



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: June 23, 2026

SUBJECT: Accept a Subdivision Improvement Agreement, Payment Bond, and Faithful Performance Bond for the Construction of the Mountain North Potable Water Reservoir by Tri-Pointe Homes

STAFF RECOMMENDATION:

Accept a Subdivision Improvement Agreement, Payment Bond, and Faithful Performance Bond for the Construction of the Mountain North Potable Water Reservoir by Tri-Pointe Homes

BACKGROUND:

A condition of approval for the Atwell Specific Plan is the construction of a potable water reservoir for the planned Mountain North pressure zone. This pressure zone is unique to the Atwell project, and the improvement is necessary to provide water pressure and storage necessary for fire protection for structures in the Mountain North pressure zone. This pressure zone is roughly north of the Southern California Edison Easement and south of the future extension of Highland Home Road as it curves to the west to meet Highland Springs Avenue.

A Subdivision Improvement Agreement is a binding agreement that protects the City of Banning when private development constructs what will be public facilities. A stipulation in the agreement is that the developed provides Payment Bonds and Faithful Performance Bonds that ensure if there is a work stoppage by the developer at a critical phase of construction, the City can call on the bonds to ensure that suppliers are paid for the materials supplied, and/or labor costs to complete the improvements.

The Subdivision Improvement Agreement identifies when a project will be accepted by the City of Banning for public maintenance and operation. Upon satisfactory completion of the work as approved by the City Engineer, an acceptance and bond reduction will be brought to City Council for consideration. From that point, there will be a 12-month warranty period where any defects will be corrected by the developer. After the 12-month warranty period, and upon satisfactory condition approved by the City Engineer, the remaining bond amounts would be exonerated by staff.

JUSTIFICATION:

The Subdivision Improvement Agreement and required bonds are standard practice by the City of Banning where public improvements are being constructed by private developers as a measure to protect the City of Banning if the improvements were left incomplete or present a hazard to the public.

FISCAL IMPACT:

None

ATTACHMENTS:

1. [SIA MNZ Reservoir.pdf](#)
2. [MNZ Bonds.pdf](#)