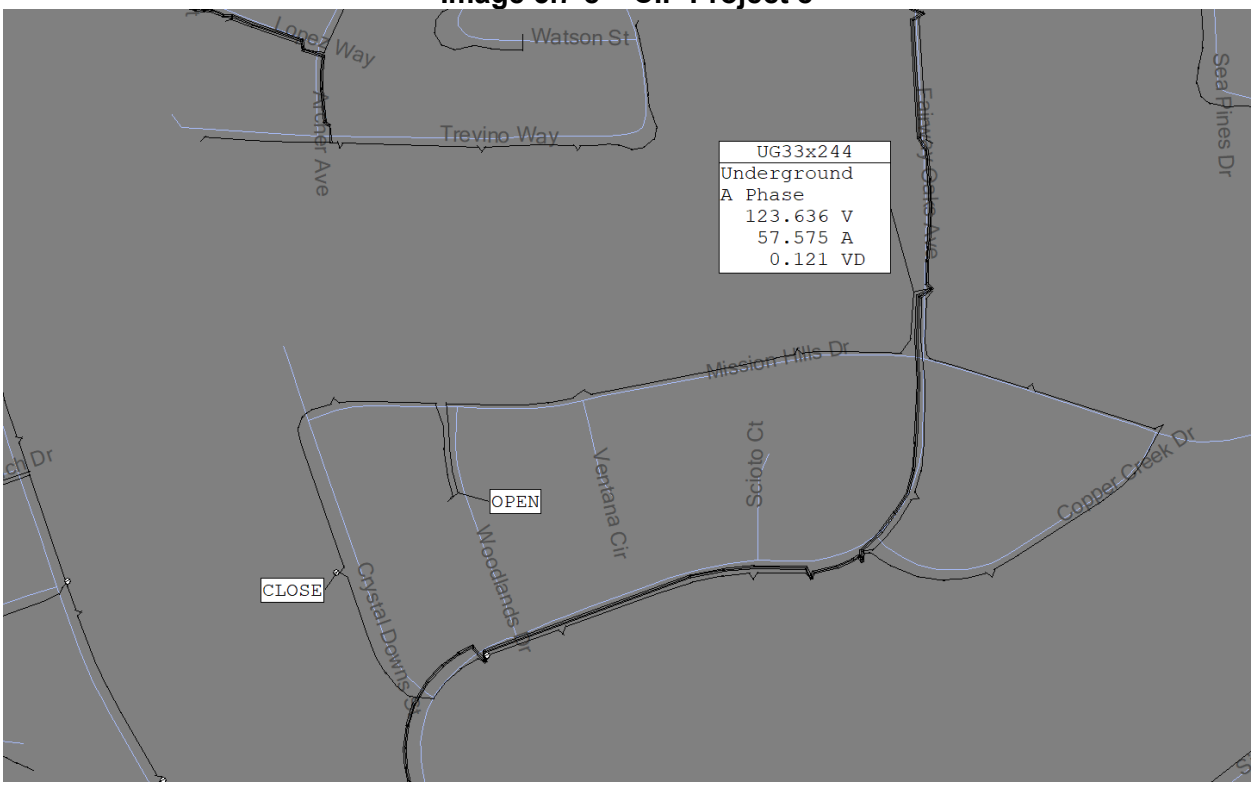


CIP-8

Issue: UG33x244, 1Ø, 1/0 URD with 58 amps, 84 thru consumers.

Resolution: Close switch at vault 40252 and open at pad 40237 along Woodland Dr. to split west of Woodland Dr. to feed from vault 40252. Estimated cost: $2,100 (2028).

Image 5.7-8 – CIP Project 8

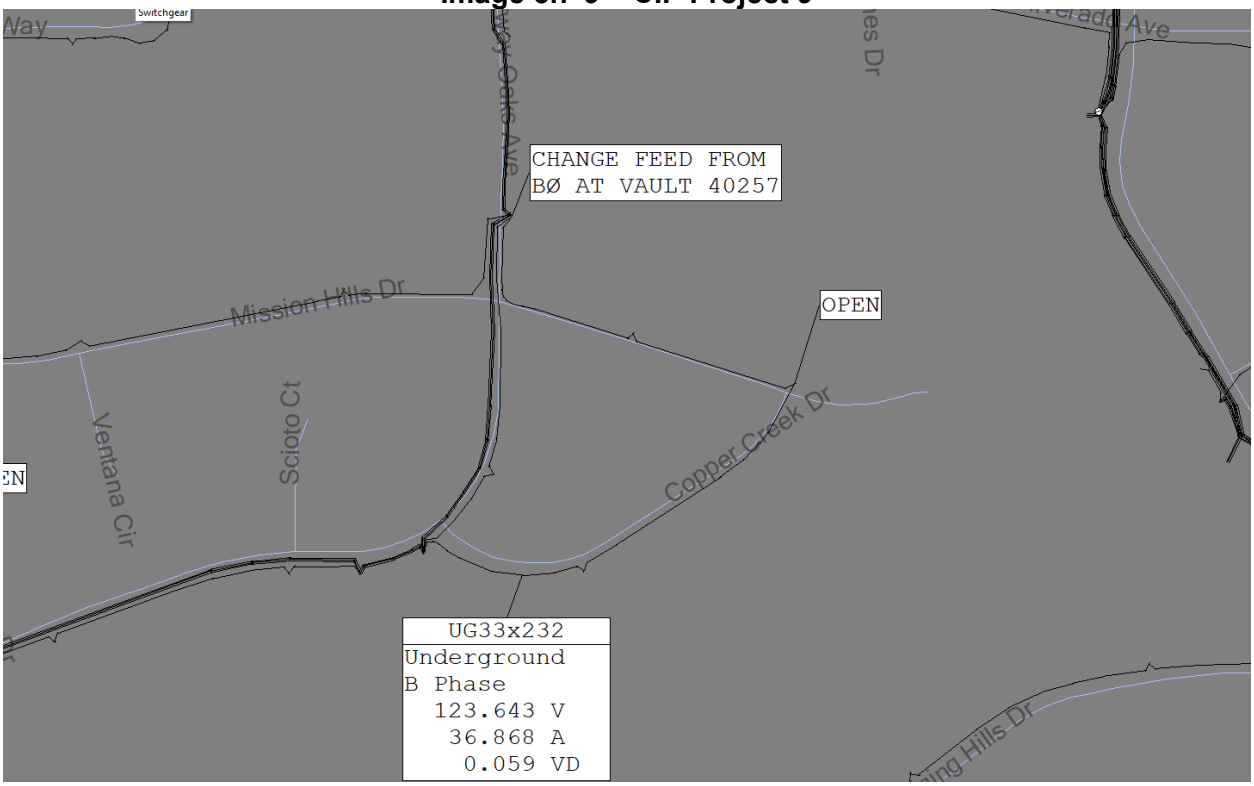


CIP-9

Issue: UG33x232, 1Ø, 1/0 URD with 37 amps, 41 thru consumers.

Resolution: Close BØ at pad 40257 along Fairway Oaks Ave. and open Transformer303 at the intersection of Mission Hills Dr. and Cooper Creek Dr. and feed load along Mission Hills Dr. from pad 40257. Estimated cost: $2,100 (2030).

Image 5.7-9 – CIP Project 9



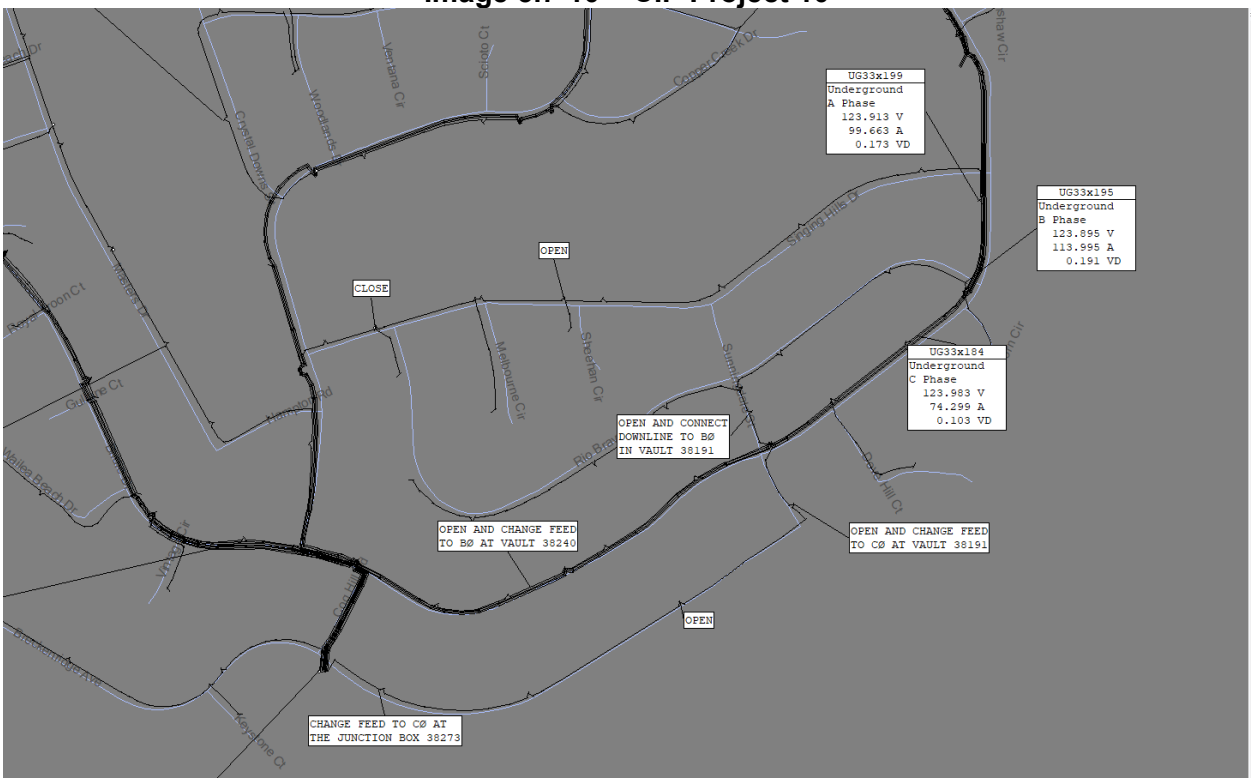
CIP-10

Issue: UG33x199, 1Ø, 1/0 URD with 100 amps, 98 thru consumers (A phase), UG33x195, 1Ø, 1/0 URD with 114 amps, 162 thru consumers (B phase), and UG33x184, 1Ø, 1/0 URD with 74 amps, 99 thru consumers (C phase).

Resolution:

- Close switch at vault 38245 and open at vault 38212 at the intersection of Spring Hills Cr. And Sheehan Cir. and backfeed all load west of Sheehan Cir. from vault 38245.
- Change the feed of UG33x189 to feed from another phase at the 3Ø vault 38191 at the intersection of Riveria Ave. and Sunningdale St.
- Change feed of UG33x190 to feed from another phase at the 3Ø vault 38240 along Birdie Dr.
- Change feed of UG33x212 to feed from another phase at the 3Ø vault 38191 at the intersection of Riveria Ave. and Sunningdale St.
- Change feed of UG33x211 to feed from the 3Ø pad 38237 at the intersection of Cog Hill Rd. and Breckenridge Ave. and open at pad 38248 and feed all load to the west along Breckenridge Ave. to feed from pad 38237. Estimated cost: $6,700 (2026).

Image 5.7-10 – CIP Project 10



CKT 22

Issue: None

CKT 23

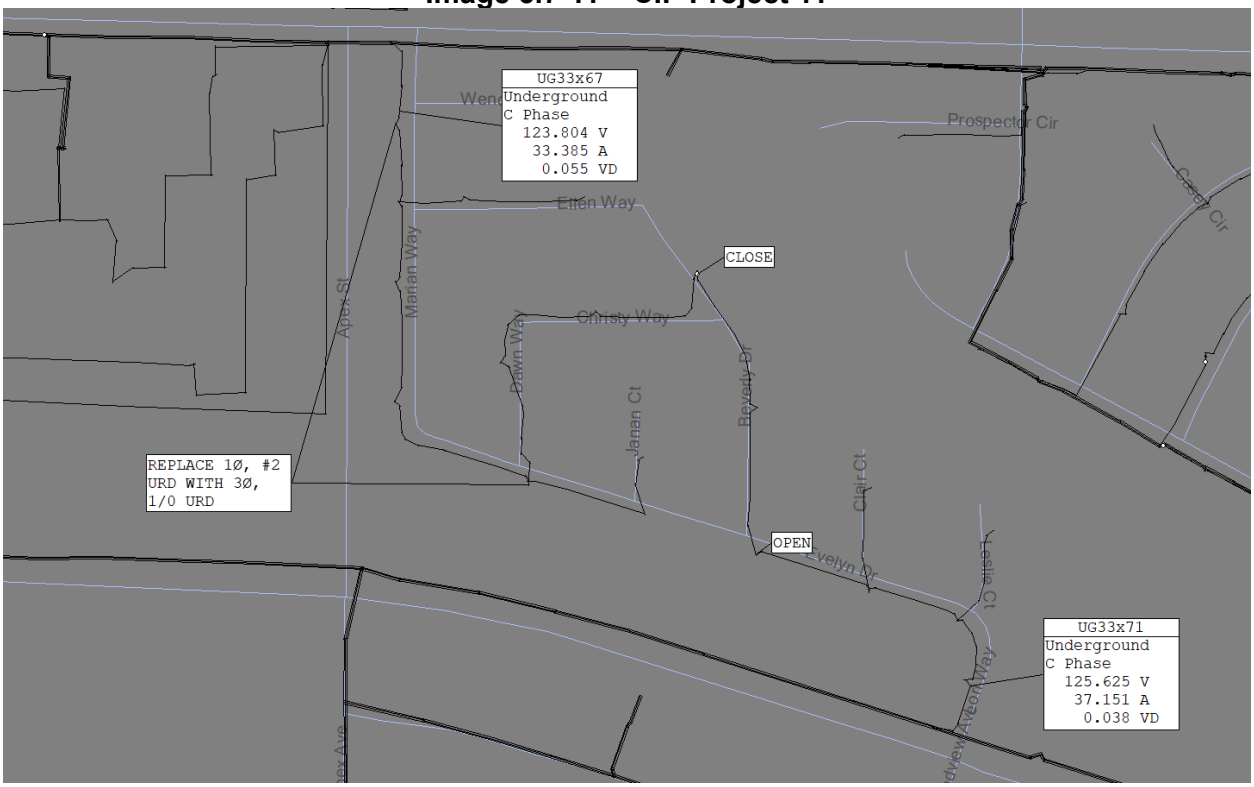
CIP-11

Issue: UG33x71, 1Ø, 1/0 URD with 37 amps, 77 thru consumers.

Resolution:

- Replace 1,300' of 1Ø, #2 URD line with 3Ø, 1/0 URD line from pullbox Pb32117 along W. Wilson St. to vault 32103 at the intersection of Marian Way and Dawn Way.
- Close switch at marker M32898 along Beverly Dr. and open at pad 35930 along Evelyn Dr. Estimated cost: $547,600 (2030).

Image 5.7-11 – CIP Project 11



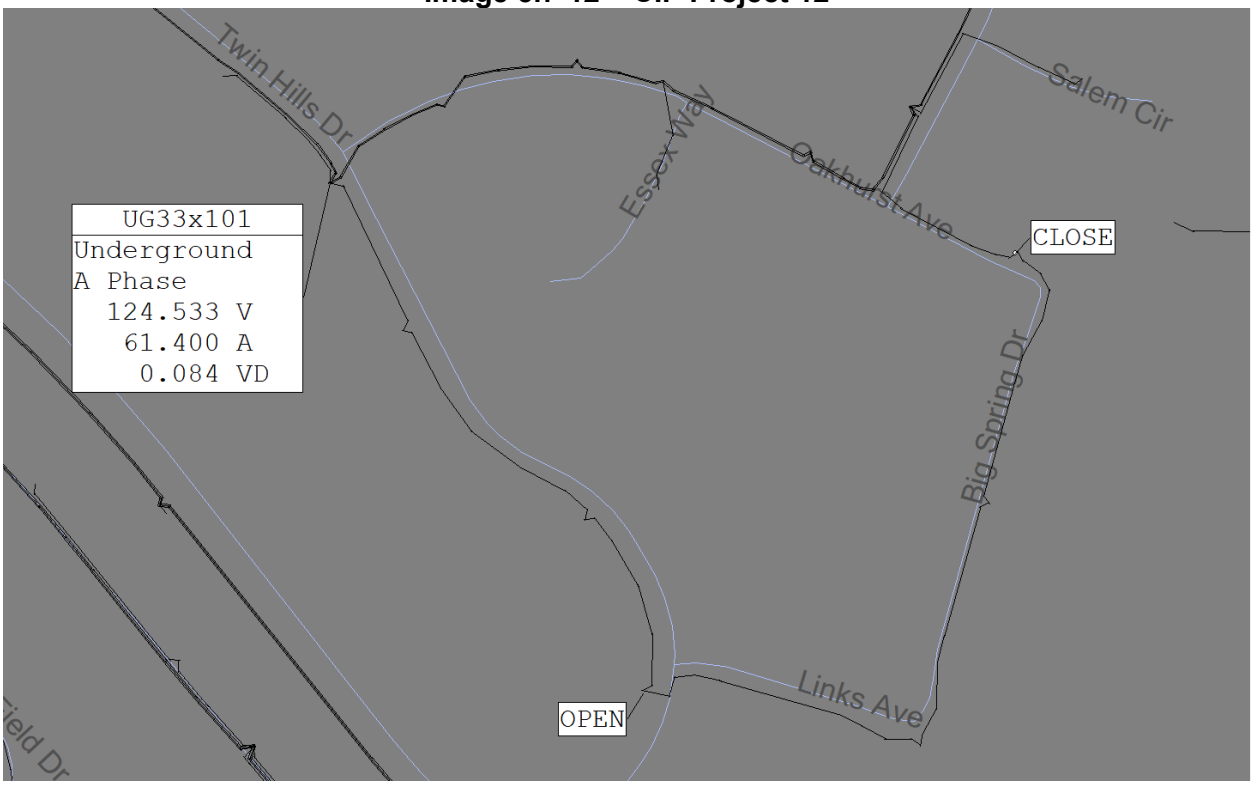
CKT 24

CIP-12

Issue: UG33x101, 1Ø, 1/0 URD with 61 amps, 93 downline customers.

Resolution: Close switch at pad 34934 and openUG33x118 at pad 34956 the intersection of Twin Hills Dr. and Links Ave. and backfeed load along Big Springs Dr. to feed from 3Ø lie to north at switch pad 34934. Estimated cost: $2,100 (2027).

Image 5.7-12 – CIP Project 12



SAN GORGONIO SUBSTATION

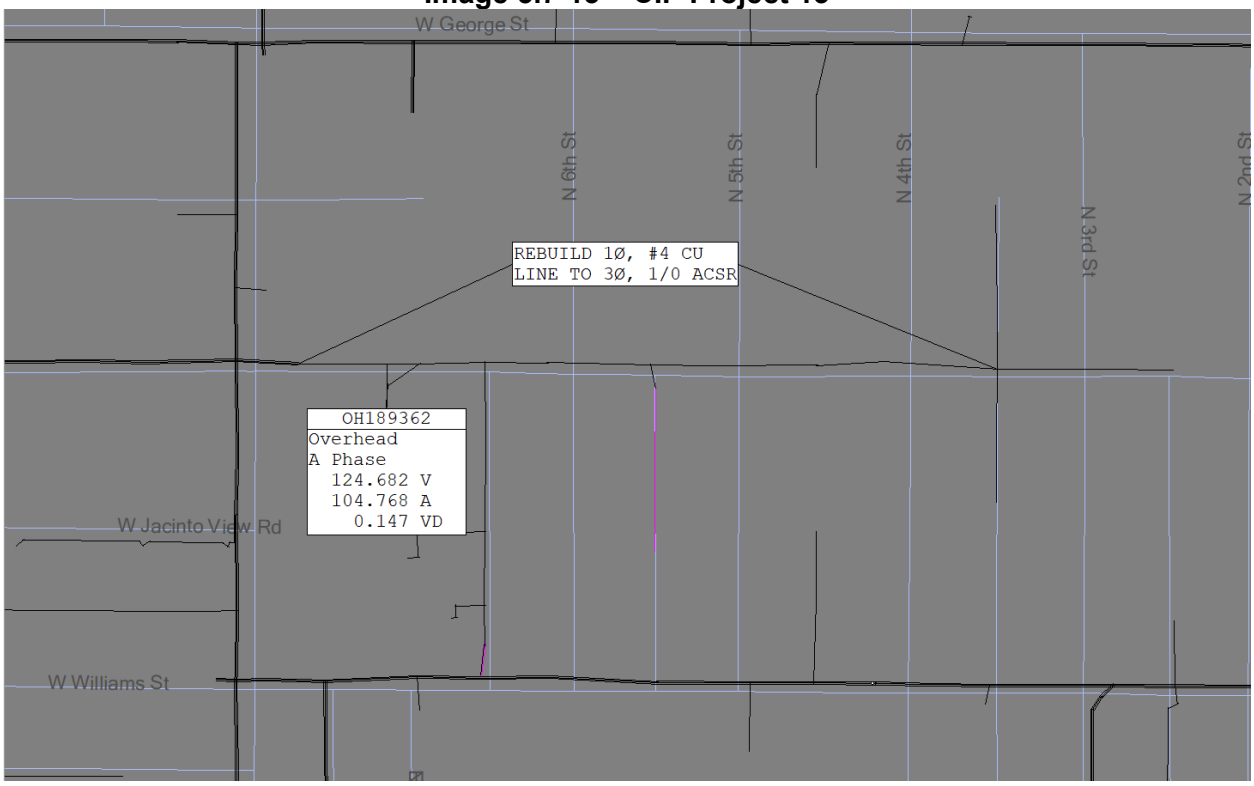
CKT 51

CIP-13

Issue: OH189362, 1Ø, #4 CU line with 105 amps, 174 thru consumers.

Resolution: Rebuild 1,391' of 1Ø, #4 Cu line to 3Ø, 1/0 ACSR along W. Nicolet St. from pole number 189371 to pole number 192590. Estimated cost: $172,200 (2026).

Image 5.7-13 – CIP Project 13

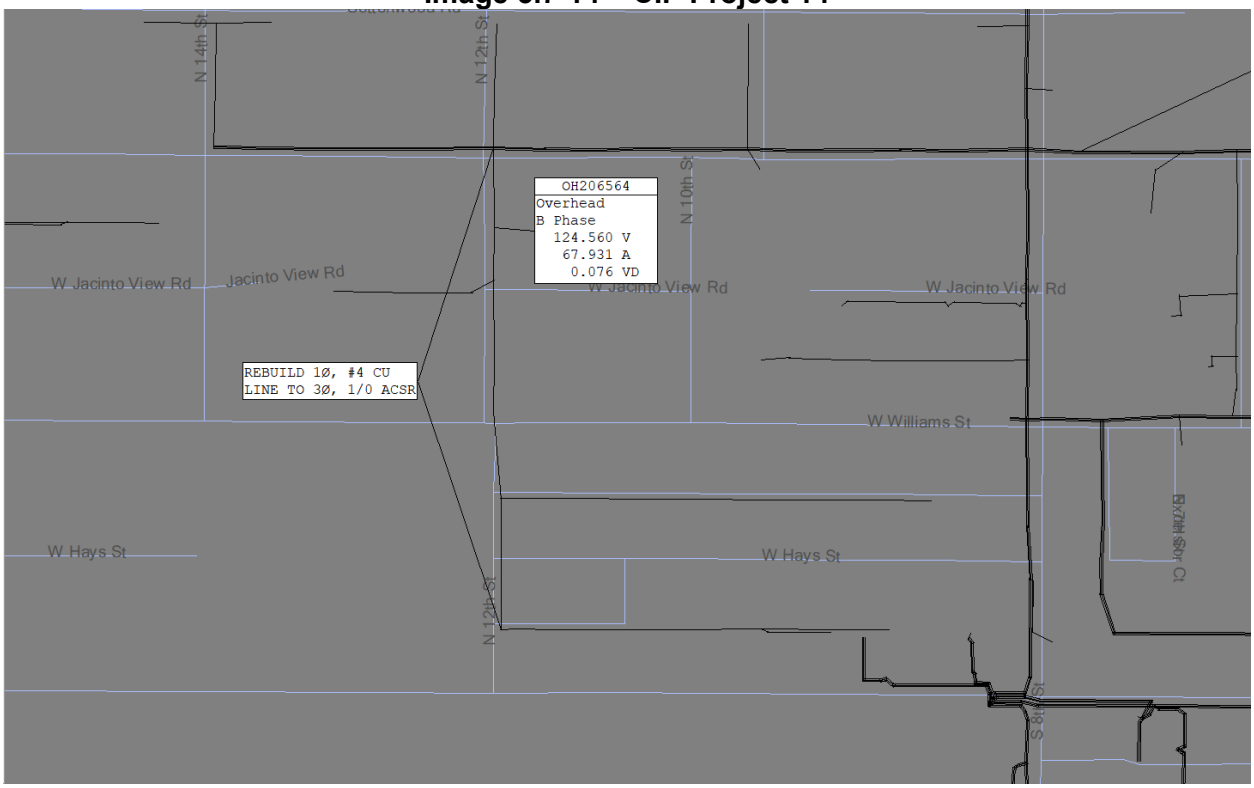


CIP-14

Issue: OH206564, 1Ø, #4 CU line with 68 amps, 106 thru consumers.

