



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Robert Fisher, Acting City Manager

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

MEETING DATE: March 25, 2025

SUBJECT: Consideration of Resolution 2025-42, Approving the County Service Area 152 Stormwater Assessment and Budget for Fiscal Years 2025/2026 and 2026/2027, for National Pollutant Discharge Elimination System Permit Related Expenses

RECOMMENDATION:

Adopt Resolution 2025-42.

BACKGROUND:

The National Pollutant Discharge Elimination System (NPDES) is a federally mandated program to control point and non-point sources of runoff pollution. The NPDES program is part of the Clean Water Act enacted by Congress in 1987. The California Regional Water Quality Control Board, Colorado River Basin, Region No. 7, in implementing the U.S. Environmental Protection Agency's storm water National Pollutant Discharge Elimination System (NPDES) permit program, requires that the Districts and Incorporated Cities within the Whitewater River Basin obtain a joint permit to discharge storm water into the various storm channels and washes throughout the Whitewater River Watershed area. The Riverside County Flood Control and Water Conservation District (RCFC&WCD) and Riverside County are acting as the Lead Agency with the City of Banning being a co-permittee, along with the various other agencies and municipalities located within the Whitewater River Basin. This current Permit was adopted by the Regional Board on June 20, 2013, expired on June 19, 2018 and has been negotiated and worked on with the affected parties over the past six years. A new permit (2025 NPDES Permit) that has been negotiated with the Regional Board is in review. It is anticipated to be adopted by the end of 2025 and will take effect 90 days later.

The City of Banning is required, through Best Management Practices (BMPs), to implement practices within our community which reduce pollutants entering into the storm drain system to the maximum extent practicable. The major components of the existing and 2025 NPDES Permit to implement the BMPs include: project management, attendance at Desert Task Force meetings, record keeping and Annual Report preparation; illegal dumping and illicit connection detection, inspection, spill prevention and cleanup activities; commercial and industrial facilities inspections (over 60 per year) and the review of all City issued business licenses for SB 205 compliance; implementing land development and plan review procedures including plan check, preparing Conditions of Approval, reviewing erosion control plans and WQMPs and ensuring post construction self-inspections are performed annually by required businesses; enforcing and implementing construction activities requirements of City and private development projects including construction site inspections, review of developer's BMPs, erosion control plans and SWPPPs (Stormwater Pollution Prevention Plans), and ensuring compliance with the Regional Board's Construction General Permit requirements; maintaining City facilities, including the City

Corporate and Water Yards and Fire Station, and storm drains inspections and maintenance, removing trash and debris from the storm drain system, and from roads through street sweeping; and implementing public education and outreach programs by providing brochures to the public at City events and at the public counter, to businesses and contractors through inspections and storm water training of municipal staff.

The main new requirements of the 2025 NPDES Permit are:

- Asset Management
- Fiscal Cost Analysis/Cost Reporting
- Urban Pesticides
- Trash Amendment/Trash Capture Device Installation
- New Construction General Permit
- Continued SB 205 Compliance, business license verification of SIC Codes

The NPDES program costs the City over \$300,000 annually to manage the current NPDES Permit. The new 2025 NPDES Permit will cost more due to its new requirements. In order to generate revenue for the program, the City Council was requested on September 24, 2024 to consider reinstating a “grandfathered” assessment from 1994, called the CSA 152 NPDES assessment. This stormwater assessment is currently collected by the County on behalf of a number of participating cities via property tax bills. The County administers and manages the CSA 152 program funds pursuant to CSA 152 Administrative Services Agreements with the participating cities. The County last collected the assessment in the City in 1994 at a rate of \$4.72/BAU/year. A BAU is a “benefit assessment unit” as defined by the County. An owner of a single-family home in the City will pay 1 BAU/year, amounting to \$4.72/year. The City Council directed staff to pursue the reinstatement of CSA 152. Non-Single Family parcels will pay based on the number of BAU's they are assessed at, based on land use and parcel size.

Background on CSA 152 NPDES Assessment

LAFCO annexed the City of Banning into County Service Area 152 when the County of Riverside adopted Resolution No. 93-454 (Attachment 2) on December 21, 1993, at the City’s request, in order to have the County place an assessment on property owner’s tax bills to fund expenditures required by the NPDES Permit. On March 22, 1994, City Council Resolution No. 1994-028 (Attachment 3) was adopted to fund the City’s NPDES program, whereby the annual assessment rate for FY 1994/1995 for CSA 152 was set at \$4.72 per Benefit Assessment Unit.