Resolution: Rebuild 1,183' of 1Ø, #4 and #6 CU line to 3Ø, 1/0 ACSR along N. 12th St. from pole number 190013 to pole number 158883. Estimated cost: $148,700 (2027).

Image 5.7-14 – CIP Project 14



CKT 52

Issue: None

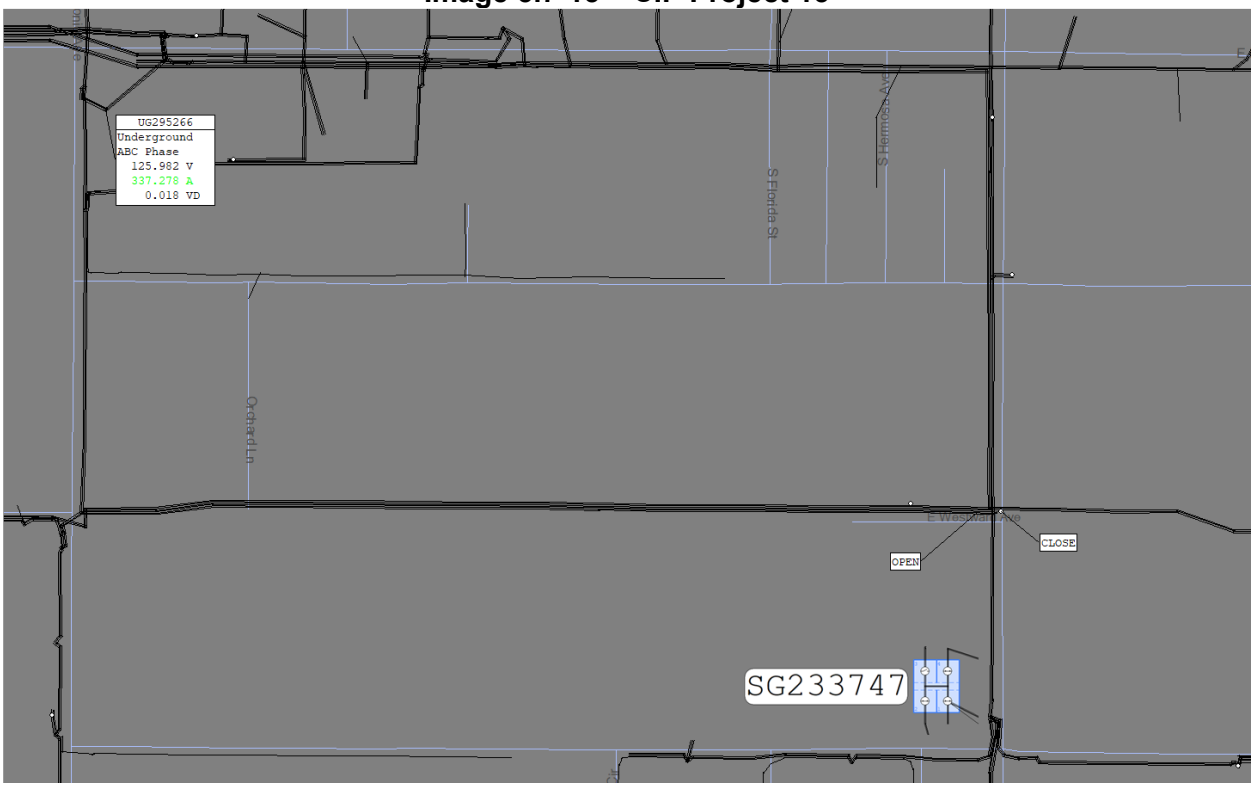
CKT 53

CIP-15

19 Issue: UG295266, 3Ø, 750 MC URD conductor reaches 63% capacity.

Resolution: Open after OH240725 and close switch at Pole23857 and reconfigure SG233747 to 4=CLOSED, 3=CLOSED, 2=CLOSED and 1=OPEN to switch load to the Ivy substation. Estimated cost: $2,000 (2026).

Image 5.7-15 – CIP Project 15



CKT 54

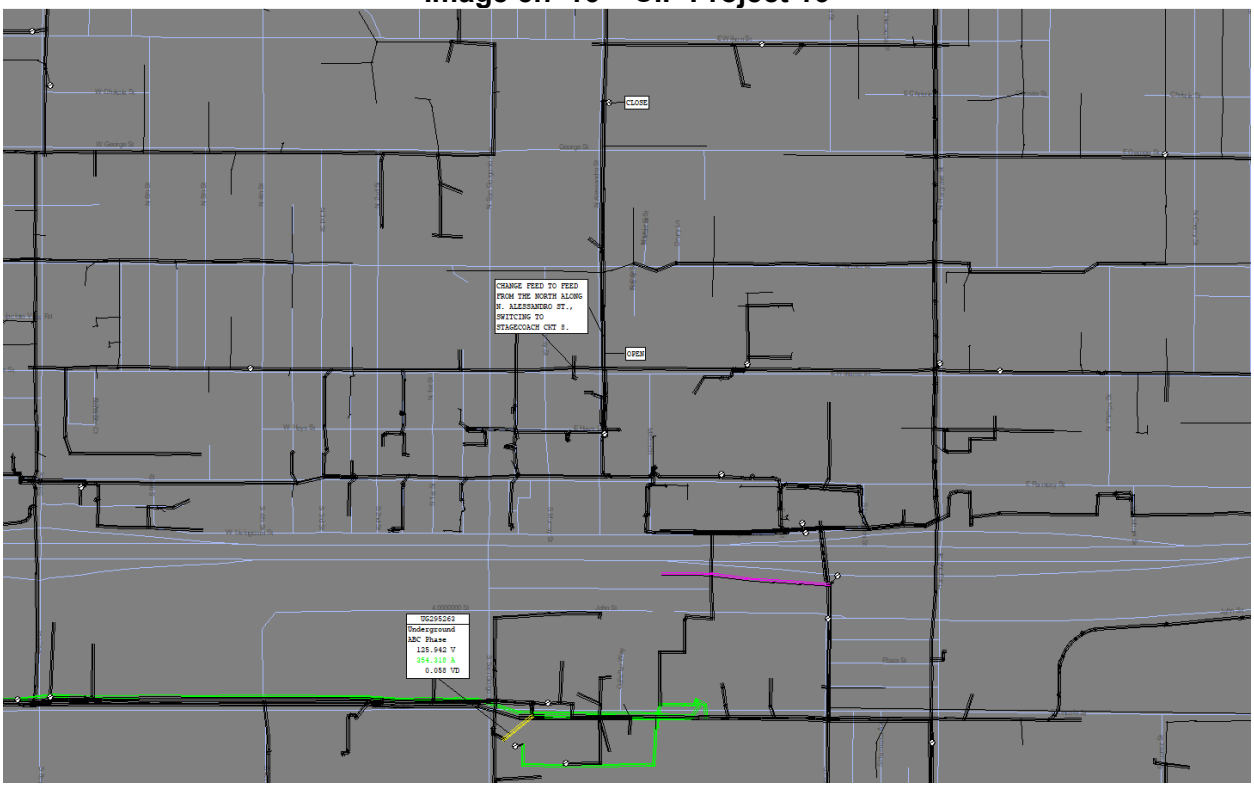
CIP-16

Issue: UG295263, 3Ø, 750 MCM feeder exit and 336 ACSR exceeds 60% capacity thru OH252561 (67% capacity is the highest).

Resolution:

- Disconnect line section OH2138 from OH2137 (line heading north on N. Alessandro St. north of E. Williams St.) and close switch at Pole284048 (along N. Alessandro St. between George St. and E. Wilson St.).
- Change the feed of line section OH194778 to feed from OH2138 (which will now be fed from Stagecoach CKT 8) and serve all the load along E. Williams St. west of N. Alesandro St. to feed from Stagecoach CKT8. Estimate cost: $3,400 (2029).

Image 5.7-16 – CIP Project 16



STAGECOACH SUBSTATION

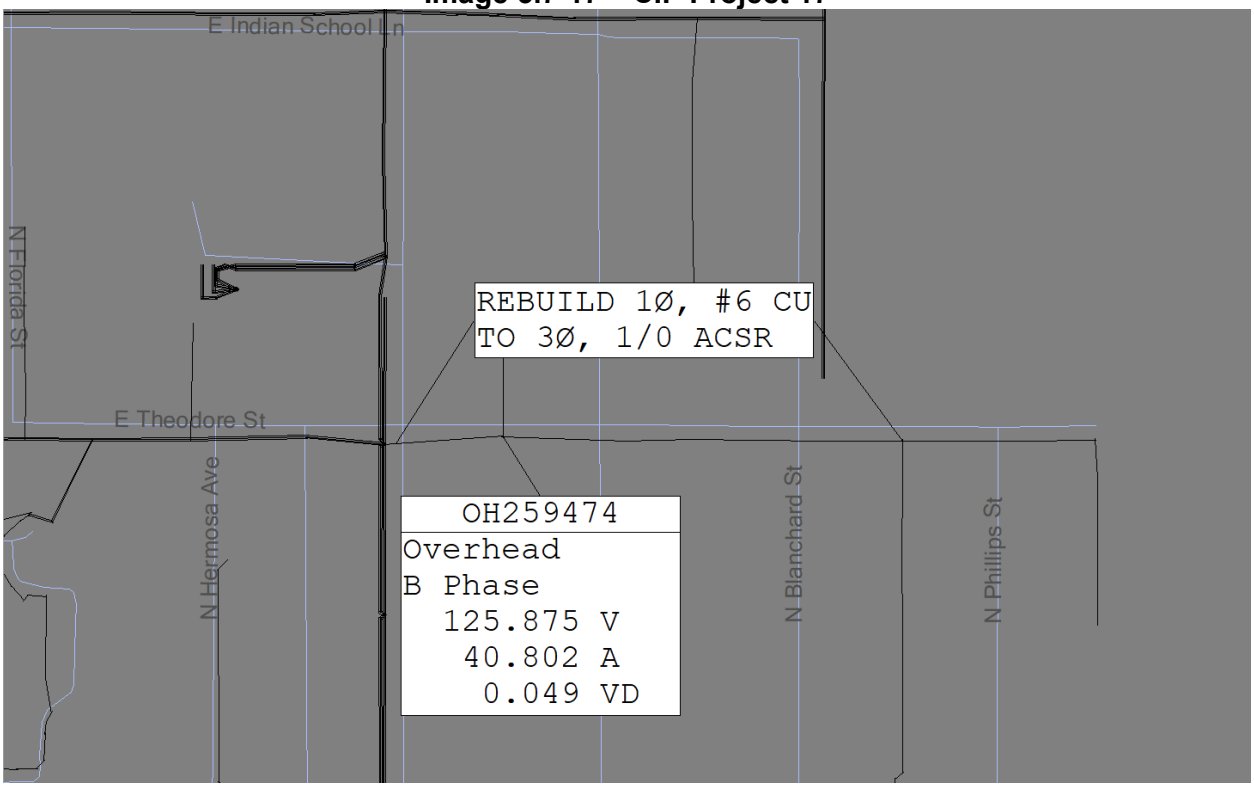
CKT 7

CIP-17

Issue: OH259474, 1Ø, #6 Cu line with 41 amps, 80 thru consumers.

Resolution: Rebuild 871' of 1Ø, #6 CU line to 3Ø, 1/0 ACSR along E. Theadore St. from pole number P6970COB to pole number P2891COB. Estimated cost: $119,800 (2029).

Image 5.7-17 – CIP Project 17

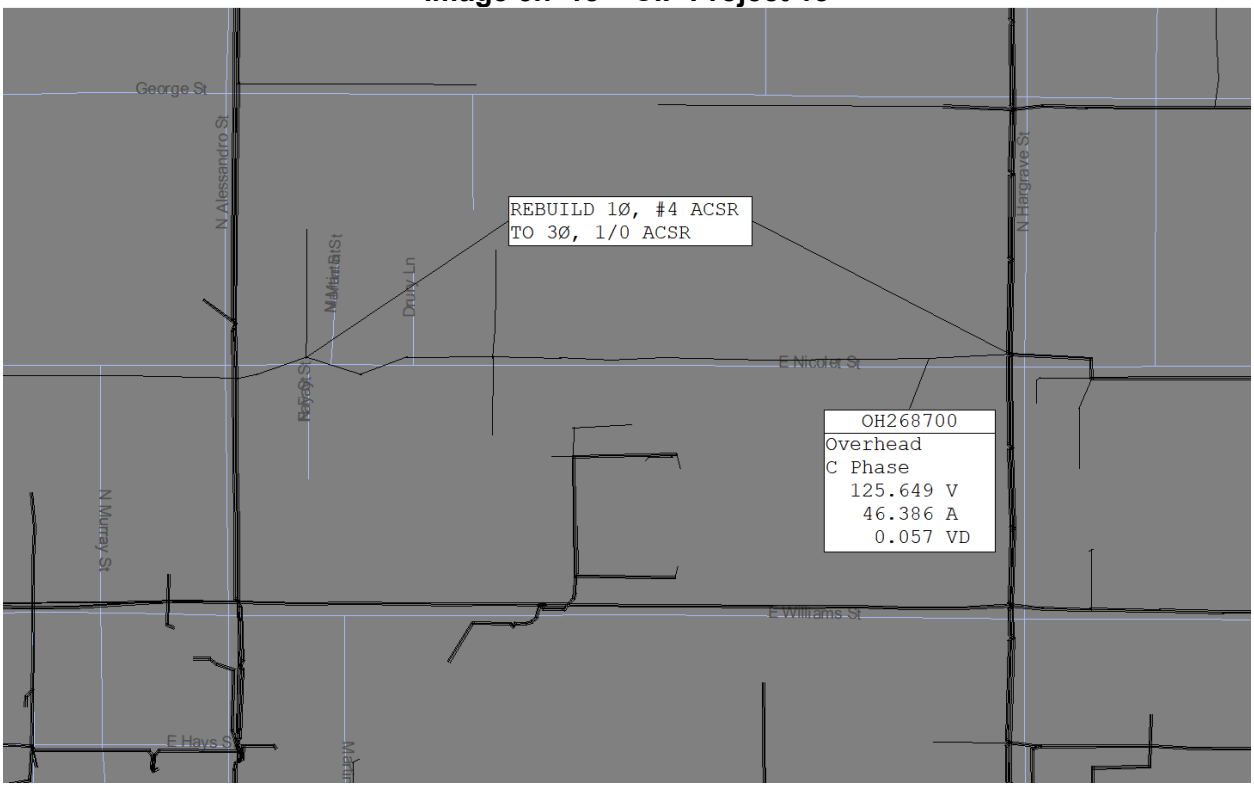


CIP-18

Issue: OH268700, 1Ø, #4 ACSR line with 46 amps, 105 thru consumers.

Resolution: Rebuild 1,790' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR along E. Nicolet St. from pole number P6956COB to pole number Pole194713. Estimated cost: $236,700 (2029).

Image 5.7-18 – CIP Project 18

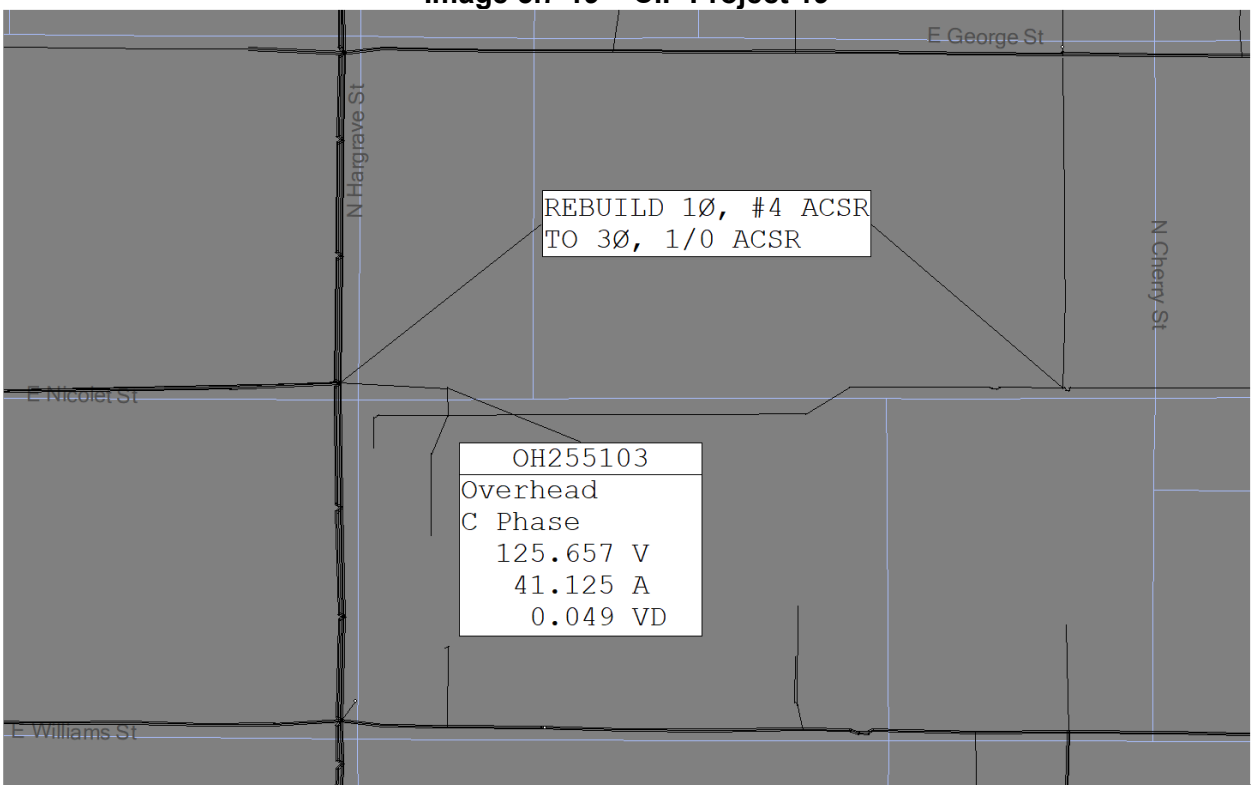


CIP-19

Issue: OH255103, 1Ø, #4 ACSR line with 41 amps, 80 thru consumers.

Resolution: Rebuild 1,417' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR along E. Nicolet St. from pole number P6956COB to pole number FP255128. Estimated cost: $193,400 (2029).

Image 5.7-19 – CIP Project 19



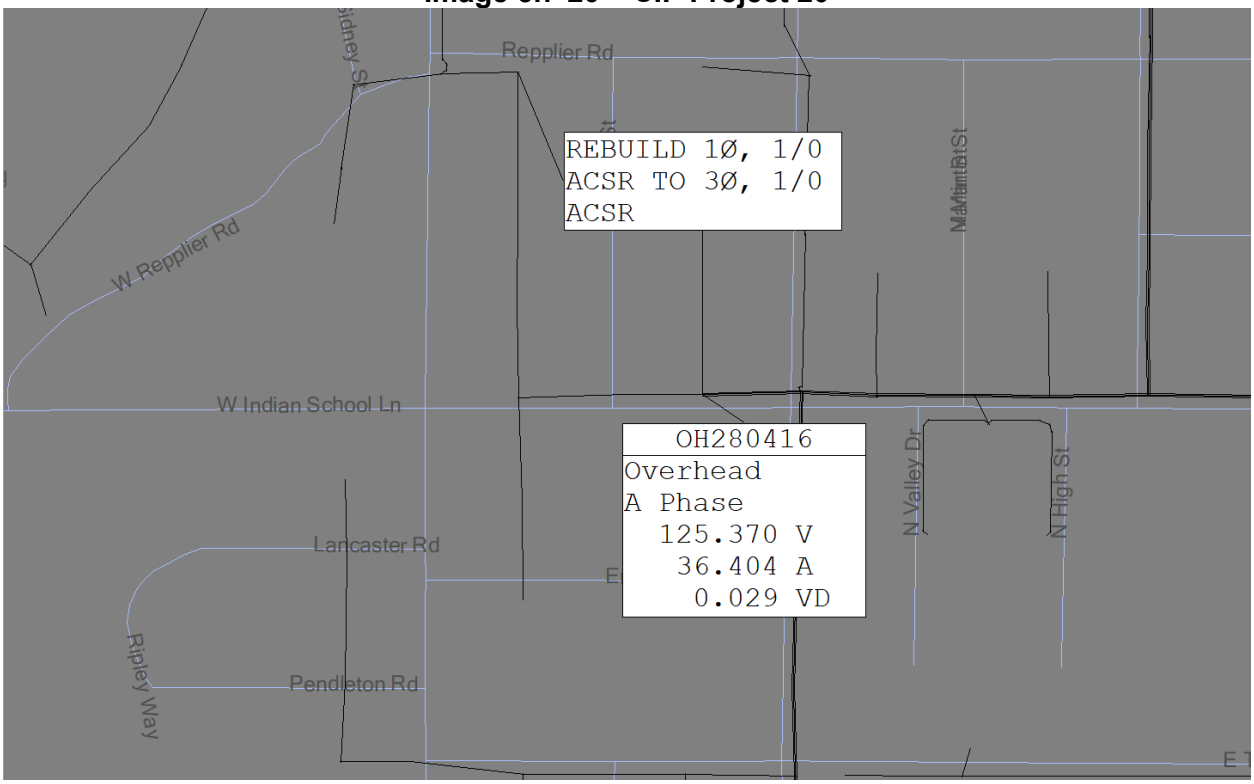
CKT 8

CIP-20

Issue: OH280416, 1Ø, 1/0 ACSR line with 36 amps, 61 consumers.

Resolution: Rebuild 955' of 1Ø, 1/0 ACSR and #2 ACSR line to 3Ø, 1/0 ACSR beginning on E. Indian School Ln. then heading north to E. Repplier Rd. from pole number P1344COB to pole number 280435. Estimated cost: $134,300 (2030).

Image 5.7-20 – CIP Project 20



SUNSET SUBSTATION

CKT 72

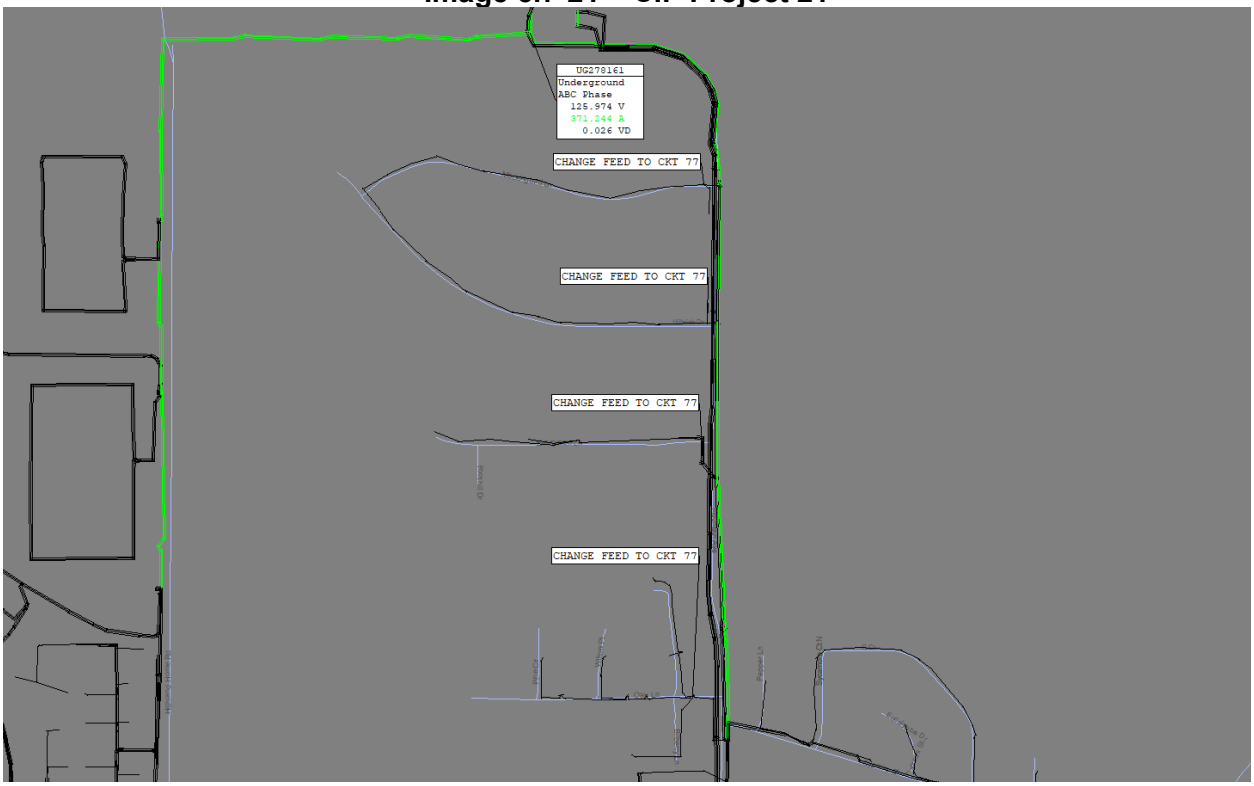
CIP-21

Issue: UG278161 Feeder Exit, 3Ø, 750 MCM URD conductor reaches 70% capacity.

Resolution: It is recommended to serve the Crestwood Communities load addition from CKT 77 at UG3.

- Change the feed of UG6 for the load along Mocking Bird Ln. to CKT 77 at vault SV100086.
- Change the feed of UG18 for the load along Hillside Dr. to CKT 77 at vault SV100180.
- Change the feed of UG33 for the load along Evergreen Ln. to CKT 77 at vault SV100084.
- Change the feed of UG82 for the load along Oak Ln. to CKT 77 at junction box Pb20340. Estimated cost: $2,800 (2026).

Image 5.7-21 – CIP Project 21

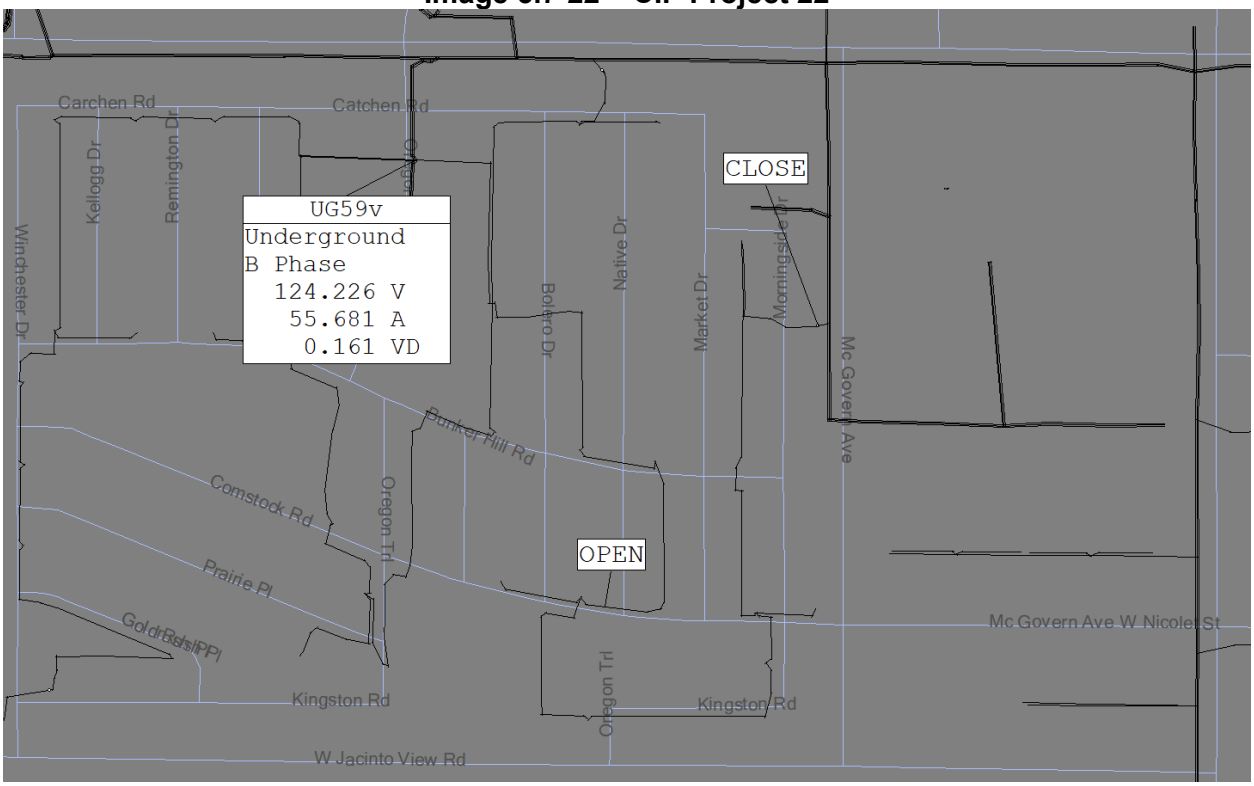


CIP-22

Issue: UG59v, 1Ø, 1/0 URD with 56 amps, 177 thru consumers.

Resolution: Close switch at pad 23132 along Mc Govern Ave. and open at pad 253139 and switch all load south and east to serve from pad 23132 along Mc Govern Ave.. Estimated cost: $2,100 (2028).

Image 5.7-22 – CIP Project 22

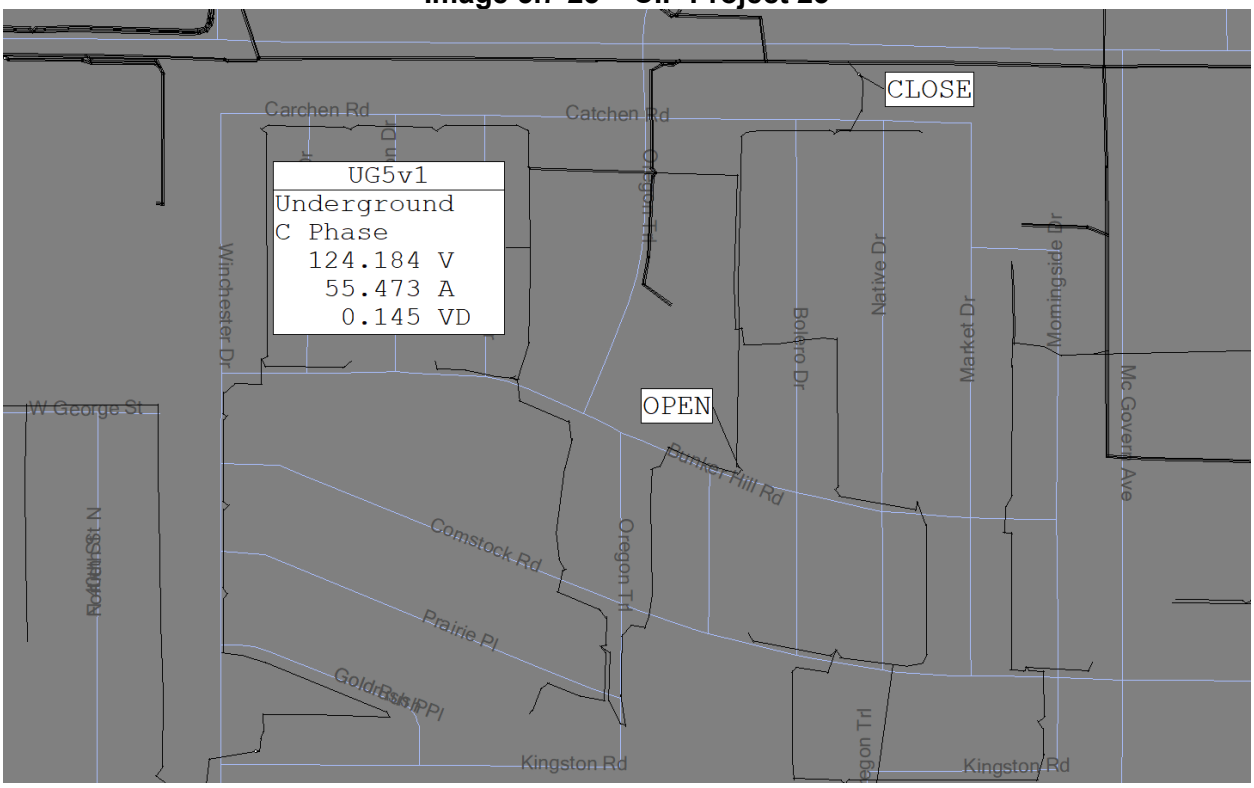


CIP-23

Issue: UG5v1, 1Ø, 4/0 URD with 55 amps, 174 thru consumers.

Resolution: Close switch at pad 23137 along W. Wilson St. and open at PAD 23138 along Bunker Hill Rd. and serve all load along Catchen Rd. from pad 23137. Estimated cost: $2,100 (2028).

Image 5.7-23 – CIP Project 23

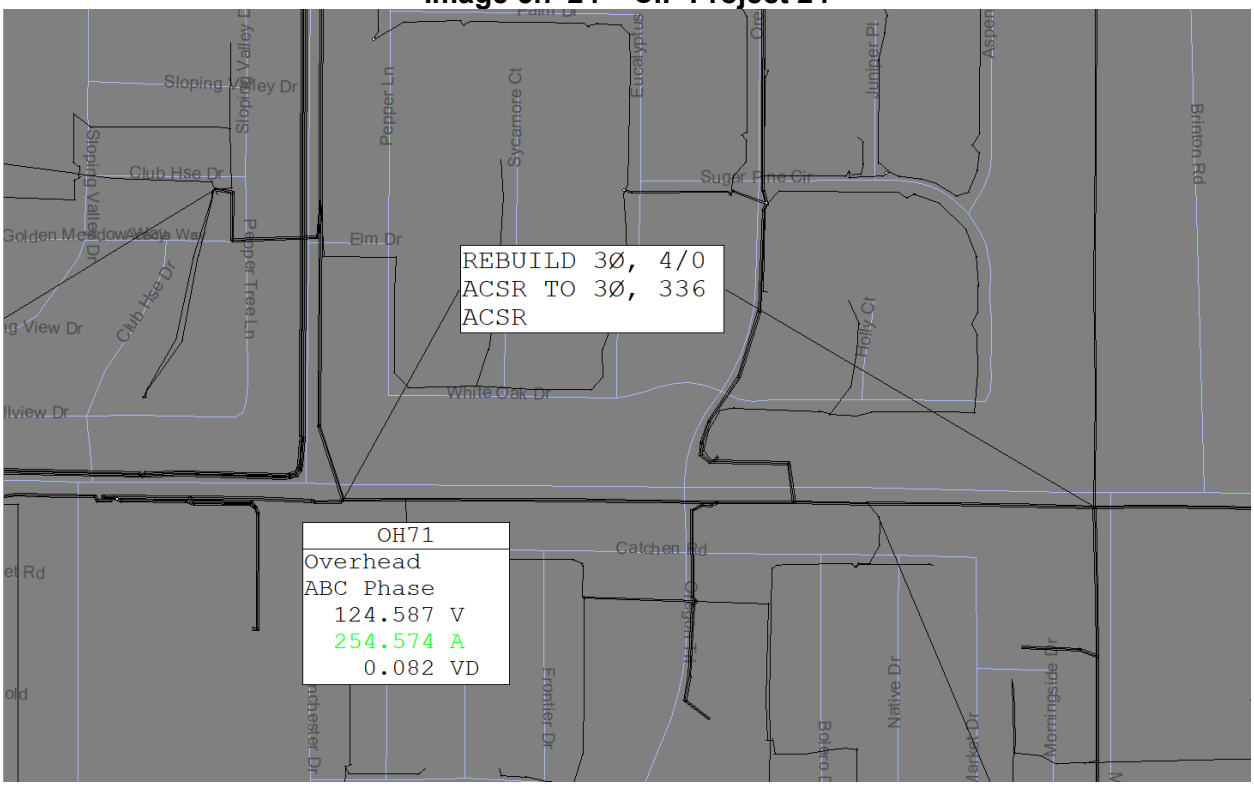


CIP-24

Issue: OH71, 3Ø, 4/0 ACSR conductor reaches 75% capacity and continued to be greater than 60% capacity thru OH143.

Resolution: Rebuild 1,693; of 3Ø, 4/0 ACSR line to 3Ø, 336 ACSR along W. Wilson St. from pole number 14759 to pole number 14817. Estimated cost: $219,300 (2026).

Image 5.7-24 – CIP Project 24

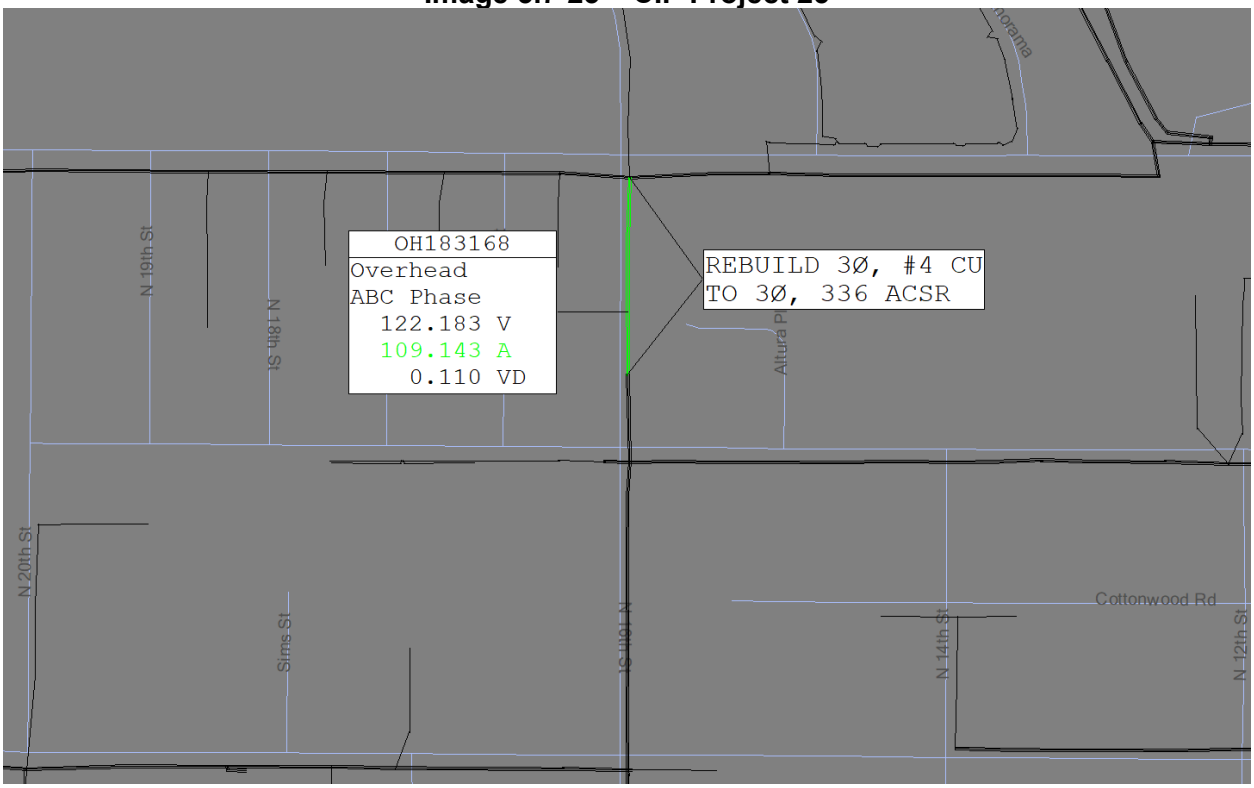


CIP-25

Issue: OH183168, OH183140, and OH183149, 3Ø, #4 ACSR conductor reaches 60% capacity.

Resolution: Rebuild 437' of 3Ø, #4 CU line to 3Ø, 336 ACSR along N. 16th St. between W. Nicolet St. and W. Wilson St. from pole number 183146 to pole number Pole183139. Estimated cost: $66,200 (2030).

Image 5.7-23 – CIP Project 25



CKT 74

Issue: None

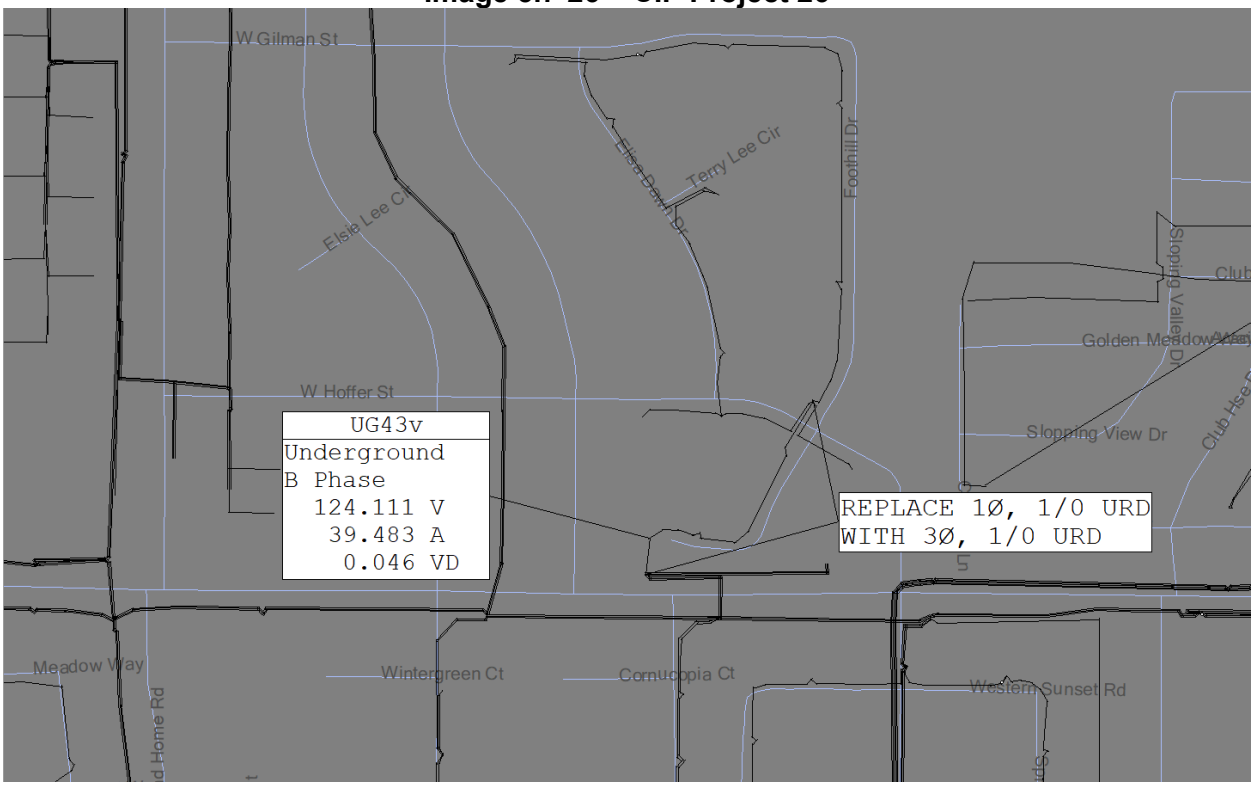
CKT 76

CIP-26

Issue: UG43v, 1Ø, 1/0 URD with 39 amps, 95 thru consumers.

Resolution: Replace 650' of 1Ø, 1/0 URD line with 3Ø, 1/0 URD line from vault 28573 along W. Wilson St. to vault 28595 at the intersection of W. Hoffer St. and Foothill Dr. Estimated cost: $336,100 (2029).

Image 5.7-26 – CIP Project 26



CKT 77

Note: The feeder extends along Mountain Ave. along with CKT 72 but does not have any load connected. SEE CKT 72 recommendations.

BANNING SUBSTATION (34.5 kV Analysis)

CKT 1

Issue: None

CKT 2

Issue: None

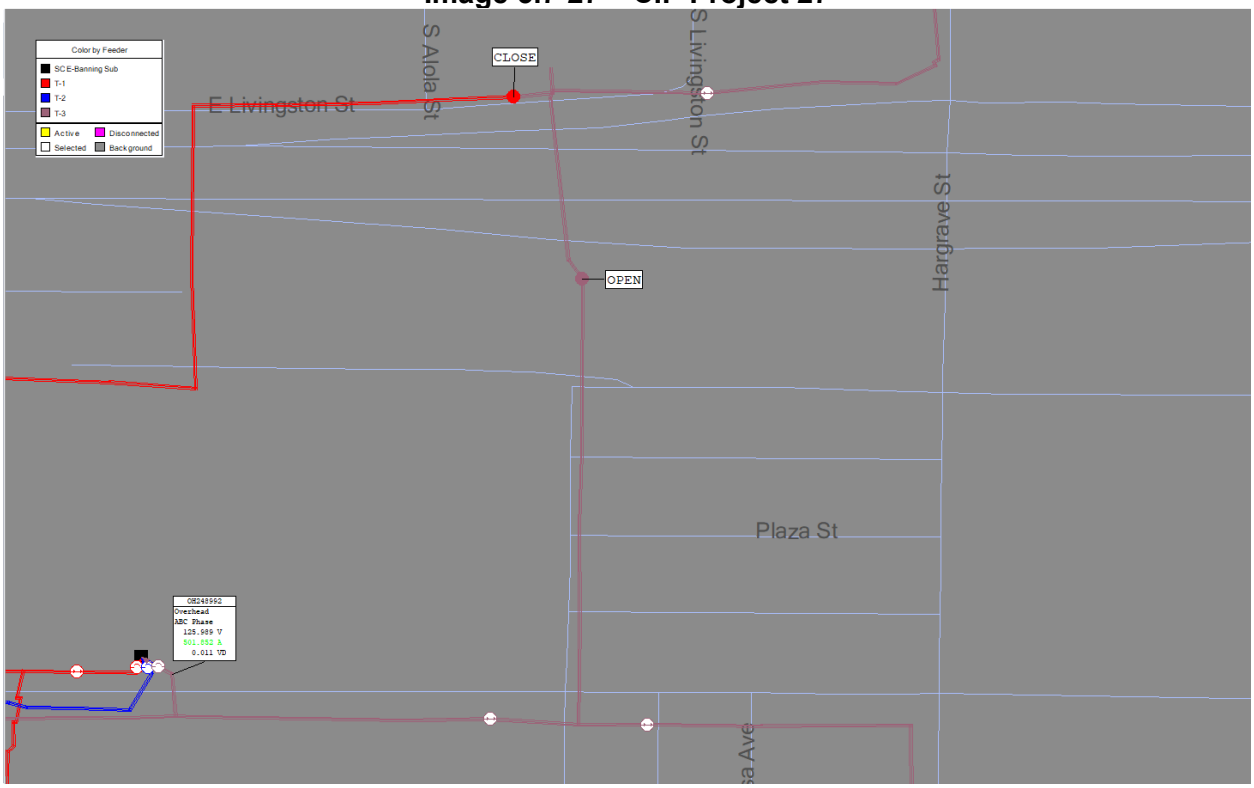
CKT 3

CIP-27

Issue: The model shows CKT 3 feeding the Midway, Ivy, and Stagecoach substations. OH248992 Feeder Exit, 3Ø, 336 ACSR reaches 95% capacity, OH2296, 3Ø, 4/0 ACSR reaches 78% capacity, and OH2316, 3Ø, 4/0 ACSR reaches 62% capacity.

Resolution: Close the tie around Pole241891 and open the line at Pole262449 to switch load from CKT 3 to CKT 1. This will change the feed of the Stagecoach substation to be served by CKT1. Estimated cost: $2,100 (2026).

Image 5.7-27 – CIP Project 27



5.8 – Total Cost Estimate

The table below contains a breakdown of the total estimated cost of the 5-Year CIP.

Table 5.8-1 – Total 5-Year CIP Cost Estimate

	2026-2030 CIP					
	2026	2027	2028	2029	2030	Totals
OH Maintenance Program						
Total Cost	$604,198	$622,324	$640,994	$1,079,272	$1,111,650	$4,058,438
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$604,198	$622,324	$640,994	$1,079,272	$1,111,650	$4,058,438
Capital-Maintenance Projects						
Total Cost	$5,460,000	$3,154,500	$1,690,000	$4,980,000	$5,500,000	$20,784,500
CIAC	$4,918,750	$1,000,000	$0	$2,375,000	$1,000,000	$9,293,750
BEU Funding Cost	$541,250	$2,154,500	$1,690,000	$2,605,000	$4,500,000	$11,490,750
System Improvements Projects						
Total Cost	$411,000	$492,700	$230,100	$919,400	$752,500	$2,805,700
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$411,000	$492,700	$230,100	$919,400	$752,500	$2,805,700
5-year CIP Cost						
Total Cost	$6,475,198	$4,269,524	$2,561,094	$6,978,672	$7,364,150	$27,648,638
CIAC	$4,918,750	$1,000,000	$0	$2,375,000	$1,000,000	$9,293,750
BEU Funding Cost	$1,156,448	$3,269,524	$2,561,094	$4,603,672	$6,364,150	$18,354,888

For the BEU funding cost, 22% is for OH Maintenance Program, 63% is for Capital Maintenance Projects, and 15% is for System-Improvement Projects.

6.0 – 15 – YEAR ESMP

6.1 – Overhead Maintenance Program

The Overhead Maintenance Program includes the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect 20 poles per week for the years 2031 thru 2035 and 25 poles per week for the years 2036 thru 2045. This totals to 1,040 poles inspected per year between 2031 and 2035 and 1,300 poles inspected between 2036 and 2045 for a grand total of 18,200 poles inspected for the duration of the 15-Year ESMP. An estimated cost of $322 per pole inspection was used for 2031 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole inspections for the 15-Year ESMP is $7,350,010.