On September 27, 1994, the City Council adopted Resolution No. 1994-107, approving the Administrative Services Agreement for the CSA 152 Program between the City of Banning and Riverside County. The County had formed CSA 152 to finance portions of its programs and obligations associated with its Municipal NPDES Permit. The Agreement sets forth the responsibilities of the County and City with respect to the assessment. It provides for the City to annually approve a budget and report its activities in connection with its NPDES costs to the City. In addition, the City is responsible for updating parcel information for properties in the City. The County incorporates the City’s budget and the budgets of other participating cities into the County’s CSA 152 budget, holds an annual hearing, approves the assessments, and submits the assessments for collection on the Tax Roll. Both County and City Engineering Division staff performed research, and no records were found showing either party has ever withdrawn from this Agreement. Numerous other cities also joined CSA 152 to ensure funding of their NPDES program. Additionally, it appears that property owners were only assessed in that first year, FY 94/95 and not after. Further research shows that no annual staff reports or resolutions were approved by the City Council to allow for collection of the annual assessment in subsequent years.

Calculation of the CSA 152 Assessment

In late 1993, the County of Riverside annexed the City of Banning into its County Service Area 152. The City, acting through the County and CSA 152, is able to collect an assessment on individual parcels

within the City that contain a structure. Each parcel is assigned a certain number of "benefit assessment units" or "BAUs." For instance, a single-family home, regardless of its size, is assigned one BAU, while commercial property is assigned 12 BAUs per acre. One BAU costs the property owner \$4.72/year. Vacant and undeveloped land is exempt, regardless of its land use code.

When CSA 152 was formed, the County determined the formula and methodology to use to calculate the number of BAUs for each type of property. The details and examples of calculations for various land uses are shown on Resolution No. 1994-028 (Attachment 3), starting on page 4 of 12, which is County Ordinance No. 573. A parcel's land use was used to determine its runoff coefficient and BAU/acre (listed in the table), and the developed (assumed to be impervious) area in acres of the parcel is used to determine the number of BAUs and thus cost per year. A municipal assessment consultant was hired by the City to calculate the BAUs for each parcel to be placed on the Tax Roll.

As an example calculation, a Commercial/Industrial property (see below table, Group A, with 12 BAUs/Acre) that is a 10.0 acre commercial/industrial parcel, with a developed area of 8.0 acres, with a City of Banning BAU rate of \$4.72 per year:

No. of BAUs = (Developed Parcel Area) X 12 BAUs/Acre = 8 X 12 = 96 BAUs

Therefore, the assessment would be: 96 BAUs X \$4.72/BAU = \$453.12 per year.

The Table below shows the six (6) categories of land use, their respective runoff factors and the BAU per acre. Note that a single-family residence was used as the basis for one BAU. It is the proportionate runoff from a 1/6 acre or .17 acre property for one BAU and other sized parcels and land uses will have multiples of this basic unit.

Benefit	Assessment Unit		
<i>Group</i>	<i>Land Use</i>	<i>Coefficient Factor</i>	<i>BAU Per Acre</i>
A	Commercial/Industrial	0.8	12
B	Apartments/Mobile Homes, Churches, Schools	0.6	9
C	Single Family Residential*	0.4	6*
D	Poultry, Irrigated or Cultivated Crops, Vacant or Undeveloped	0	0
E	Golf Courses, Private Parks	0.0067	0.1
F	Parcels with Miscellaneous Structures	0.0033	0.05

*For simplicity, all single family residential properties regardless of the size, have been assigned 1 BAU.

Additional Public Outreach Performed since the fall of 2024

On September 24, 2024, a workshop was presented by the Deputy Director of Public Works/City Engineer and the City Council decided that they would like to pursue reinstating the CSA 152 assessment. The staff report and related documents are included as Attachment 4. A public participation and community outreach phase occurred in October and November of 2024 to let the residents and property owners know of public meetings held with the Public Works Dept. to explain the CSA 152 assessment and its purpose with regard to providing funds for the NPDES Program, further described in the December 10, 2024 staff report in Attachment 5.

Two recent outreach presentations were given as follows:

- Chamber of Commerce Executive Meeting, March 3, 2025 from 11 to noon
- Banning Public Library Open House, March 13, 2025 from 4 to 5 pm

Flyers advertising the Open House and containing important facts, a FAQ Fact sheet, and the CivicSpace project website and the City's website's Stormwater page were updated. The Deputy Director of Public Works/City Engineer presented the PowerPoint presentation and answered any

questions the public had at the two events. Overall, the feedback from the public has been neutral or supportive of reinstating the CSA 152 stormwater assessment.

Consultant Contract

A Request for Proposals (RFP) 24-086, "Municipal Assessments Services to Reinstate County Service Area (CSA 152) Stormwater Assessment". was prepared to hire a municipal district financing consultant firm. This RFP Scope of Work provides for preparing the required Assessment/Levy Report to determine the number of benefit assessment units (BAUs) for each property within the City, identify which parcels within the City are eligible to be assessed and prepare any required assessment documents. On December 10, 2024, City Council adopted Resolution No. 2024-197, awarding the professional services contract to Webb Municipal Finance, LLC in the amount of \$19,650, which includes a 10% contingency and updating the City Council on outreach efforts (shown as Attachment 5). The City may elect to utilize this firm to update the Assessment Roll over the next four years if the work cannot be done in house.