It is projected that BEU will replace 100 poles per year for the years 2031 thru 2045. This totals to 1,500 poles replaced for the duration of the 15-Year ESMP. An estimated cost of $8,935 per pole replacement was used for 2031 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole replacements for the 15-Year ESMP is $16,618,732.

The total estimated cost for the Overhead Maintenance Program for the 15-year ESMP is $23,968,742. The table below shows a breakdown of the Overhead Maintenance Program.

Table 6.1-1 – Overhead Maintenance Program Costs 2031 thru 2035

	2031	2032	2033	2034	2035	Total
Number of Poles Inspected	1,040	1,040	1,040	1,040	1,040	5,200
Cost per Inspection	□□□□	□□□□	□□□□	□□□□	□□□□	-
Total Cost of Inspection	$335,290	$345,349	$355,709	$366,380	$377,372	$1,780,100
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$8,935	$9,203	$9,479	$9,764	$10,057	-
Total Cost of Replacement	$893,532	$920,338	$947,949	$976,387	$1,005,679	$4,743,885

Table 6.1-2 – Overhead Maintenance Program Costs 2036 thru 2040

	2036	2037	2038	2039	2040	Total
Number of Poles Inspected	1,300	1,300	1,300	1,300	1,300	6,500
Cost per Inspection	$374	$385	$397	$408	$421	-
Total Cost of Inspection	$485,866	$500,442	$515,455	$530,919	$546,847	$2,579,529
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$10,358	$10,669	$10,989	$11,319	$11,659	-
Total Cost of Replacement	$1,035,849	$1,066,924	$1,098,932	$1,131,900	$1,165,857	$5,499,463

Table 6.1-3 – Overhead Maintenance Program Costs 2041 thru 2045

	2041	2042	2043	2044	2045	Total
Number of Poles Inspected	1,300	1,300	1,300	1,300	1,300	6,500
Cost per Inspection	$433	$446	$460	$473	$488	-
Total Cost of Inspection	$563,252	$580,150	$597,554	$615,481	$633,945	$2,990,381
Number of Poles Replaced	100	100	100	100	100	500
Cost per Replacement	$12,008	$12,369	$12,740	$13,122	$13,515	-
Total Cost of Replacement	$1,200,833	$1,236,858	$1,273,964	$1,312,182	$1,351,547	$6,375,384

6.2 – CAPITAL MAINTENANCE PROJECTS

BEU has identified 6 Capital Maintenance Projects to include in the 15-year ESMP. The total estimated cost for these projects is $8,350,000. It is projected that BEU will receive $3,000,000 in contributions in aid to these projects bringing the total BEU funding cost to $5,350,000.

The following tables list the Capital Maintenance projects that have been identified for inclusion to the 15-year ESMP.

Table 6.2-1 – Capital Maintenance Project Costs

Project Description	Year	Total Cost	CIAC	BEU Funding Cost
Midway Substation Upgrades (breaker replacement and SCADA-ready upgrades and future full replacement)	2031	$1,000,000	$0	$1,000,000
34.5/12.47/fiber Relocation on 4th St from Westward Ave to Lincoln St	2031	$1,500,000	$1,500,000[1]	$0
Underground Conversion from Apex/Ramsey to Joshua Palmer	2031	$850,000	$0	$850,000
Underground Conversion at Wilson St from Smith Creek to Highland Home Rd	2031	$500,000	$0	$500,000
34.5/12.47/fiber I-10 Crossing at Hathaway from John St to Ramsey St	2031	$1,500,000	$1,500,000[2]	$0
Overhead Transmission System Extension (Hoffer/Hathaway to Stagecoach Substation)	2031-2032	$3,000,000	$0	$3,000,000
Total 15-Year ESMP Capital Maintenance Cost		**$8,350,000**	**$3,000,000**	**$5,300,000**

[1] Up to 100% funding from Rancho San Gorgonio Development
[2] Up to 100% funding from Hillwood Development

6.3 – SUBSTATION CAPACITY ANALYSIS

The table below represents the substation capacity analysis based on the 2045 substation demand after distribution system improvements including adding the new Smith Creek Substation, new feeders out of Stagecoach and Sunset, and load switching recommendations. As shown in the table, the San Gorgonio, Stagecoach, and Sunset substations summer projected peak exceeds the base rating of their respective transformer; however, with the exception of the Stagecoach Substation, the load does not exceed the max rating of the transformer. For the Stagecoach Substation, it is recommended to replace the existing base 10 MVA transformer with a base 15 MVA transformer before the summer 2040 peak. With this improvement, the projected load will not exceed the base rating or the max rating of the new transformer thru the end of this ESMP.

The table also shows that the BEU system non-coincident peak exceeds the SCE Banning substation transformer base capacity for the summer and winter forecast and also the max capacity in the summer. Based on the non-coincident forecast, the total BEU system load is expected to exceed the max capacity by the summer of 2026. It is recommended that BEU continue to coordinate with SCE on the substation transformer capacity and develop a plan to increase the substation transformer capacity through the end of the ESMP period.

Table 6.3-1 – Substation Capacity Analysis

		2045 kW Demand Forecast	Transformer Base MVA	Transformer Max MVA	Transformer High Side kV	Transformer Low Side kV	Transformer % Capacity Base	Transformer % Capacity Max
22nd Street	S	6,250	15	25	34.4	12.47	42%	25%
	W	4,809	18	29			27%	17%
Ivy	S	11,446	15	25	69x34.4	12.47	76%	46%
	W	9,679	18	29			54%	34%
Midway	S	0	2 x 7.5	2 x 9.375	34.4	12.47	0%	0%
	W	0	18	22			0%	0%
Smith Creek	S	32,566	2 x 20	2 x 37.5	69x34.4	12.47	81%	43%
	W	20,906	48	75			44%	28%
San Gorgonio	S	19,996	2 x 10	2 x 14	69x34.5	12.47	100%	71%
	W	18,391	24	32			77%	57%
Stagecoach	S	14,764	10	12.5	69x34.5	12.47	148%	118%
	W	8,374	12	14			70%	58%
Sunset	S	20,920	15	25	69x34.5	12.47	139%	84%
	W	13,441	18	29			75%	47%
SCE-Banning	S	90,738	2 x 21	2 x 28		34.5	216%	162%
	W	75,580	50.4	64			150%	117%

Notes:

1. Individual substation kW Demand forecast shown as the non-coincident peak.
2. SCE-Banning kW Demand forecast shown as the coincident peak.
3. Base winter rating determined by IEEE C57.91-1995, Table 4 (1% increase per °C)
4. Max winter rating determined by IEEE C57.91-1995, Table 4 (0.75% increase per °C)

6.4 – DISTRIBUTION SYSTEM ANALYSIS

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing for the 15-year ESMP. The analysis results include 5 projects to switch load to adjacent lines at a total estimated cost of $17,100, 2 projects for new overhead line construction totaling $1,219,000, 9 projects for rebuilding overhead lines totaling $1,926,600, 10 projects for new underground line construction totaling $7,107,100 and 4 projects for replacing underground line with larger conductor totaling $1,269,500. The total estimated cost for distribution system improvements for the 15-year ESMP is $11,539,300.

The following pages detail the recommended distribution system improvements by substation and circuit.

22ND STREET SUBSTATION

CKT 63

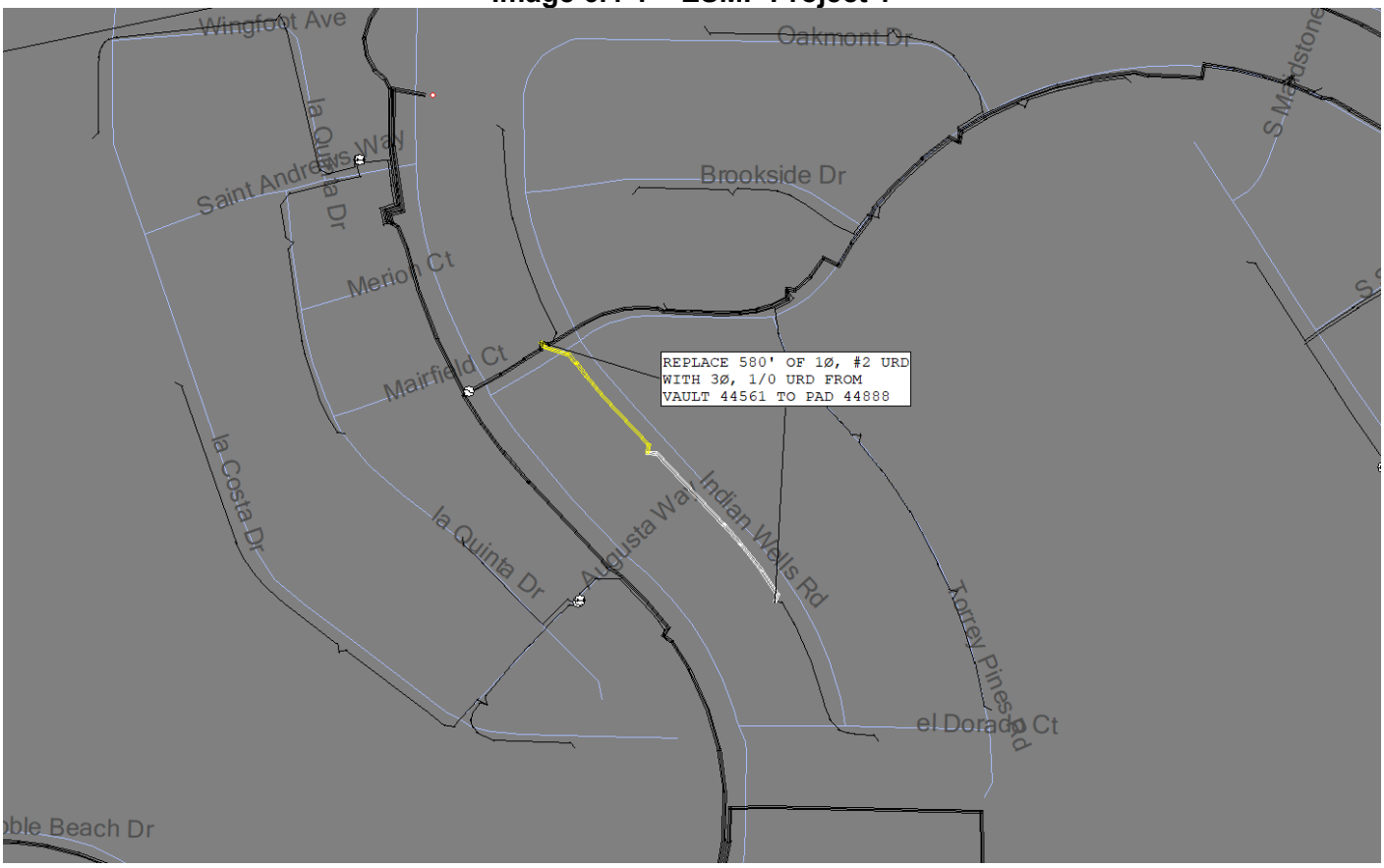
ESMP-1

Issue: UG33x303, 1Ø, #2 URD line with 41 amps, 41 thru consumers.

Resolution:

- Replace 580’ of 1Ø, #2 URD line with 3Ø, 1/0 URD line from vault 44888 to pad 44888 along Indian Wells Rd.
- Split the load between multiple phases.
- Estimated cost: $345,600 (2041).

Image 6.4-1 – ESMP Project 1



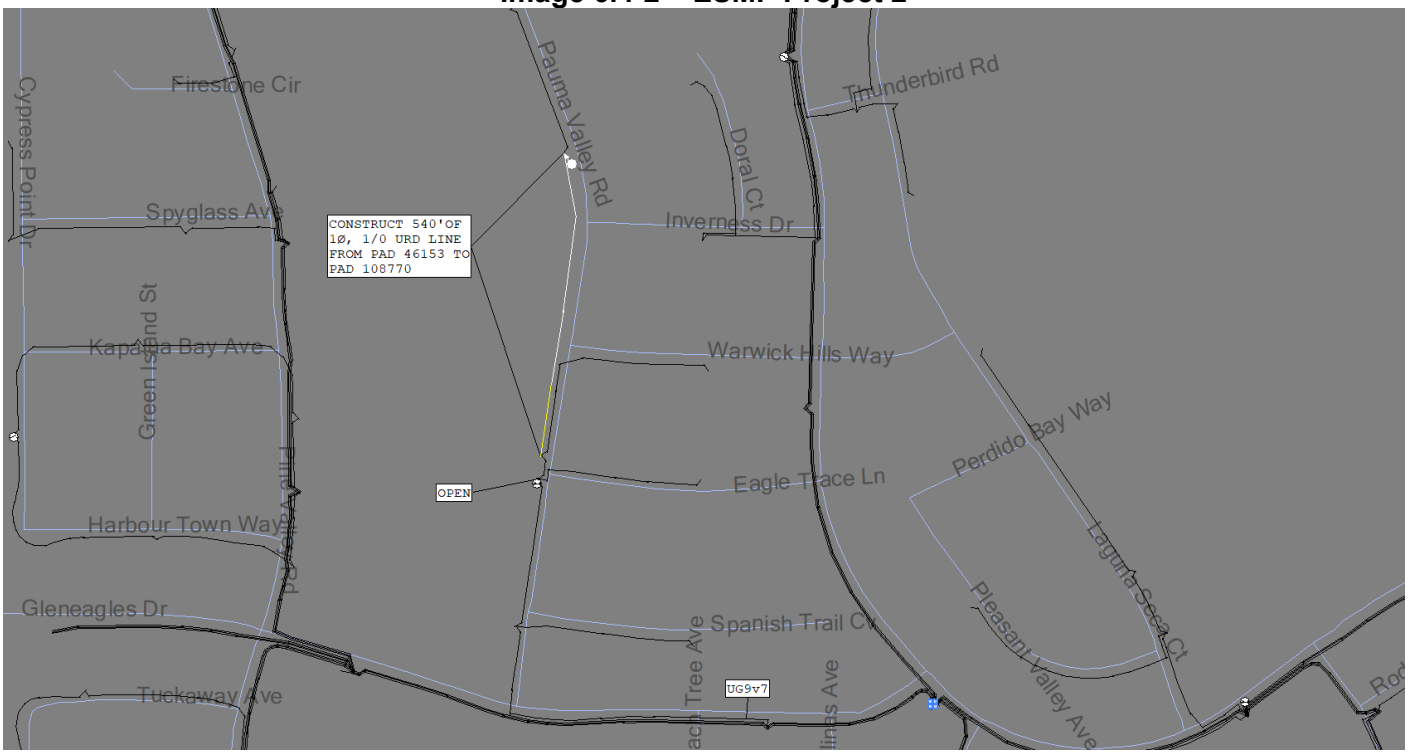
ESMP-2

Issue: UG9v7, 1Ø, 1/0 URD line with 41 amps, 86 thru consumers.

Resolution:

- Construct 540' of 1Ø, 1/0 URD line from pad 46153 to pad 108770 along Pauma Valley Rd. utilizing pull boxes Pb101706, Pb108810, PB108831, and Pb108819
- Open after line section UG9v9 at vault 108834
- Change the feed of line section UG33x490 along Eagle Trace Ln. at vault 108834 to feed from the north.
- Change the feed of UG33x489 along Warwick Hills Way at pad 108770 to feed from the north.
- Estimated cost: $388,100 (2045).

Image 6.4-2 – ESMP Project 2



CKT 64

Issue: None

IVY SUBSTATION

CKT 11

Issue: None

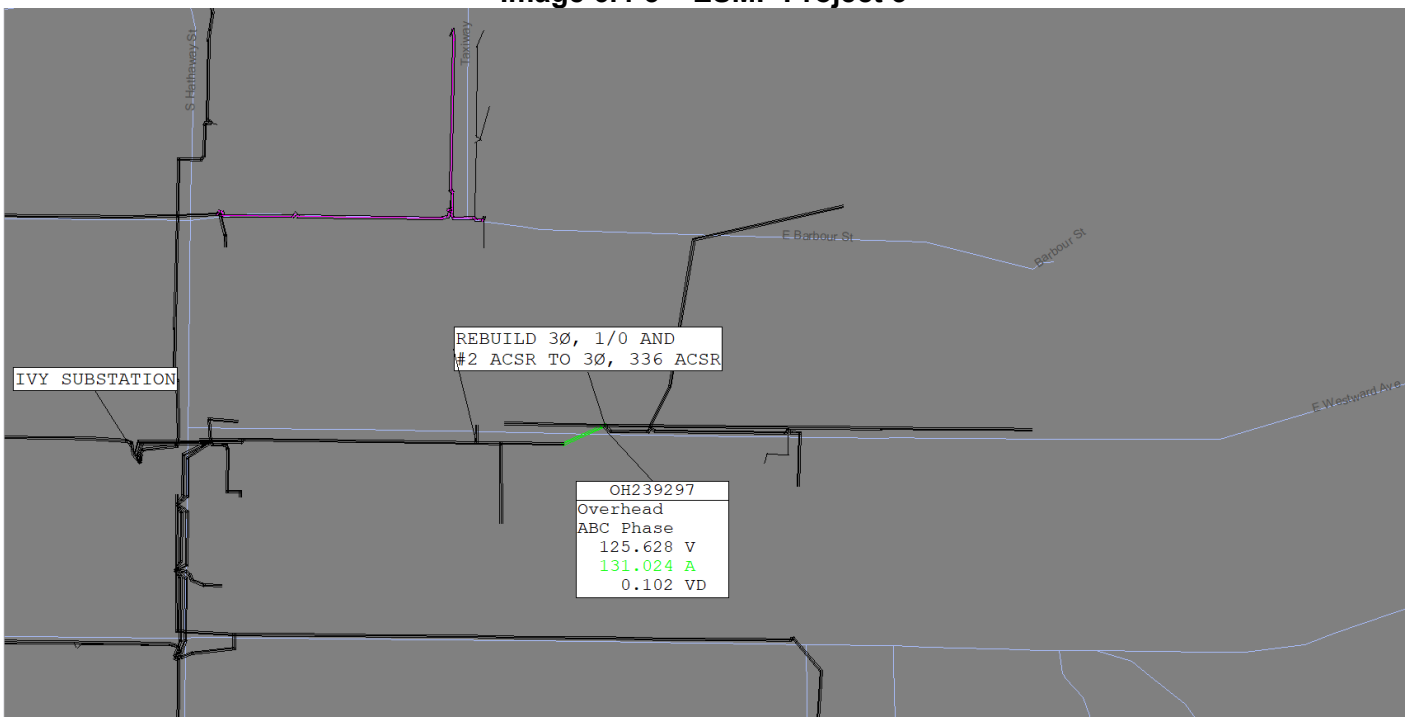
CKT 12

ESMP-3

Issue: OH239297, 3Ø, #2 ACSR OH conductor reaches 73% capacity.

Resolution: Rebuild 423' of 3Ø, 1/0 ACSR and #2 ACSR line to 3Ø, 336 ACSR along E. Westward Ave and crossing E. Woodward Ave from Pole239250 to Pole239296. Estimated cost: $120,400 (2044).

Image 6.4-3 – ESMP Project 3



CKT 13

Issue: None

MIDWAY SUBSTATION

The new Smith Creek Substation is planned for construction beginning in 2030 with a planned energization in 2031. All of the load currently served by the Midway Substation will be switched to Smith Creek. See the Smith Creek Substation writeup for system improvements required to support the load.

SAN GORGONIO SUBSTATION

CKT 51

ESMP-4

Issue: UG295264, 3Ø, 750 MCM conductor at the feeder exit reaches 66% capacity and OH1359, 3Ø, 336 ACSR conductor along W Lincoln St. reaches 62% capacity.

Resolution: Open SW209315-A at FP197794 Along George St. between N. 3rd St. and N 2nd St. and switch a portion of load to the Stagecoach substation. Note: In order for this to be completed without further problems, CKT's 5 and 6 out of the Stagecoach substation will be constructed. See the Stagecoach system improvement recommendations for projects required to complete this load switch. Estimated cost: $3,100 (2041).

Image 6.4-4 – ESMP Project 4

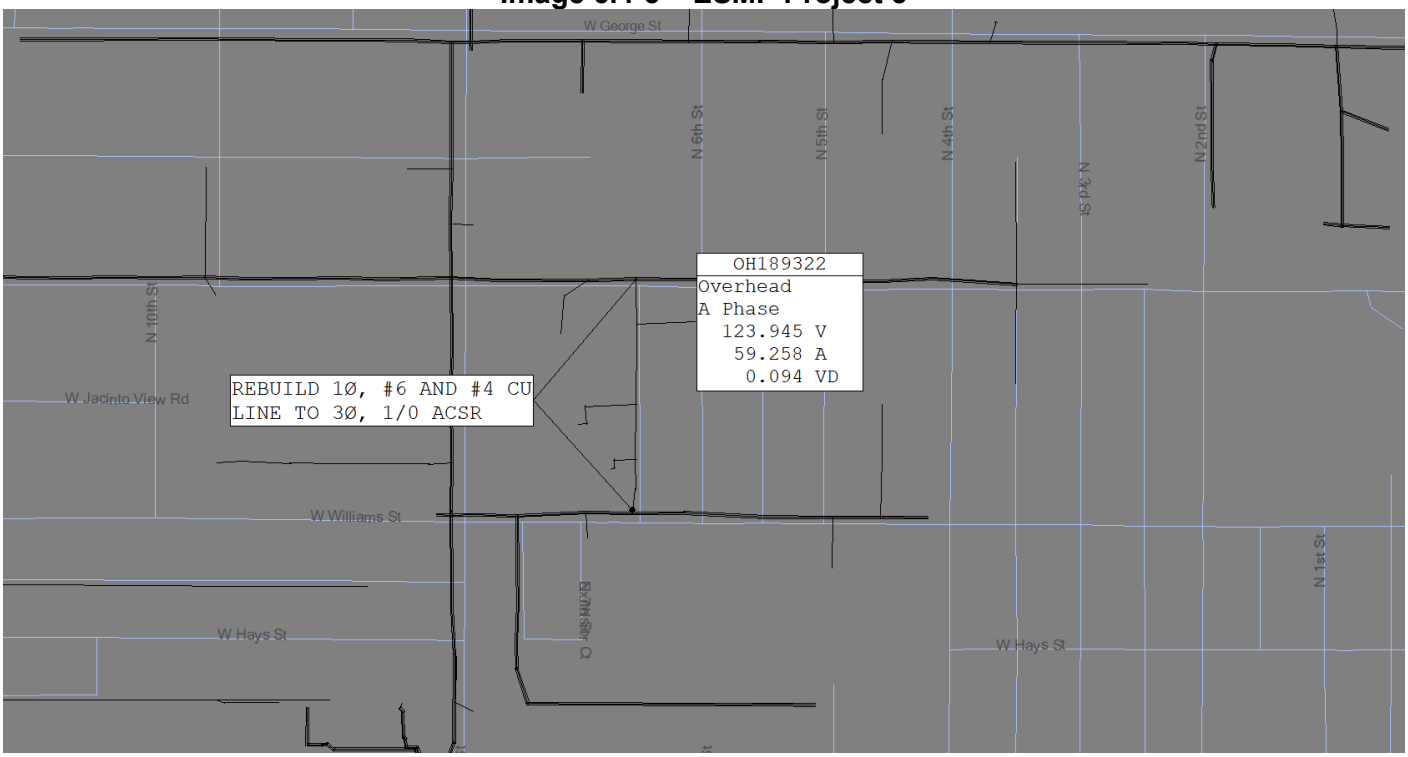


ESMP-5

Issue: OH189322, 1Ø, #6 CU line with 59 amps, 57 thru consumers.

Resolution: Rebuild 625' of 1Ø, #6 and #4 CU line to 3Ø, 1/0 ACSR from Pole189367 to Pole198056 between W. Nicolet St. and W. Williams St. and just west of N. 6th St. Once the line is rebuilt to three-phase, balance the taps between the three phases. Estimated cost: $132,800 (2040).