CSA 152 Agreement with Riverside County

The CSA 152 NPDES Agreement with the County of Riverside was updated for all participants and on January 14, 2025, City Council adopted Resolution No. 2025-02, approving the execution of the CSA 152 Agreement with Riverside County (shown as Attachment 6). The Agreement states that the City Council must approve the NPDES budget and approve the BAU assessment/levy rate of properties within the City of Banning each fiscal year, with multiple budget years allowed.

Therefore, the City Council must approve the NPDES budget and current assessment rate/levy of \$4.72/BAU for FY 2025/2026 and FY 2026/2027. The City will then need to provide the County with the list of Assessor Parcel Numbers (APNs) to place on the FY 2025/2026 Tax Roll by mid-May of 2025. As stated above, cities must provide any updates/additional parcels from new development annually to the County. In addition, the City is responsible for updating parcel information for properties in the City. The County incorporates the City's budget and the budgets of other participating cities into the County's CSA 152 budget, holds an annual public hearing, approves the assessments, and submits the assessments for collection on the Tax Roll. The County collects an Administrative Fee of 6% of the revenues collected for this work.

JUSTIFICATION:

If adopted in late 2025, the upcoming 2025 NPDES Permit will become effective in early 2026 and it has new and enhanced requirements that will significantly impact the City financially, as additional computer software, trash capture devices, consultant costs and City staff time will be needed.

FISCAL IMPACT:

CSA 152 provides a funding mechanism for the NPDES program. Eleven cities, including Palm Springs, Rancho Mirage, and Desert Hot Springs also joined CSA 152 to ensure funding of their NPDES program.

Since assessments have not been collected from properties in the City since 1994, the funding source for the NPDES program has been absorbed by City of Banning Streets Department (Fund 100). The Public Works Department, Streets Division, assists with the implementation and Engineering Division staff manages the NPDES program in-house. Consultants are utilized for Water Quality Management Plan and Erosion Control Plan review (the developer pays these fees through deposits) and for NPDES stormwater and industrial waste inspections. The NPDES program costs the City over \$300,000 annually to manage the current NPDES Permit. Those costs are expected to be higher with the new permit given the new mandates. The municipal special district financing consultant, Webb municipal Finance, LLC determined that the estimated revenue to be collected from the CSA 152 assessment is approximately \$80,000/year, which will help with the NPDES program costs. Stormwater program responsibilities are completed by about ten (10) Public Works Dept. staff members on a part-time and as-needed basis, but there are no full-time staff assigned to the program.

The estimated budget for FY 2025/2026 to comply with the NPDES Permit is about \$355,000 and for FY 2026/2027 it is estimated to be \$425,000 due to the new 2025 Permit requirements previously described (asset inventory, cost reporting analysis, urban pesticides and trash capture devices). The FY 2025/2026 NPDES budget of \$355,000 is comprised of: Permit costs (\$18,000 to the RCFCD for the Task Force and \$19,000 to the SWRCB); street sweeping (\$135,000); storm drain maintenance (\$30,000 in Public Works staff costs); commercial and industrial facilities inspections (\$40,000 in consultant costs) and Permit compliance (\$113,000 in Public Works Dept. staff costs for Program Management, construction and City facilities inspections, public outreach, staff review of: WQMPs, land development projects, business licenses, SWPPPs and WDIDs).

In anticipation of the upcoming new 2025 NPDES Permit cost/fiscal reporting requirements, a new stormwater fund Account 105 was created to track expenses. The expenses and revenue collected from the CSA 152 assessment will be budgeted into the 105-6100-455.33-11 account.

ALTERNATIVES:

If the City Council elects not to approve this Resolution, there will be no CSA 152 stormwater assessment collected on the FY 2025/2026 or FY 2026/2027 Tax Roll. The NPDES Program would continue to be an unfunded mandate, with no revenue collected to support the program, and its costs would continue to be absorbed by the Streets Fund. The new 2025 NPDES Permit has significant costs associated with it and will continue to rise over the future. The NPDES Permit must be complied with to avoid fines from Regional Board No. 7 of the State Water Resources Control Board.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Resolution 2025-42, CSA Stormwater Assessment.docx](#)
2. [County Reso. No. 93-454, formation of CSA 152, 12.21.93.pdf](#)
3. [CC Reso No. 1994-028, approving initial CSA 152 rates, 3.22.94.pdf](#)
4. [CSA 152 Reinstatement, 9.24.2024 Workshop Packet,.pdf](#)
5. [Award Contract to Webb Reso. 2024-197 Agenda Packet.pdf](#)
6. [Approve CSA 152 Agreement Reso. 2025-02 Agenda Packet.pdf](#)