Image 6.4-5 – ESMP Project 5



CKT 52

Issue: None

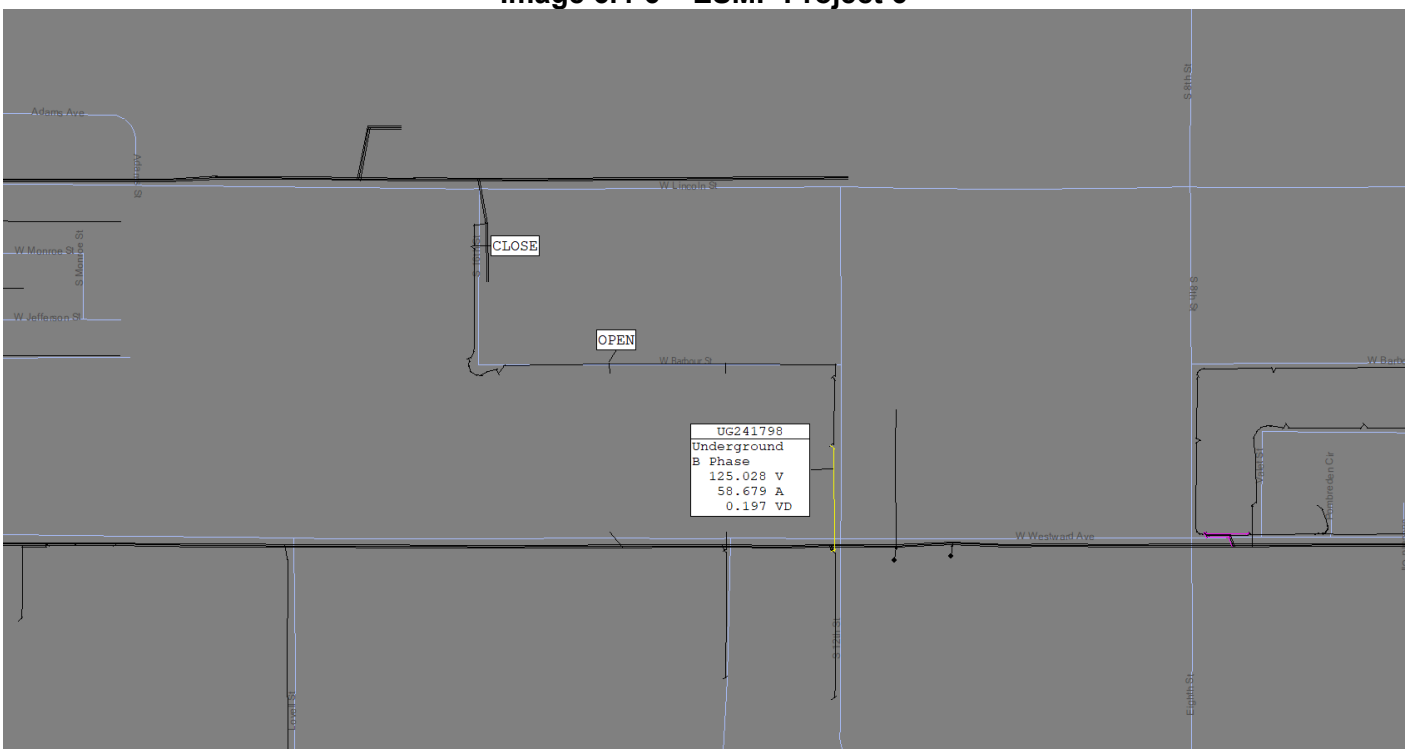
CKT 53

ESMP-6

Issue: UG241798, 1Ø, 2 URD with 59 amps, 46 thru consumers.

Resolution: Open the single-phase line at Vault 146193 and backfeed the line at Pad 146238 to split up the single-phase line and serve from another source. Estimated cost: $2,900 (2039).

Image 6.4-6 – ESMP Project 6

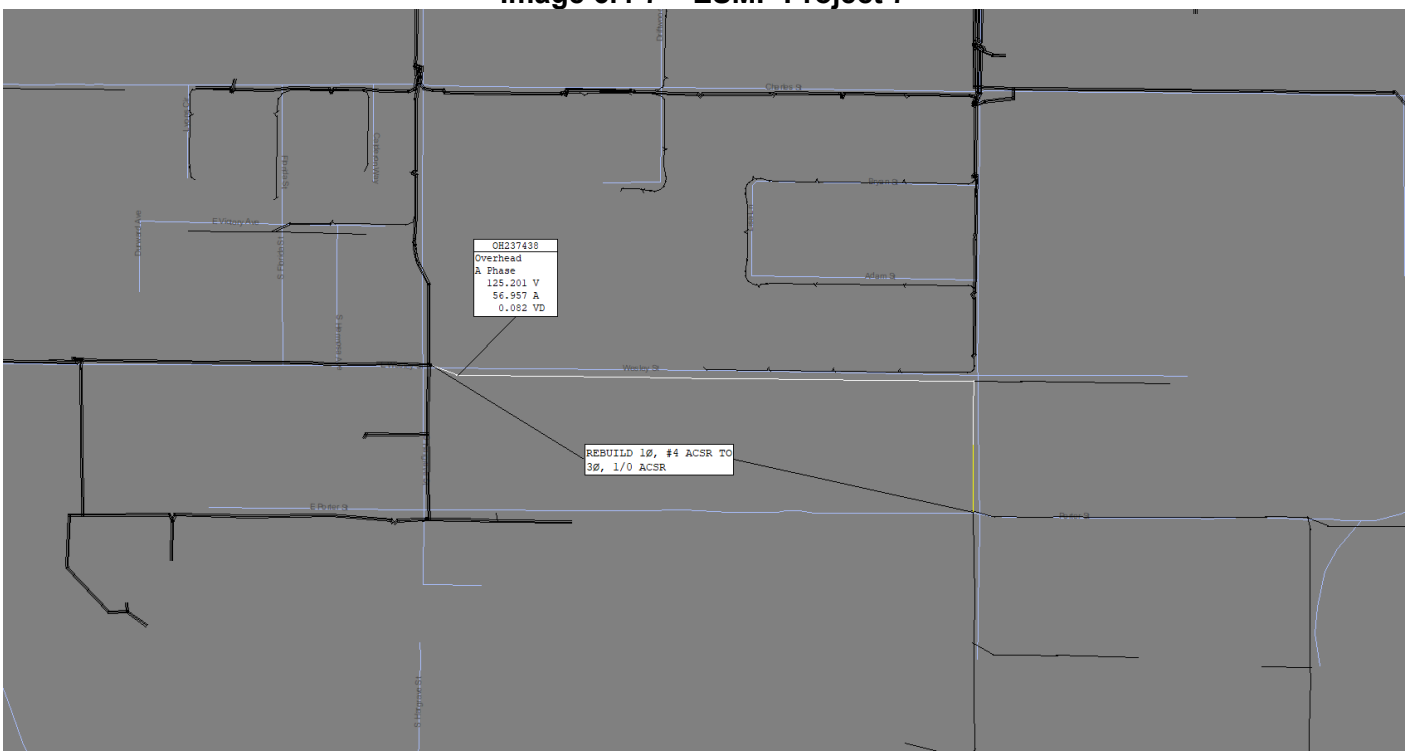


ESMP-7

Issue: OH237438, 1Ø, #4 ACSR line with 57 amps, 34 thru consumers.

Resolution: Rebuild 3,155' of 1Ø, #4 ACSR line to 3Ø, 1/0 ACSR from FP237936 to Pole237034 beginning at the intersection of S. Hargrave St. and Wesley St. and ending at the intersection of S. Hathaway St. and Porter St. Once the line is rebuilt to three-phase, balance the taps between the three phases. Estimated cost: $539,700 (2038).

Image 6.4-7 – ESMP Project 7



CKT 54

Issue: None

STAGECOACH SUBSTATION

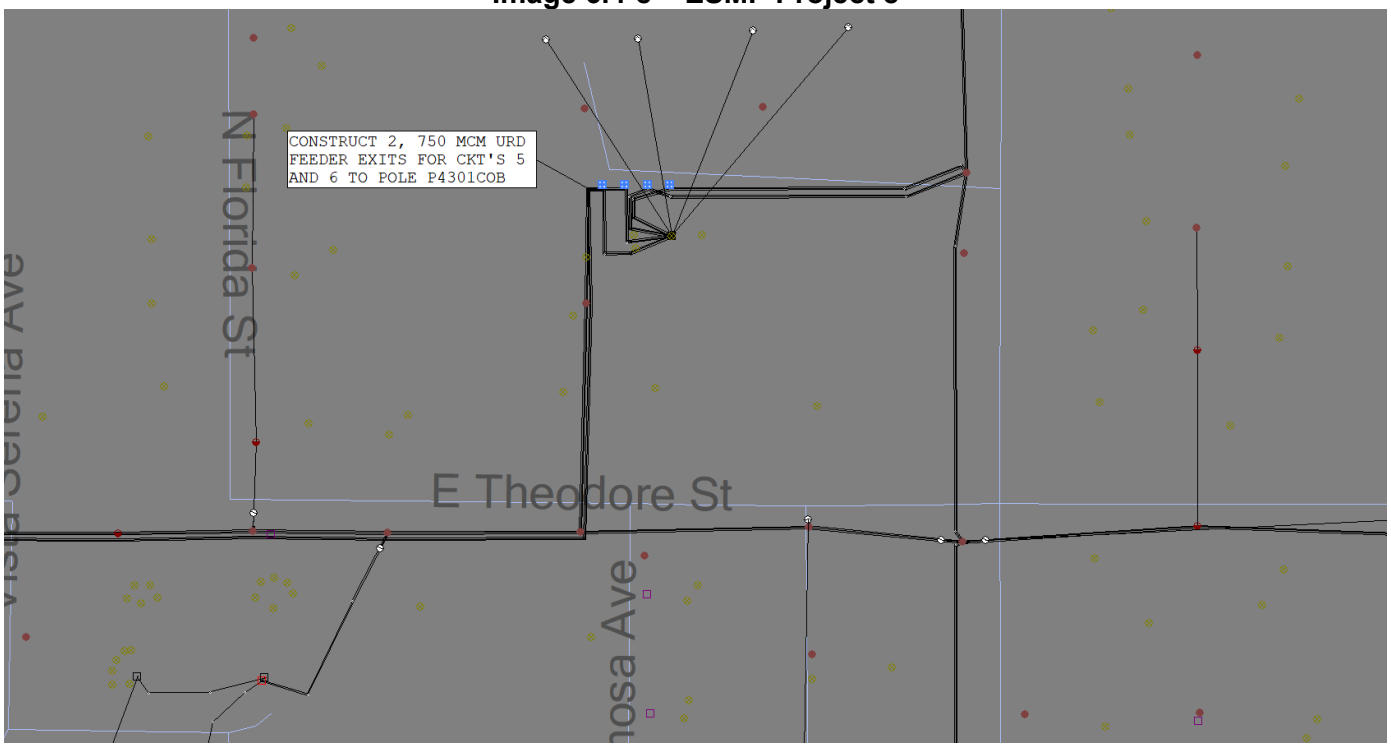
CKT 5 & 6

In order to balance the load at the Stagecoach substation and also to switch load from the San Gorgonio and Sunset substations to reduce conductor loading, it is recommended to build out CKT's 5 and 6 out of the Stagecoach substation. The projects listed below are recommended to construct CKT's 5 and 6 along with switching load from Stagecoach CKT's 7 and 8, San Gorgonio CKT 51, and Sunset CKT 72. The two need circuits will head south from the substation to E. Theodore St., head west on E. Theodore St. to N. Alessandro St., head south on N. Alessandro St. to E. Hoffer St. and then head west on E. Hoffer St. and end just west of N. San Gorgonio Ave. Circuit 5 will be express to this point.

ESMP-8

- Construct 2, 150'; 3Ø, 750 MCM feeder exits from Bay 5 and Bay 6 to pole P4301COB. Estimated cost: $165,800 (2035).

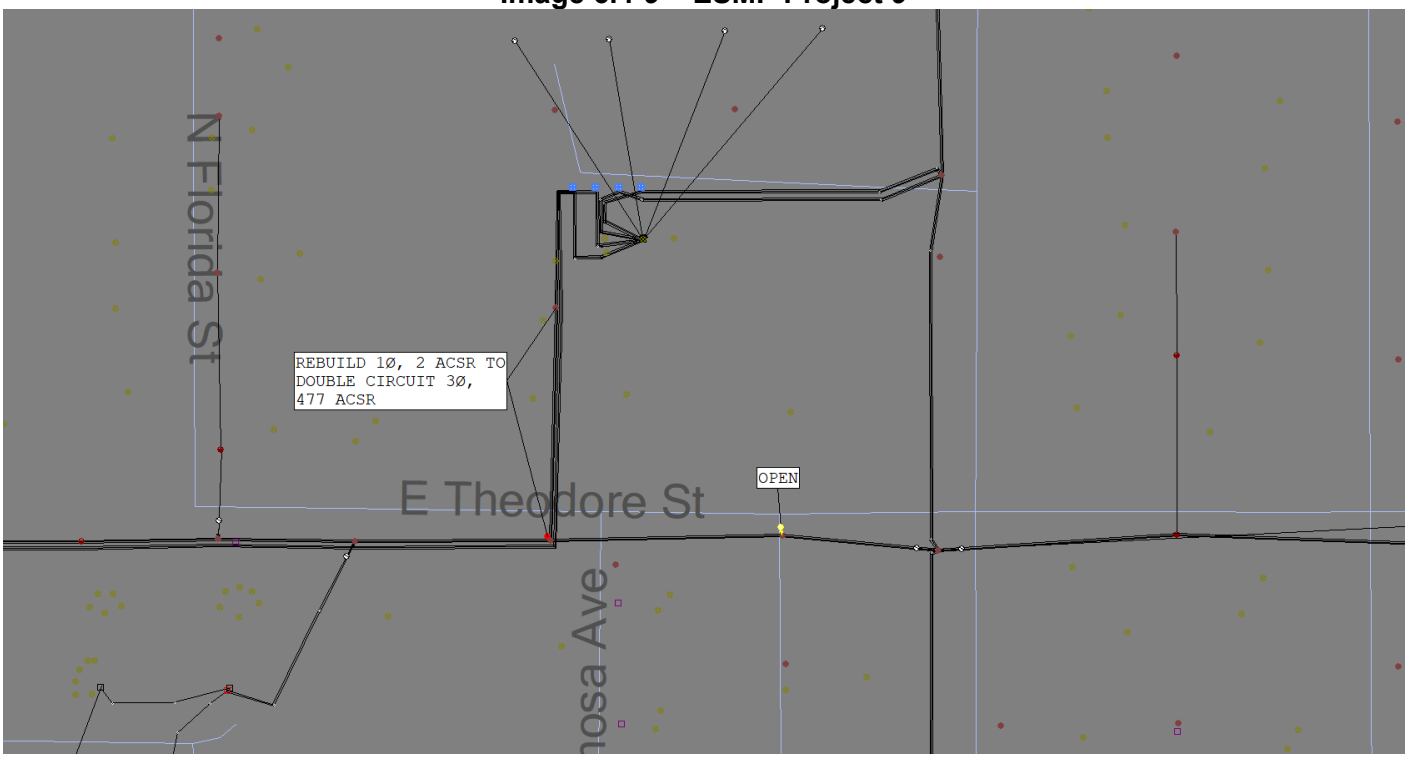
Image 6.4-8 – ESMP Project 8



ESMP-9

- Rebuild 200' of 1Ø, #2 ACSR line to double circuit 3Ø, 477 ACSR from pole P4301COB to pole P4302COB along the substation back entrance road.
- Create open point at pole P2999COB along E. Theodore St. and switch a portion of load from CKT 7 to the new CKT 6.
- Estimated cost: $57,500 (2035).

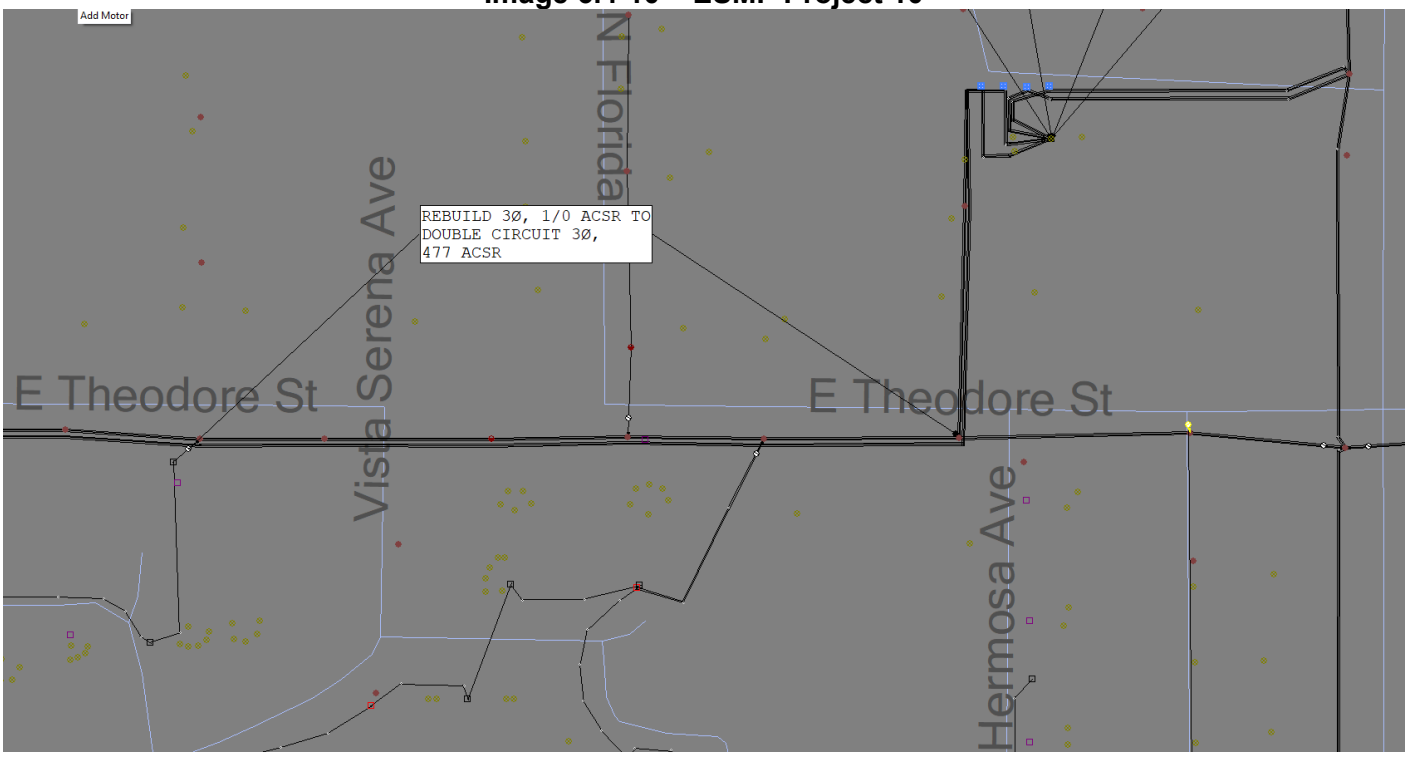
Image 6.4-9 – ESMP Project 9



ESMP-10

- Rebuild 650' of 3Ø, 1/0 ACSR line to double circuit 3Ø, 477 ACSR from pole P4302COB to pole GT68215 along E. Theodore St. from N. Hermosa Ave heading west to just past Vista Serna Ave. Estimated cost: $157,400 (2035).

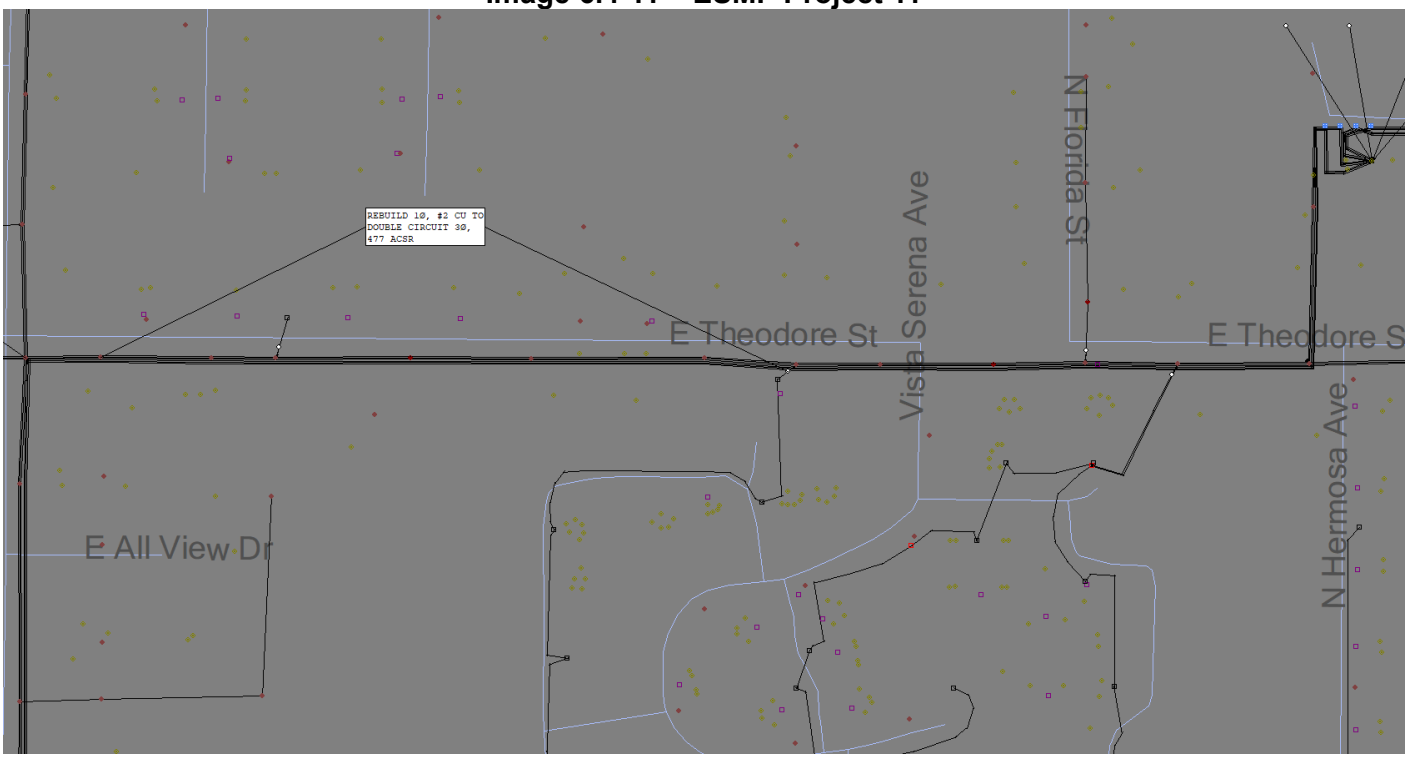
Image 6.4-10 – ESMP Project 10



ESMP-11

- Rebuild 900' of 1Ø, #2 CU line to double circuit 3Ø, 477 ACSR from pole GT68215 to pole P2330COB along E. Theadore St. east of N. Alessandro St. Estimated cost: $181,800 (2035).

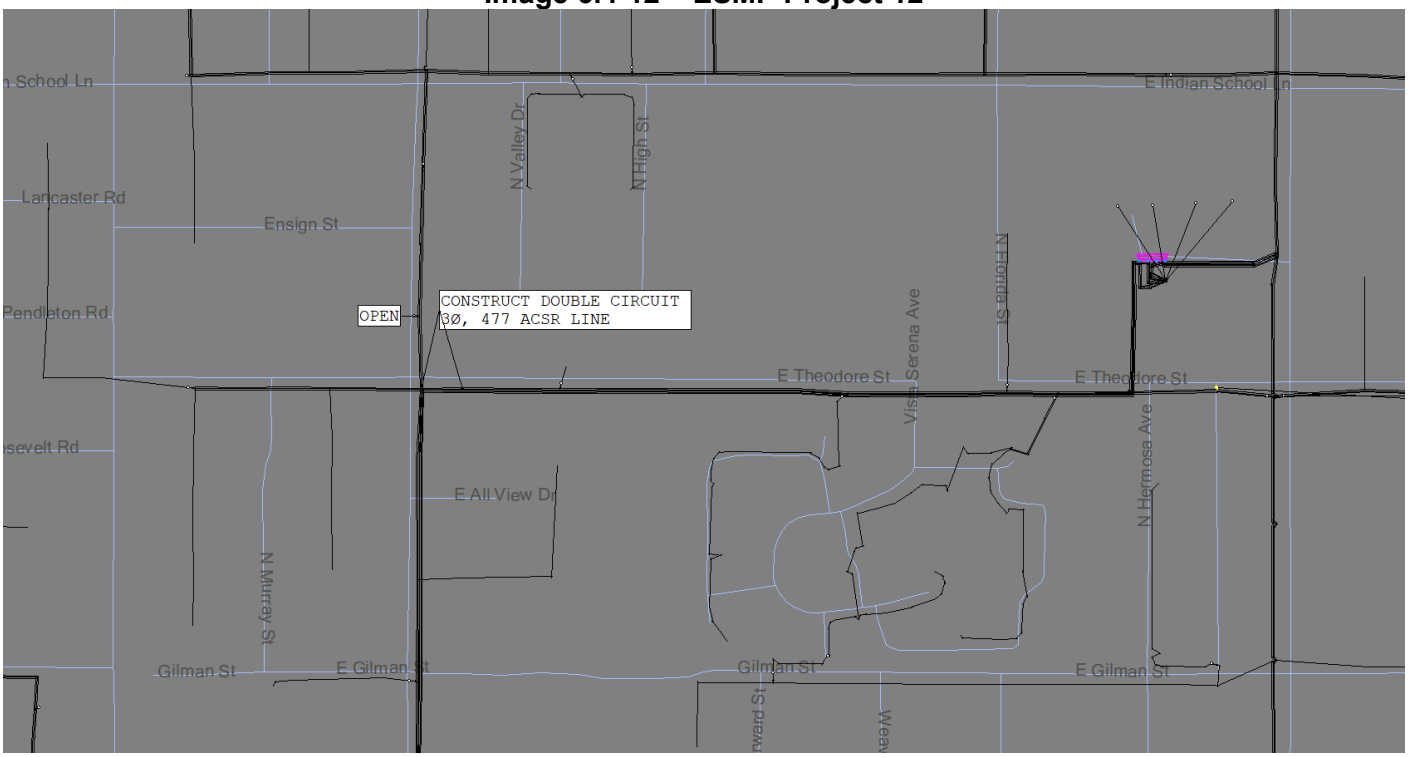
Image 6.4-11 – ESMP Project 11



ESMP-12

- Construct 100' of double circuit 3Ø, 477 ACSR line from pole P2330COB to pole P2331COB along E. Theadore St. east of N. Alessandro St.
- Create open point at Pole282646 along N. Alessandro St. just north of E. Theodore St. and switch a portion of load from CKT 8 to CKT 6.
- Estimated cost: $31,800 (2035).

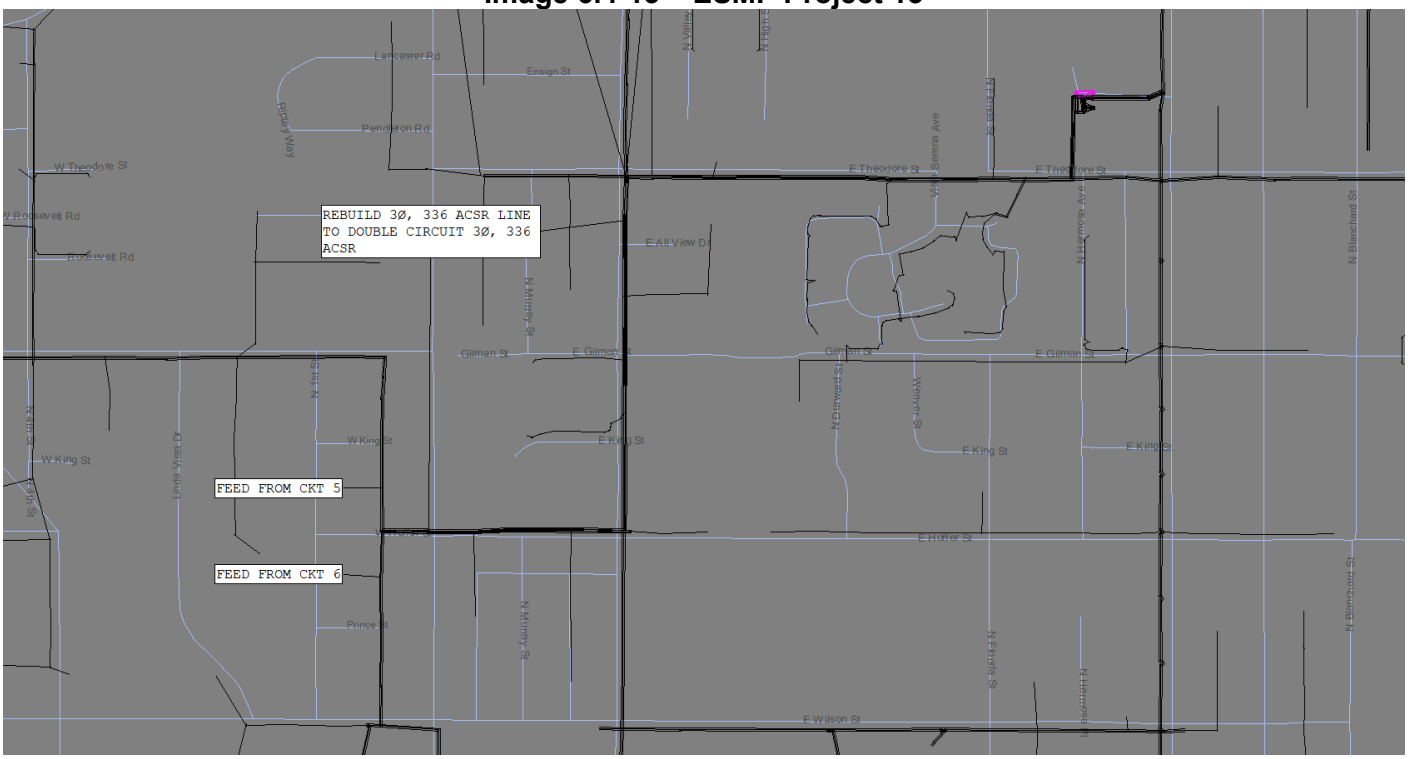
Image 6.4-12 – ESMP Project 12



ESMP-13

- Rebuild 2,150' of 3Ø, 336 ACSR line to double circuit 3Ø, 336 ACSR from pole P2331COB to Pole283017 heading south along N. Alessandro St and then west along W. Hoffer St.
- At Pole283017, switch the tap heading north towards W. Gillman St. to CKT 5 and switch the tap heading south towards E. Wilson St. to CKT 6.
- Estimated cost: $455,400 (2035).

Image 6.4-13 – ESMP Project 13



CKT 7

Issue: None

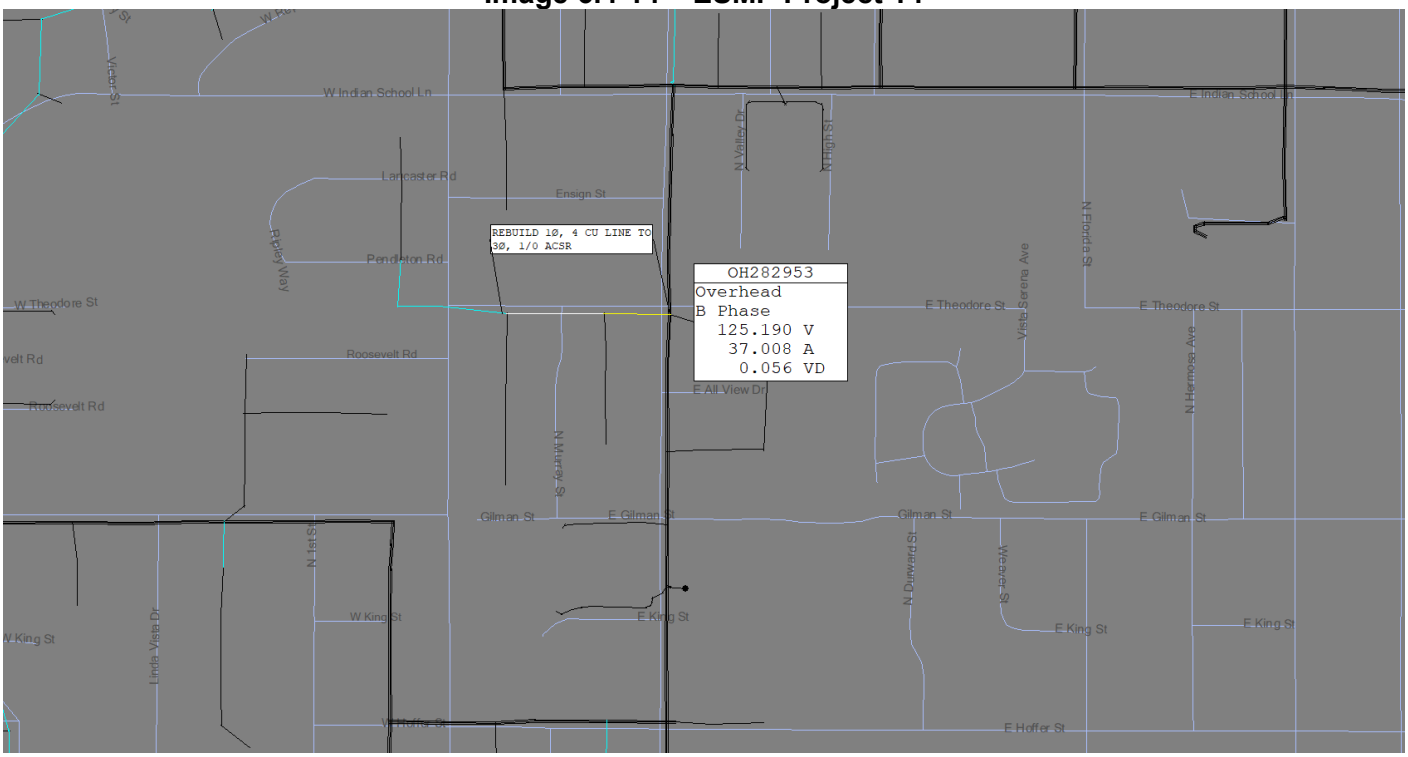
CKT 8

ESMP-14

Issue: OH282953, 1Ø, #4 CU line with 37 amps, 52 consumers.

Resolution: Rebuild 510' of 1Ø, #4 CU line to 3Ø, 1/0 ACSR along E. Theodore St. west of N. Alessandro St from pole P2331COB to pole 30733CWT. Estimated cost: $115,200 (2043).

Image 6.4-14 – ESMP Project 14



SUNSET SUBSTATION

CKT 72

ESMP-15

Issue: UG278161 Feeder Exit, 3Ø, 750 MCM URD conductor reaches 95% capacity and is greater than 80% capacity thru UG20. OH71 3Ø, 336 ACSR reaches 76% capacity and is greater than 60% capacity thru OH165. OH162 3Ø, 4/0 ACSR reaches 80% capacity and is greater than 60% capacity thru OH156.

Resolution: It is recommended to open at Pole175357 at the intersection of N. 22nd St. and W. Nicolet St. and close at Pole200537 along W. Gilman St. just west of N. 8th St. and switch load to the new Stagecoach CKT 5. Estimated cost: $2,800 (2036).

Image 6.4-15 – ESMP Project 15

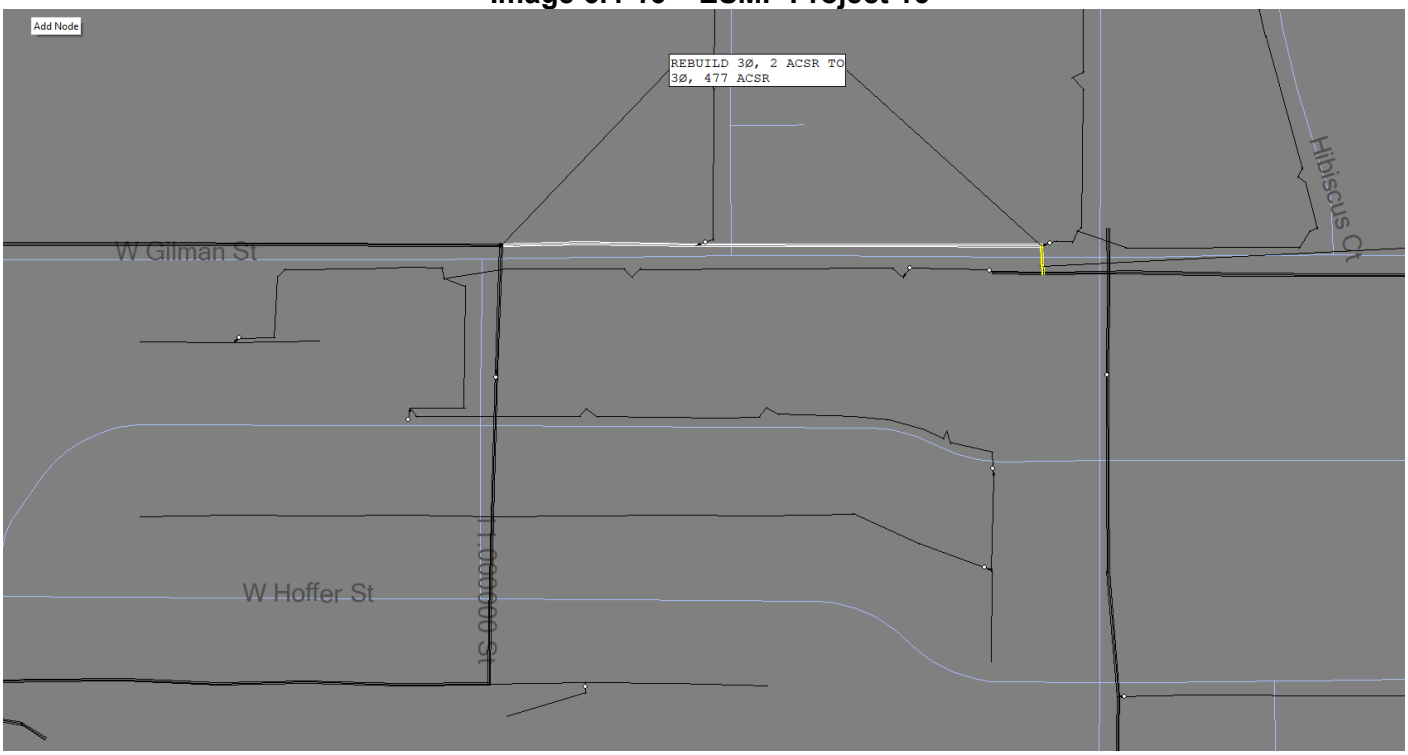


ESMP-16

Issue: With the load switch from Stagecoach CKT 72 to Stagecoach CKT 5 as described in ESMP-15, the 3Ø, #2 ACSR line at OH200538 reaches 101%

Resolution: Rebuild 875' of 3Ø, #2 ACSR line to 3Ø, 477 ACSR from Pole200537 to Pole213210 along W. Gilman St. between N. 8th St and 11th St. Estimated cost: $166,400 (2037).

Image 6.4-16 – ESMP Project 16

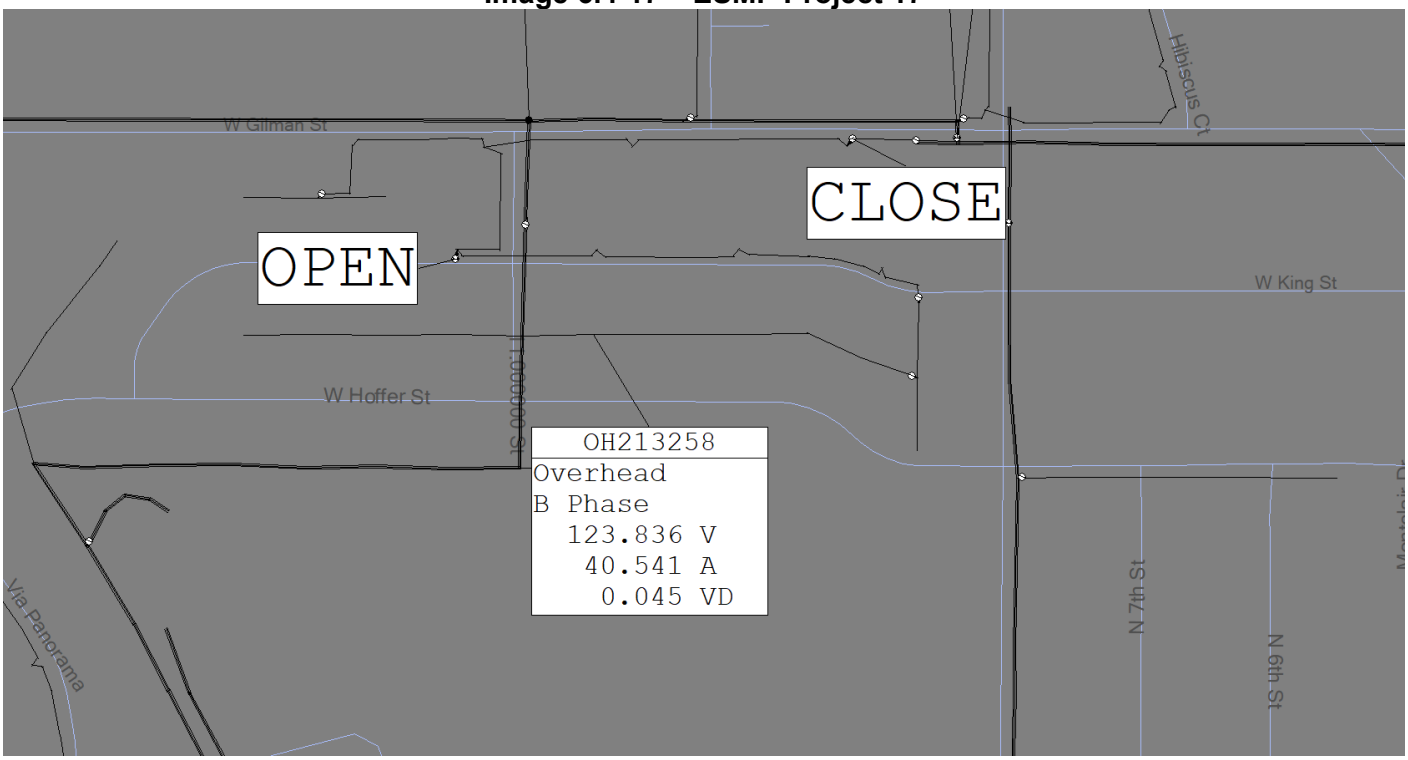


ESMP-17

Issue: OH213258, 1Ø, #2 ACSR line with 41 amps, 73 consumers

Resolution: It is recommended to open at Pad 28196 and close at Pad 28229 and split the load between W. Gilman St. and W Hoffer St. west of N. 8th St. from two different three-phase lines. Estimated cost: $3,400 (2042).

Image 6.4-17 – ESMP Project 17



CKT 74

Issue: None

CKT 76

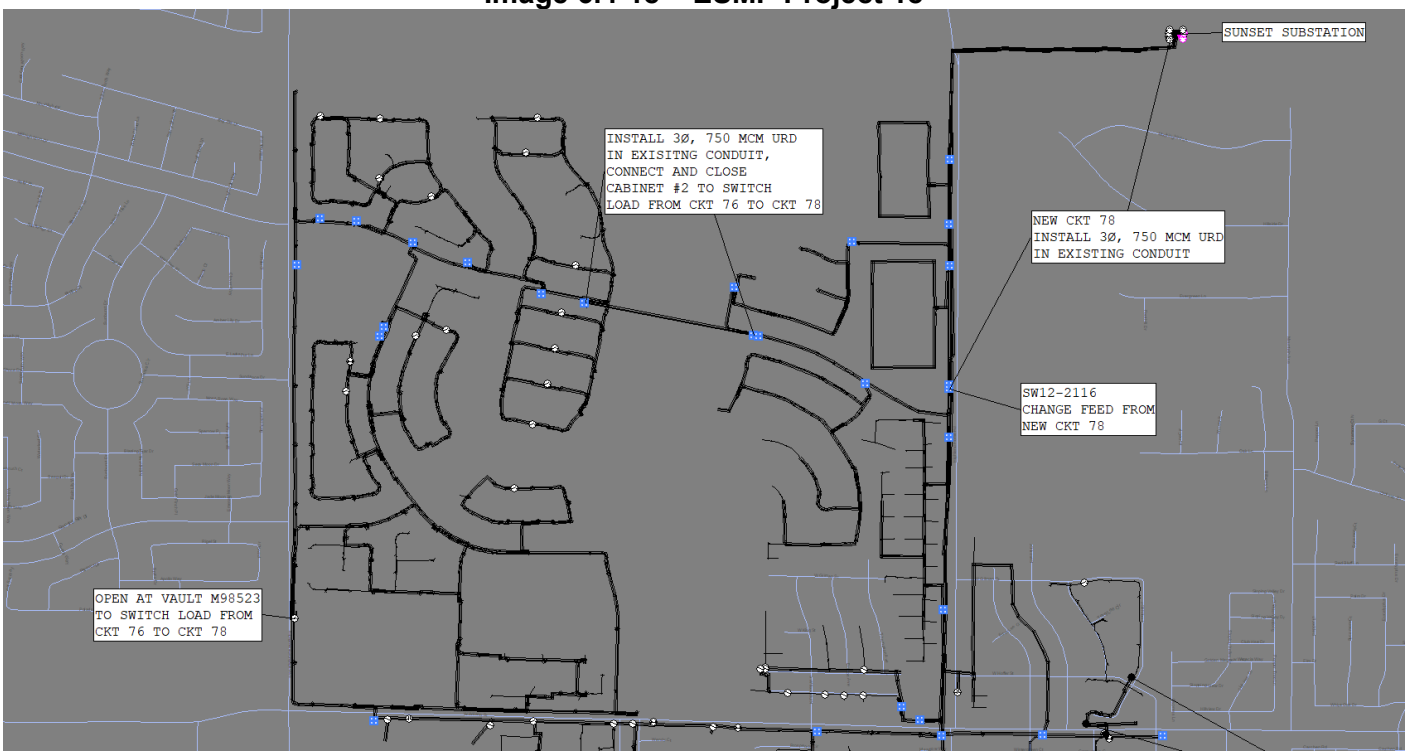
ESMP-18

Issue: Underground feeder exit, 3Ø, 750 MCM reaches 110% capacity and is greater than 60% capacity through UG2vQ6 at Vault 31064.

Resolution:

- Utilize CKT 78 and create a new feeder to serve the south west side of the Atwell Subdivision. See Image 6.4-20 below for the feeder plan recommendation.
- Using the existing empty conduit that is in the same trench as CKT 76:
  - Install 1,862' of 3Ø, 750 MCM from the feeder bay exit to Vault LV100172 at the intersection of Highland Home Rd. and Mountain Ave. using the existing conduit.
  - Install 2,706' of 3Ø, 750 MCM from Vault LV100172 to Vault SP100103 along Highland Home Rd. north of Meadowline Way using the existing conduit and connect to cabinet #2 in switchgear SW12-2116 while removing the connection between Vault SP100102 cabinet #1 and Vault SP100103 cabinet #2. This will switch all load along Meadowline Way west of Highland Home Rd. to CKT 78.
  - Install 1,400' of 3Ø, 750 MCM from Vault SP100109 cabinet 1 to Switchgear SG290766 following Meadowline Way.
  - Open at Vault M98523 along N. Highland Springs Ave. and close SG290766 cabinet #2 along Meadowline Way and switch all load currently served from CKT 76 to the new CKT 78.
  - Estimated cost: $927,000 (2031).

Image 6.4-18 – ESMP Project 18



EMSP-19

Issue: Despite the load switch to the new CKT 78, the underground feeder exit, 3Ø, 750 MCM is still over 60% capacity through Vault SP100105

Resolution:

- Utilize CKT 75 and create a new feeder to serve the south side of the Atwell Subdivision. See Image 6.4-20 below for the feeder plan recommendation.
- Using the existing empty conduit that is in the same trench as CKT 76:
  - Install 1,862' of 3Ø, 750 MCM from the feeder bay exit to Vault LV100172 at the intersection of Highland Home Rd. and Mountain Ave. using the existing conduit.
  - Install 2,706' of 3Ø, 750 MCM from Vault LV100172 to Vault SP100103 along Highland Home Rd. north of Meadowline Way using the existing conduit.
  - Install 2,953' of 3Ø, 750 MCM from Vault SP100103 to Vault 30985 along W. Wilson St. west of Highland Home Rd.
  - At Vault 30985, switch the conductor heading west along W. Wilson St. to feed from the new CKT 75.
  - Estimated cost: $1,032,400 (2032).

Image 6.4-19 – ESMP Project 19

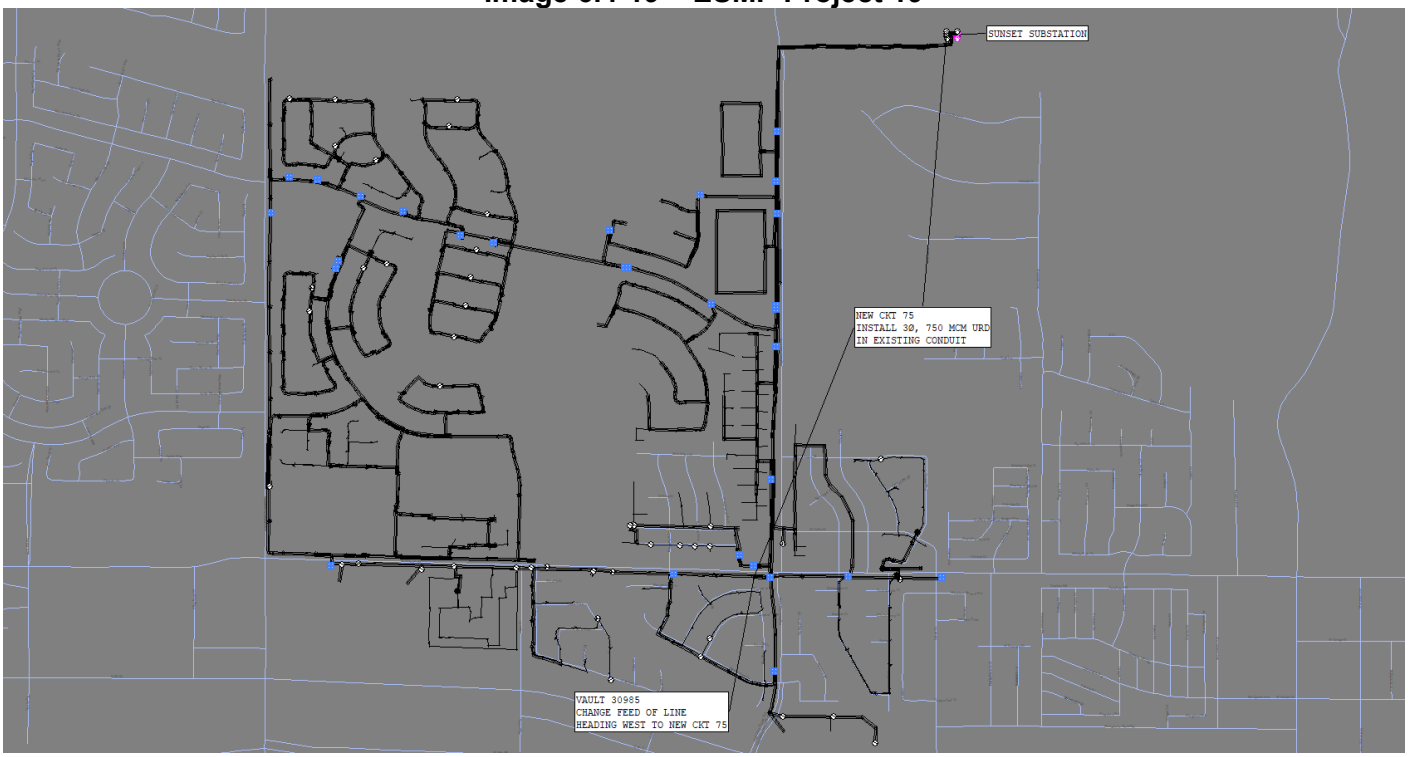
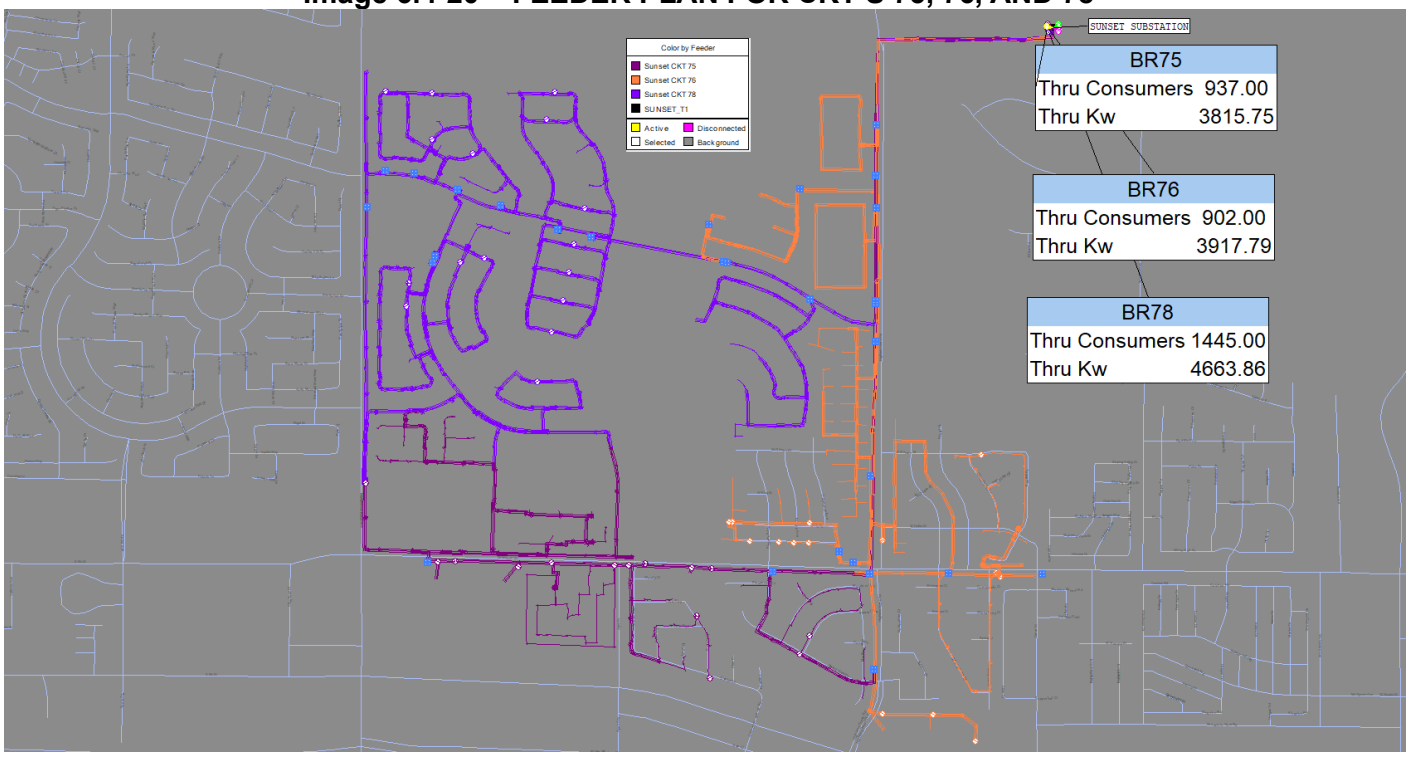


Image 6.4-20 – FEEDER PLAN FOR CKT'S 75, 76, AND 78



CKT 77

Issue: None

NEW SMITH CREEK SUBSTATION

The new Smith Creek substation is planned to be constructed at a property owned by the City of Banning on the south side of Interstate 10 and will replace the Midway substation on the north side of Interstate 10. Construction for the new Smith Creek substation will begin in 2030 with an energization date in 2031. All four feeders currently served by Midway will be switched to Smith Creek. Additionally, four new feeders will be added at Smith Creek to served planned load additions between Interstate 10 and Westward Ave. The projects below are recommended to construct the new feeders out of Smith Creek to serve the existing Midway feeders and support existing and future load additions. Refer to Image 6.4-32 for the Smith Creek feeder plan.

Smith Creek CKT 21

Circuit 21 will be constructed to serve the existing Midway CKT 21.

ESMP-20

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104936.
- Create open point at Pole104876 and serve the load on the south side of Interstate 10.
- Create an open point at Pole104926 along Highland Home Rd. between CKT 21 and 25
- Create an open point at pole P6554COB along Westward Ave. between CKT 21 and 25
- Create an open point at Vault 40257 along Fairway Oks Ave. just north of Mission Hills Dr. between CKT 21 and 25
- Tie the three-phase line together at Vault 38231 at the intersection of Birdie Dr. and Cog Hill Rd.
- Estimated cost: $144,400 (2031).

Image 6.4-21 – ESMP Project 20



Smith Creek CKT 22

Circuit 22 will be constructed to serve the existing Midway CKT 22 and CKT 23.

ESMP-21

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104876 and use the existing Midway CKT 21 Interstate 10 crossing to serve the existing Midway CKT 22. Estimated cost: $139,600 (2031).

Image 6.4-22 – ESMP Project 21



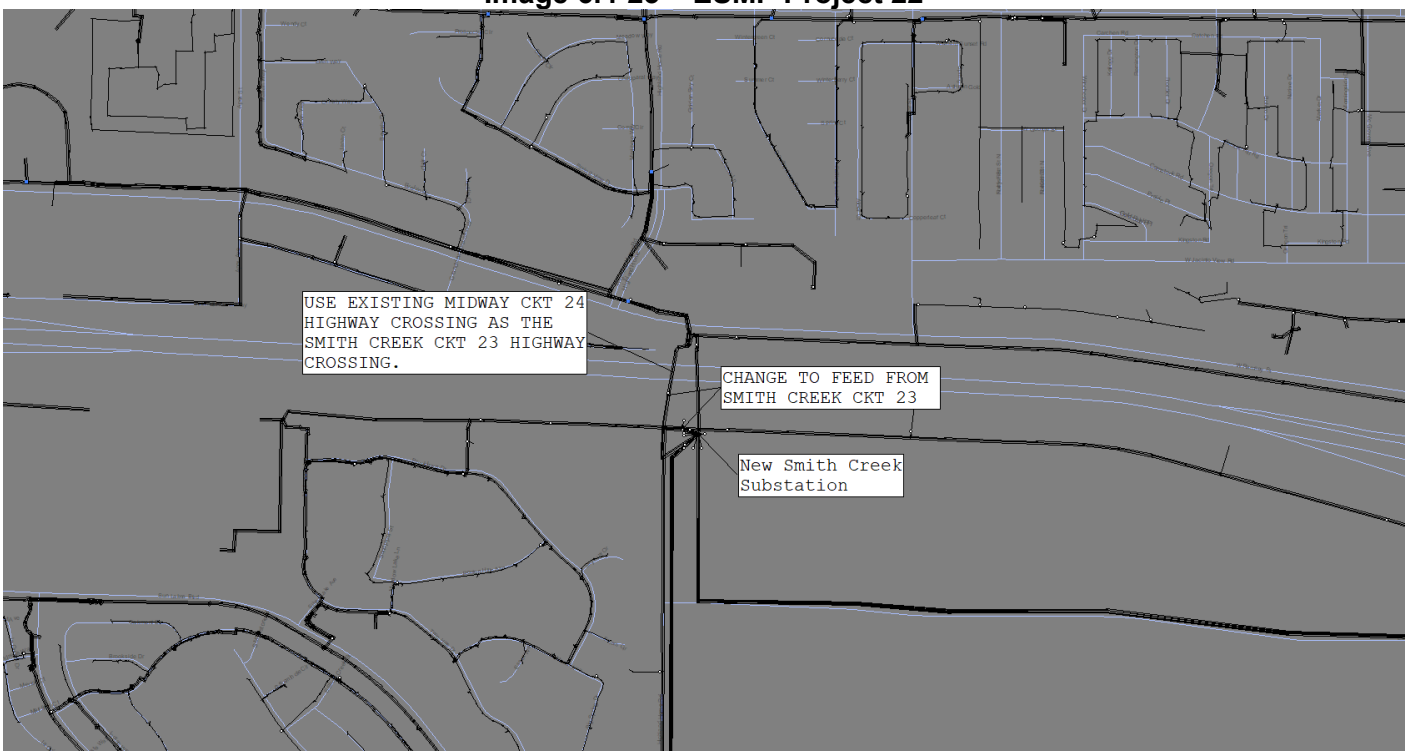
Smith Creek CKT 23

Circuit 23 will be constructed to serve the existing Midway CKT 23.

ESMP-22

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104936
- Chage the feed at Pole104936 from Midway CKT 23 to Smith Creek CKT 23
- Use the existing Midway CKT 24 Interstate 10 crossing as the new Smith Creek CKT 23 highway crossing.
- Tie Midway CKT 23 to Smith Creek CKT 23 inside the current Midway substation to switch all of Midway CKT 23 to Smith Creek CKT 23
- Estimated cost: $144,400 (2031).

Image 6.4-23 – ESMP Project 22



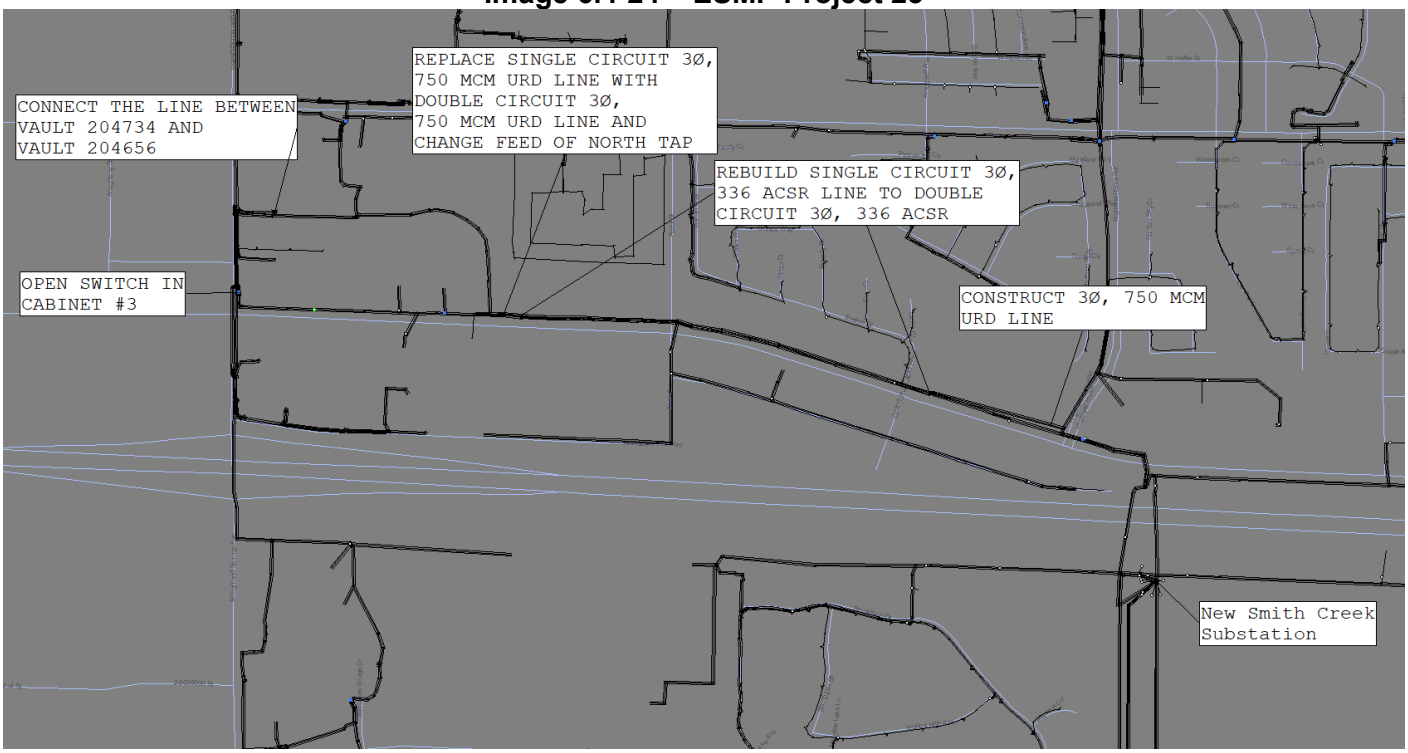
ESMP-23

Issue: The 750 MCM conductor at the feeder exit will reach 79% capacity, the 336 ACSR and 477 ACSR line up to and crossing Interstate 10 will reach 80% capacity and 64% capacity respectively, and the 750 MCM conductor at the current Midway CKT 23 feeder exit and heading along W. Ramsey St. to Lori Way exceeds 60% capacity.

Resolution:

- Construct 800' of 3Ø, 750 MCM URD line from Vault 320963 to Vault 34038 and up to riser Pole34020 along W. Ramsey St between Highland Home Rd. and Lori Way.
- Rebuild 2,165' of single circuit 3Ø, 336 ACSR to double circuit 3Ø, 336 ACSR from Pole34020 to Pole206642 along W. Ramsey St. between Lori Way and Memorial Dr.
- Rebuild 175' of single circuit 3Ø, 750 MCM URD line to double circuit 3Ø, 750 MCM from riser Pole206642 to Vault 204676 along W. Ramsey St. at Memorial Dr.
- At Vault 204676, leave the tap heading west along W. Ramey St. connected to CKT 23 and change the feed of the tap heading north along Memorial Dr. to CKT 22 using the newly constructed line.
- In SG266801 at the intersection of W. Ramsey St. and N. Highland Springs Ave., open cabinet #3
- Connect the three-phase between Vault 204734 and Vault 204656 to change the feed to Smith Creek CKT 22.
- Estimated cost: $1,187,200 (2036).

Image 6.4-24 – ESMP Project 23



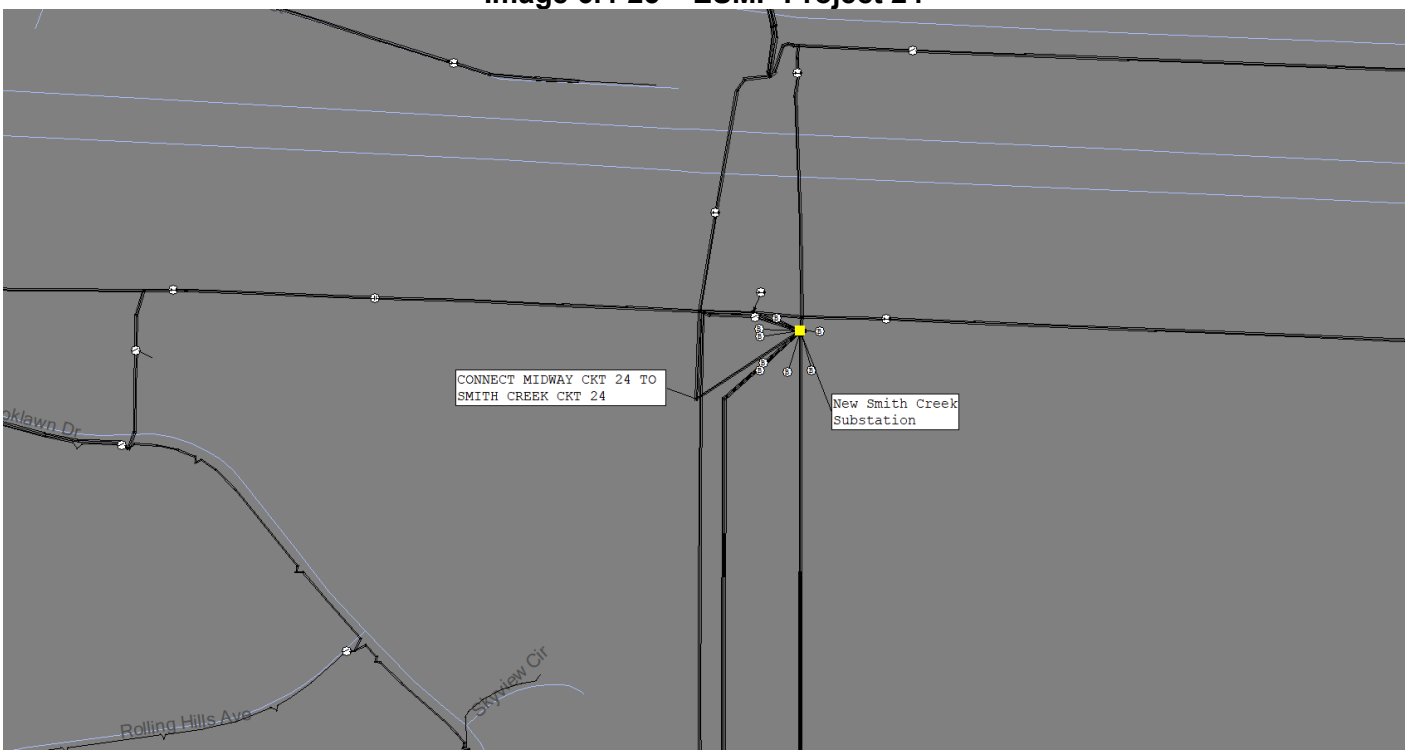
Smith Creek CKT 24

Circuit 24 will be constructed to serve the existing Midway CKT 24.

ESMP-24

- Construct 300' of 3Ø, 750 MCM URD from the feeder bay to Pole104900 and switch Midway CKT 24 to Smith Creek CKT 24. Estimated cost: $139,600 (2031).

Image 6.4-25 – ESMP Project 24

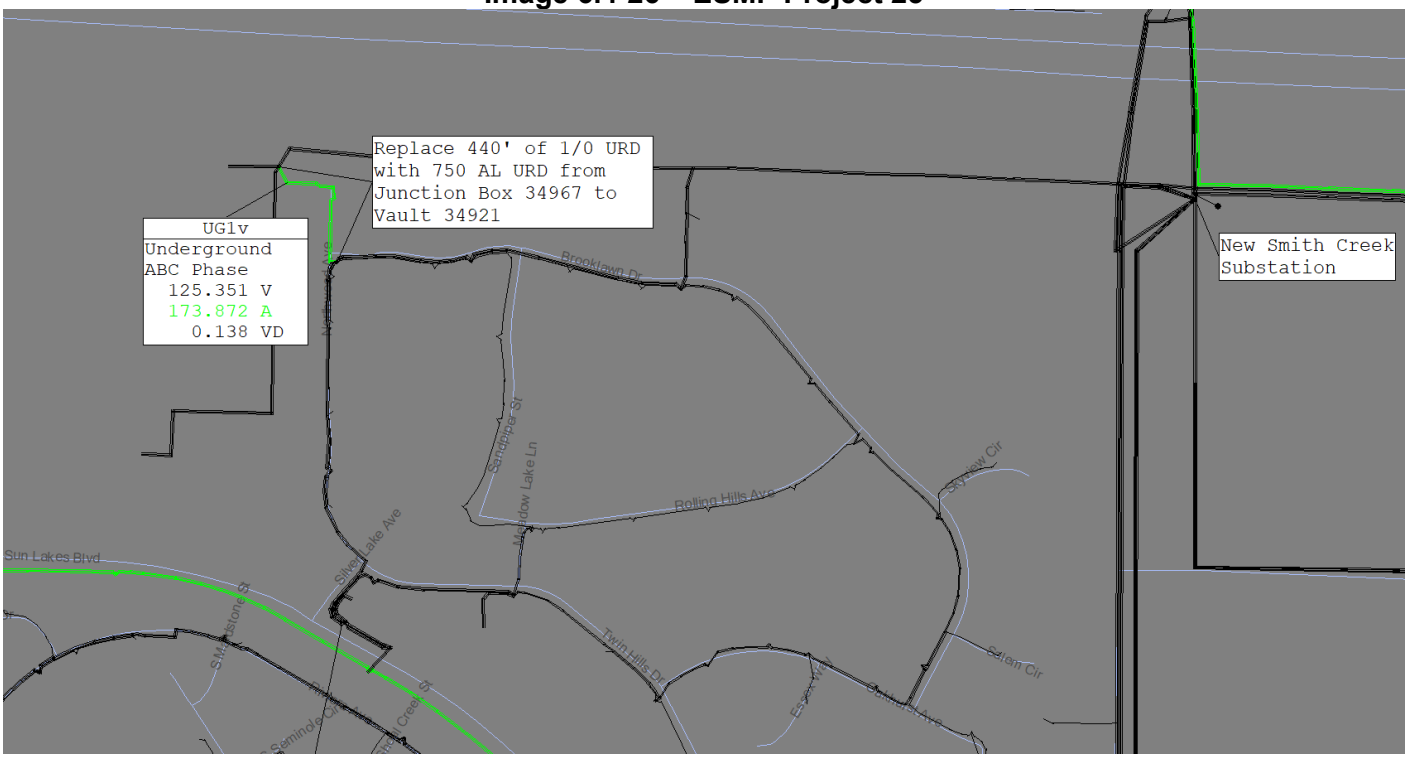


ESMP-25

Issue: UG1v, 3Ø, 1/0 URD line reaches 81% Capacity

Resolution: Replace 440' of 3Ø, 1/0 URD with 3Ø, 750 MCM from Junction Box 34967 to Vault 34921 at the intersection of Northwood Ave. and Brooklawn Dr. Estimated cost: $237,600 (2034).

Image 6.4-26 – ESMP Project 25



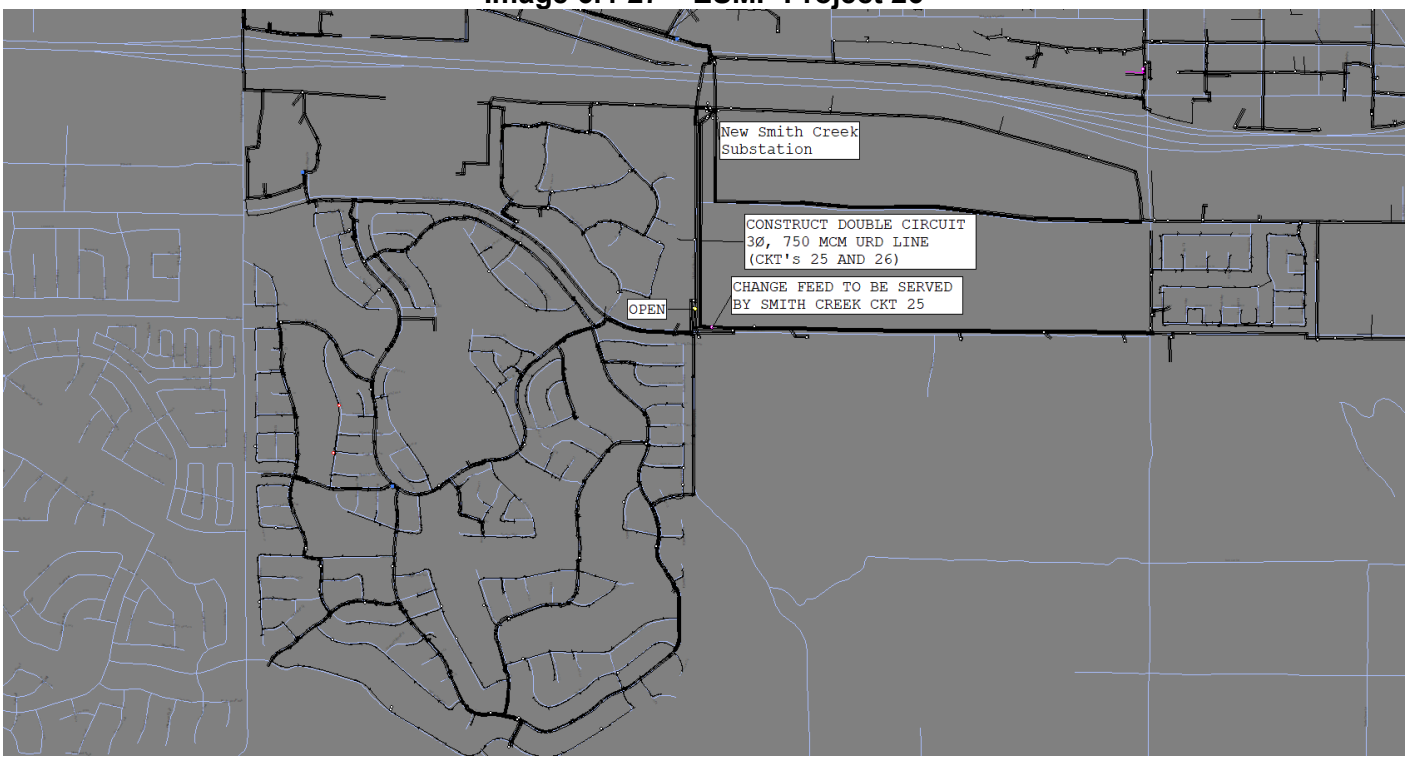
Smith Creek CKT 25

Circuit 25 will be constructed to serve a portion of the existing Midway CKT 21.

ESMP-26

- Construct 2,745’ of double circuit 3Ø, 750 MCM URD line from the feeder bay to pole P6554COB at the intersection of Westward Ave. and S. Highland Home Rd. *Note, this will also be the route for Smith Creek CKT 26.
- At pole P6554COB, change feed from Midway CKT 21 to Smith Creek CKT 25.
- Estimated cost: $1,652,900 (2031).

Image 6.4-27 – ESMP Project 26



ESMP-27

Issue: UG1v24, 3Ø, 350 MCM URD conductor reaches 79% capacity.

Resolution: Replace 2,100' of 3Ø, 350 AL MCM URD conductor with 3Ø, 750 MCM URD conductor from Vault 36923 located at the intersection of Sun Lakes Blvd. and Country Club Dr. and following Country Club Dr. to Vault 41797 at the intersection of Country Club Dr. and Hogan Ave. Estimated cost: $316,000 (2031).

Image 6.4-28 – ESMP Project 27



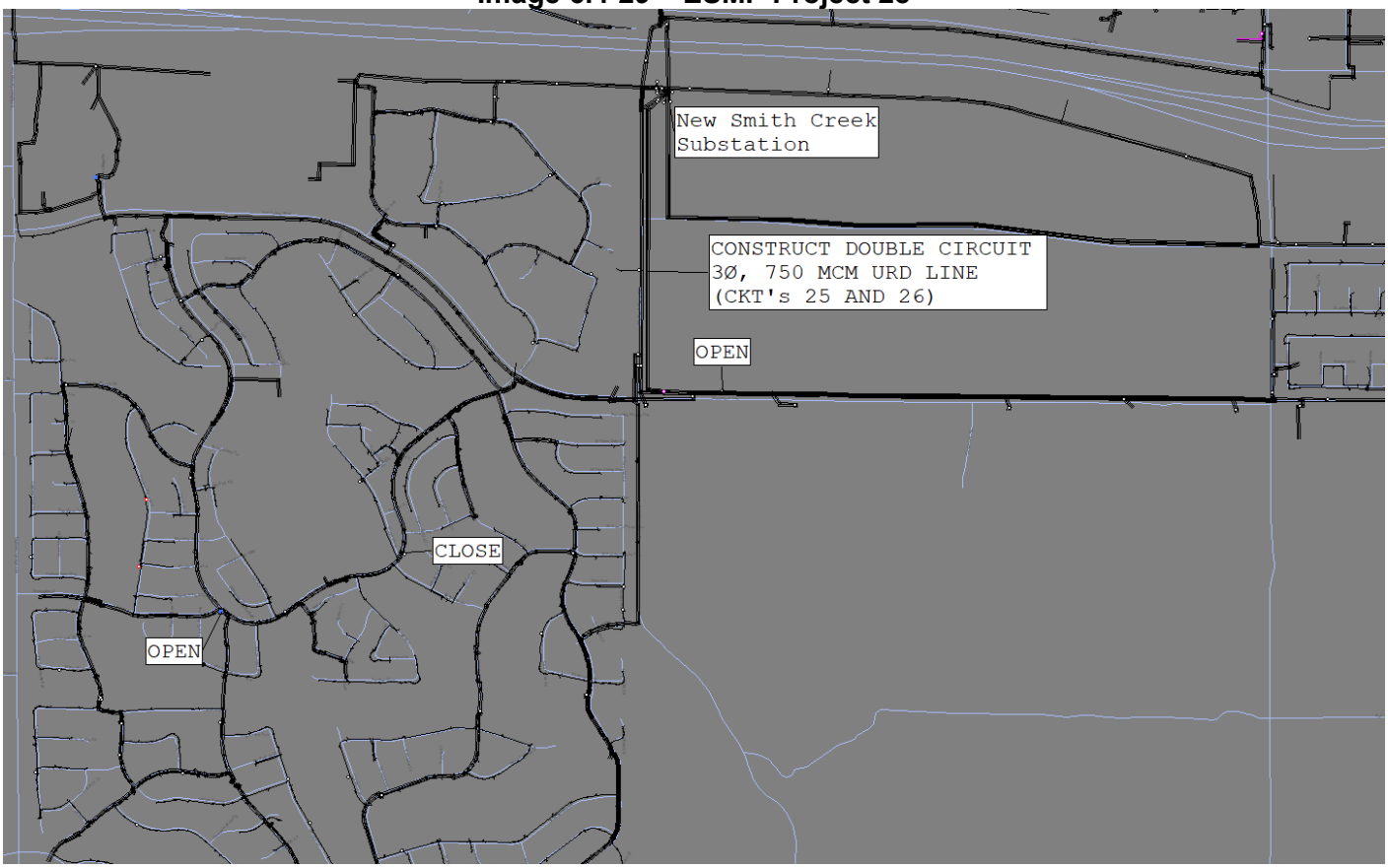
Smith Creek CKT 26

Circuit 26 will be constructed to serve a portion of the existing Midway CKT 21 and 22nd Street CKT 63. See ESMP-26 for project to construct the circuit from Smith Creek.

ESMP-28

- Create open point at Pole104842 along Westward Ave to switch a portion of load from 22nd Street CKT 63
- At SG49762 along Country Club Dr. between Birdie Dr. and Gleneagles Dr., open cabinet #2 and change feed to Smith Creek CKT 25 at Vault 41797 along County Club Dr. at Hogan Ave.
- Estimated cost: $4,900 (2031).

Image 6.4-29 – ESMP Project 28

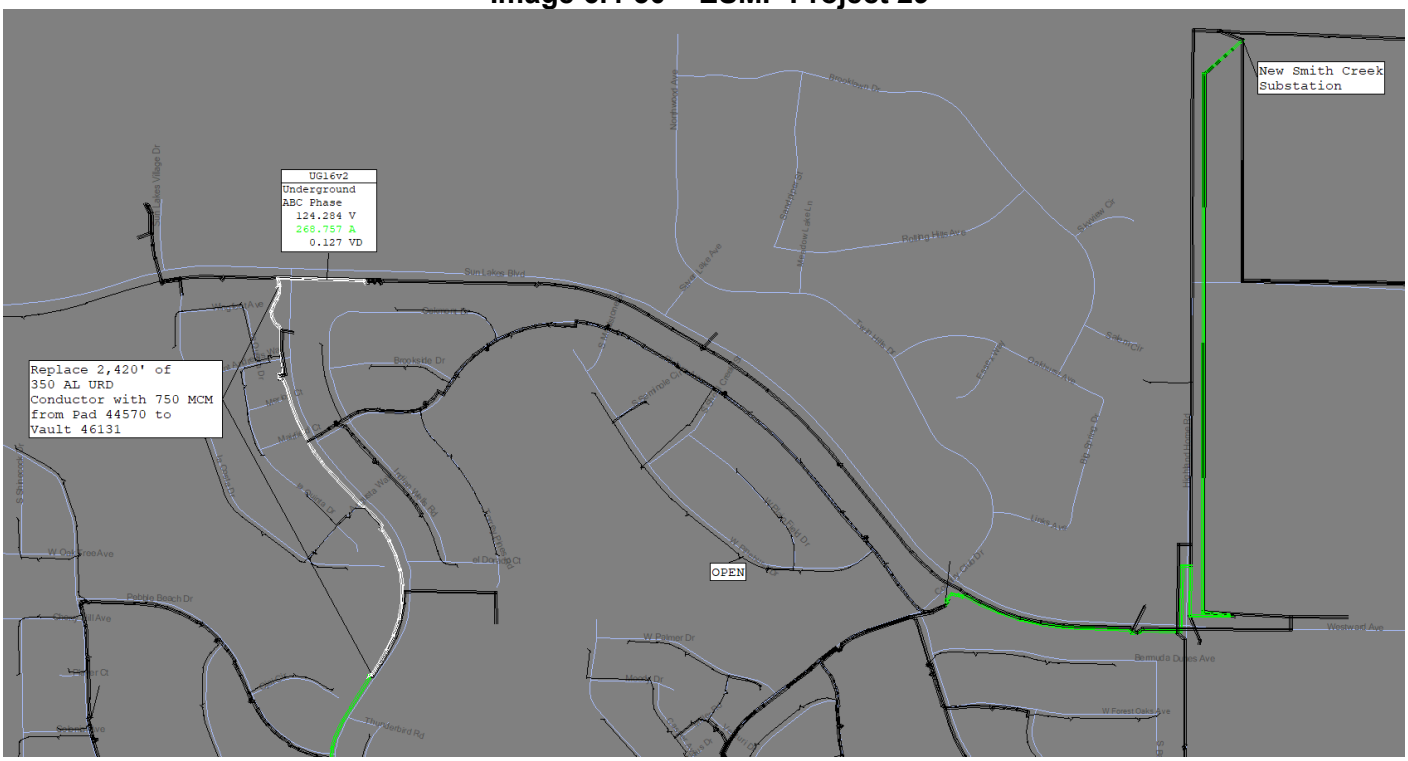


ESMP-29

Issue: UG16v2, 3Ø, 350 MCM URD conductor reaches 70% capacity.

Resolution: Replace 2,420' of 3Ø, 350 MCM URD with 3Ø, 750 MCM URD beginning at Pad 44570 along Sun Lakes Blvd, heading south on Country Club Dr. and ending at Vault 46131. Estimated cost: $370,300 (2033).

Image 6.4-30 – ESMP Project 29



Smith Creek CKT's 27 & 28

Circuits 27 and 28 will be constructed to serve new planned load in an area bordered by Interstate 10 and Westward Ave. on the north and south and Highland Home Rd. and Sunset Ave. on the east and west.

ESMP-30

- Construct 2, 3Ø, 750 MCM URD lines from the feeder bay heading due south from the substation to what will be the extension of W Lincoln St. and then heading east along W. Lincoln St. to Sunset Ave at Pole104911. Estimated cost: $2,372,900 (2032).

Image 6.4-31 – ESMP Project 30

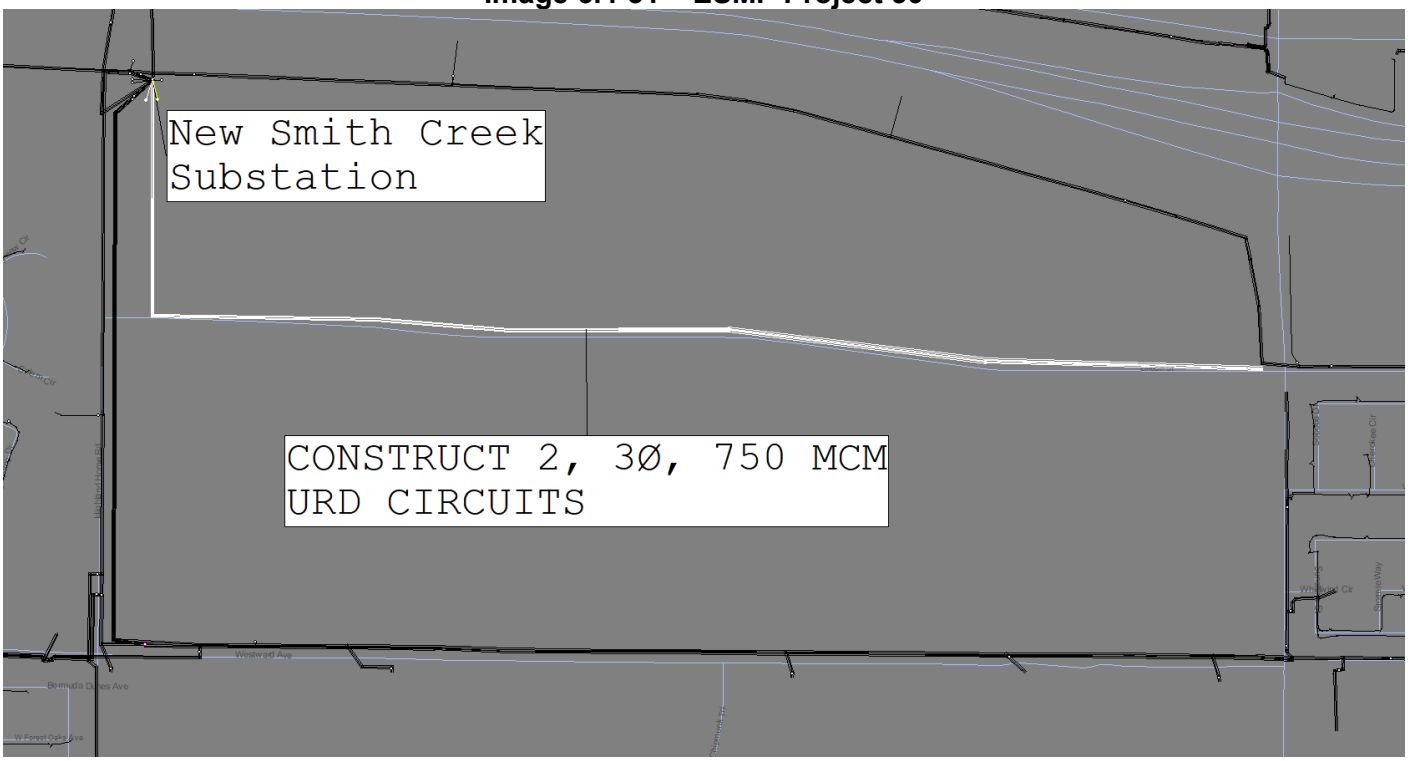
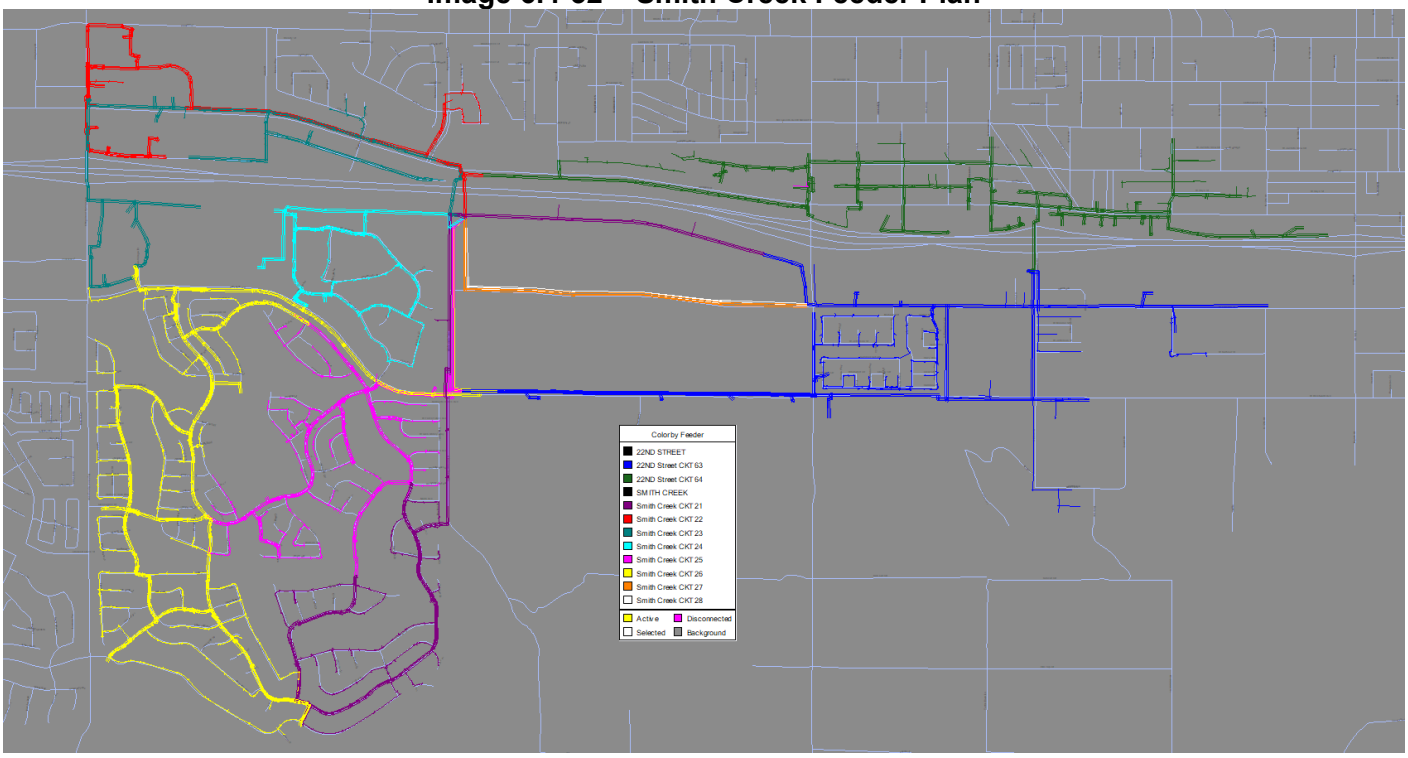


Image 6.4-32 – Smith Creek Feeder Plan



6.5 – TOTAL COST ESTIMATE

The tables below contain a breakdown of the total estimated cost of the 15-Year ESMP.

Table 6.5-1 – 15-Year ESMP Cost Estimate (2031-2035)

	2031	2032	2033	2034	2035
OH Maintenance Program					
Total Cost	$1,228,822	$1,265,687	$1,303,658	$1,342,767	$1,383,050
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,228,822	$1,265,687	$1,303,658	$1,342,767	$1,383,050
Capital-Maintenance Projects					
Total Cost	$6,850,000	$1,500,000	$0	$0	$0
CIAC	$3,000,000	$0	$0	$0	$0
BEU Funding Cost	$3,850,000	$1,500,000	$0	$0	$0
System Improvement Projects					
Total Cost	$3,468,800	$3,405,300	$370,300	$237,600	$1,049,700
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$3,468,800	$3,405,300	$370,300	$237,600	$1,049,700
15-year ESMP Cost					
Total Cost	$11,547,622	$6,170,987	$1,673,958	$1,580,367	$2,432,750
CIAC	$3,000,000	$0	$0	$0	$0
BEU Funding Cost	$8,547,622	$6,170,987	$1,673,958	$1,580,367	$2,432,750

Table 6.5-2 – 15-Year ESMP Cost Estimate (2036-2040)

	2036	2037	2038	2039	2040
OH Maintenance Program					
Total Cost	$1,521,715	$1,567,367	$1,614,387	$1,662,819	$1,712,704
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,521,715	$1,567,367	$1,614,387	$1,662,819	$1,712,704
Capital-Maintenance Projects					
Total Cost	$0	$0	$0	$0	$0
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$0	$0	$0	$0	$0
System Improvement Projects					
Total Cost	$1,190,000	$166,400	$539,700	$2,900	$132,800
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$1,190,000	$166,400	$539,700	$2,900	$132,800
15-year ESMP Cost					
Total Cost	$2,711,715	$1,733,767	$2,154,087	$1,665,719	$1,845,504
CIAC	$0	$0	$0	$0	$0
BEU Funding Cost	$2,711,715	$1,733,767	$2,154,087	$1,665,719	$1,845,504

Table 6.5-3 – 15-Year ESMP Cost Estimate (2041-2045)

	2041	2042	2043	2044	2045	Totals
OH Maintenance Program						
Total Cost	$1,764,085	$1,817,007	$1,871,518	$1,927,663	$1,985,493	$23,968,742
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$1,764,085	$1,817,007	$1,871,518	$1,927,663	$1,985,493	$23,968,742
Capital-Maintenance Projects						
Total Cost	$0	$0	$0	$0	$0	$8,350,000
CIAC	$0	$0	$0	$0	$0	$3,000,000
BEU Funding Cost	$0	$0	$0	$0	$0	$5,350,000
System Improvement Projects						
Total Cost	$348,700	$3,400	$115,200	$120,400	$388,100	$11,539,300
CIAC	$0	$0	$0	$0	$0	$0
BEU Funding Cost	$348,700	$3,400	$115,200	$120,400	$388,100	$11,539,300
15-year ESMP Cost						
Total Cost	$2,112,785	$1,820,407	$1,986,718	$2,048,063	$2,373,593	**$43,858,042**
CIAC	$0	$0	$0	$0	$0	**$3,000,000**
BEU Funding Cost	$2,112,785	$1,820,407	$1,986,718	$2,048,063	$2,373,593	**$40,858,042**

For the BEU funding cost, 22% is for OH Maintenance Program, 63% is for Capital Maintenance Projects, and 15% is for System-Improvement Projects.

7.0 – 2026-2045 ESMP SUMMARY

7.1 – Total Overhead Maintenance Program

The Overhead Maintenance Program includes the routine inspection and replacement of poles on the sub-transmission and distribution circuits on the BEU system.

It is projected that BEU will inspect a total of 22,100 poles for the duration of the ESMP. An estimated cost of $278 per pole inspection was used for 2026 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole inspections for the ESMP is $8,501,657.

It is projected that BEU will replace 1,850 for the duration of the ESMP. An estimated cost of $7,746 per pole replacement was used for 2026 and a 3% inflation to this cost was assumed per year every year after thru 2045. The total estimated cost for pole replacements for the ESMP is $19,525,523.

The total estimated cost for the Overhead Maintenance Program for the ESMP is $28,027,180.

7.2 – Total Capital Maintenance Program

BEU has identified 23 Capital Maintenance Projects to include in the ESMP. The total estimated cost for these projects is $29,134,500. It is projected that BEU will receive $12,293,750 in contributions in aid to these projects bringing the total BEU funding cost to $16,840,750.

7.3 – Total Distribution System Improvement Projects

Analysis was run using Milsoft's Windmil software on the distribution system to determine system improvement projects to correct low voltage, decrease conductor and equipment loading, and reduce single phase line loading to aid in phase balancing. The analysis results include:

- 19 projects to switch load to adjacent lines at a total estimated cost $58,800
- 12 projects for new underground line construction totaling $7,443,500
- 2 projects for new overhead line construction totaling $1,219,000,
- 9 projects for single-phase to three-phase line rebuild totaling $2,142,100
- 11 projects for overhead line rebuild using larger conductor totaling $2,212,100
- 4 projects for replacing underground line using larger conductor totaling $1,269,500

The total estimated cost for distribution system improvements is $14,345,000.

7.4 – Total 2026-2045 ESMP Cost Estimate

The table below contains a breakdown of the total estimate cost for the 2026-2045 ESMP.

2026-2045 Electric Service Master Plan

		5-year CIP	15- Year ESMP	Totals
OH Maintenance Program				
	Total Cost	$4,058,438	$23,968,742	$28,027,180
	CIAC	$0	$0	$0
	BEU Funding Cost	$4,058,438	$23,968,742	$28,027,180
Capital Maintenance. Projects				
	Total Cost	$20,784,500	$8,350,000	$29,134,500
	CIAC	$9,293,750	$3,000,000	$12,293,750
	BEU Funding Cost	$11,490,750	$5,350,000	$16,840,750
System Improvement Projects				
	Total Cost	$2,805,700	$11,539,300	$14,345,000
	CIAC	$0	$0	$0
	BEU Funding Cost	$2,805,700	$11,539,300	$14,345,000
Total ESMP Cost				
	Total Cost	$27,648,638	$43,858,042	$71,506,680
	CIAC	$9,293,750	$3,000,000	$12,293,750
	BEU Funding Cost	$18,354,888	$40,858,042	$59,212,930