



CITY OF CANYON LAKE

City Hall

31516 Railroad Canyon Road

Canyon Lake, CA 92587

www.canyonlakeca.gov

*Mayor Kasey Castillo
Mayor Pro Tem Jeremy Smith
Councilmember Dain
Councilmember Greene
Councilmember Welty*

*City Manager Chris Mann
City Attorney Steven Graham
City Clerk Ana V. Sauseda, CMC*

AGENDA

Special Meeting of the Canyon Lake City Council

Monday, September 13, 2021

Open Session 5:00 P.M. – City Hall Council Chamber – 31516 Railroad Canyon Road

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Pursuant to Paragraph 3 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, as a response to mitigating the spread of Coronavirus (COVID-19), this special meeting of the City Council of the City of Canyon Lake will allow Councilmembers to attend the City Council meeting telephonically from remote locations without requiring notice of or public access to those locations. The City Council Chamber will be open to the public. Alternatively, members of the public may observe the City Council meeting by selecting the Live Stream icon on the main page: www.canyonlakeca.gov, the City's Facebook page, Time Warner/Spectrum Channel 29, or on FIOS/Frontier Channel 39.

Members of the public may comment electronically by sending an email with their comment to PublicComment@canyonlakeca.gov. Comments submitted electronically will be provided to the City Council and included in the official record but will not be read aloud during the meeting.

If any member of the public has a disability and desires to request a modification or accommodation of the above procedures, please contact the City Clerk at least 24 hours prior to the meeting at 951-244-8547 or by email at asauseda@canyonlakeca.gov.

OPEN SESSION - 5:00 P.M.

OPEN SESSION CALLED TO ORDER

FLAG SALUTE

ROLL CALL

APPROVAL OF CITY COUNCIL AGENDA

BUSINESS ITEMS

- (1) Resolution – Adoption of Resolution No. 2021-46, Awarding a Contract to Arithane Foam Products Inc. for the Roof Rehabilitation Project Bid No. 2021-02

- (2) Resolutions – Agreements with the State of California, Department of Forestry and Fire Protection (Cal Fire)
- Adoption of Resolution No. 2021-47, Authorizing the City Manager to execute an Agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Firefighter Property (FFP) Program in accordance with Title 10 United States Code §2576b
 - Resolution No. 2021-48, Authorizing the City Manager to execute an Agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Federal Excess Personal Property (FEPP) Program in accordance with the United States Service Cooperative Forestry Assistance Act (CFAA) of 1978
- (3) Ordinance – Introduction and First Reading of Ordinance No. 215, Repealing Chapter 9.03 of the Canyon Lake Municipal Code and Adding Chapter 4.20 Regarding Commercial Cannabis Businesses

CITY MANAGER COMMENTS

ANNOUNCEMENTS

The next regular meeting will be **Wednesday, October 6, 2021, at 5:00 for Closed Session & 6:30 p.m. for Open Session**

ADJOURNMENT

VISION STATEMENT

The vision of the City of Canyon Lake is to be a City that provides a quality of life that makes Canyon Lake the premier place to live in Southern California.

ATTENTION RESIDENTS:

Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.canyonlakeca.gov once the agenda has been publicly posted. Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting. It is the intention of the City of Canyon Lake to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or participant at this meeting, you will need special assistance beyond what is normally provided, the City of Canyon Lake will attempt to accommodate you in every reasonable manner. Please contact Ana V. Sauseda, City Clerk, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

September 13, 2021 Special City Council Meeting

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } SS. AFFIDAVIT OF POSTING
CITY OF CANYON LAKE }

I, Ana V. Sauseda, being duly sworn, depose and say that I am the duly appointed and qualified City Clerk of the City of Canyon Lake and that on September 9, 2021 before the hour of 5:00 p.m., I caused the above notice to be posted as required by Resolution 2019-42 of the City Council of the City of Canyon Lake.

Ana V. Sauseda, CMC
City Clerk



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Mike Borja, Administrative Services Manager

DATE: September 13, 2021

SUBJECT: Adoption of Resolution No. 2021-46 Awarding a Contract to Arithane Foam Products Inc. for the Roof Rehabilitation Project BID No. 2021-02

Recommendation

That the City Council adopt Resolution No. 2021-46 awarding a contract to Arithane Foam Products Inc. for the Roof Rehabilitation Project BID No. 2021-02, for the property located at 31540-42 Railroad Canyon Road in the Canyon Lake Towne Center.

Background

On August 30, 2021, bids were received and revealed for the City's Roof Rehabilitation Project at 31540-42 Railroad Canyon Road, with the anticipation to award the project at the September 13, 2021, Special City Council meeting. The project consists of repairs to the existing roof, which City staff had determined required immediate attention. The bids that were received and opened on August 30, 2021, were as follow:

- **Best Contracting Services - \$155,000**
- **CI Services, Inc - \$95,000**
- **Bienek Roofing Construction - \$94,480**
- **Arithane Foam Products Inc. - \$84,000**

Per the City's Fiscal Year 21/22 budget, the City Council approved expenditures towards building improvements in the amount of \$100,000 for the property to address both exterior and interior deficiencies. City staff reviewed the bids as well as the qualifications and past experiences of each of the three contractors. After careful review, City staff is recommending that the City Council award the Roof Rehabilitation Project to Arithane Foam Products Inc. as the lowest and best bid received. City staff also recommends that the City Council authorize a construction contingency of 10% for any unforeseen expenses.

The agreement with Arithane Foam Products, Inc. has been included with Resolution No. 2021-46 as Exhibit A.

Fiscal Impact

No impact to the General Fund. The City's Rental - Fund 60 account identifies previously approved FY2021-2022 funds for building improvements.

Attachments

1. Resolution No. 2021-46
2. Bid Documents

ATTACHMENT 1

RESOLUTION NO. 2021-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AWARDED A CONTRACT TO ARITHANE FOAM PRODUCTS INC. FOR THE ROOF REHABILITATION PROJECT BID NO. 2021-02

WHEREAS, the City of Canyon Lake authorized the receipt of bids for the Roof Rehabilitation Project BID No. 2021-02 at 31540-42 Railroad Canyon Road in the Canyon Lake Towne Center; and

WHEREAS, pursuant to the bid authorization, the City received sealed competitive bids for the Roof Rehabilitation Project before 2 p.m. on August 30, 2021; and

WHEREAS, four (4) sealed bids were received and open on August 30, 2021, in accordance with the advertised date for acceptance of bids from the following vendors:

- **Best Contracting Services - \$155,000**
- **CI Services, Inc - \$95,000**
- **Bienek Roofing Construction - \$94,480**
- **Arithane Foam Products Inc. - \$84,000**

; and

WHEREAS, City staff reviewed the bids as well as the qualifications and past experiences of each of the three contractors and recommend that the City Council award the contract to Arithane Foam Products Inc. as the lowest and best bid.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council awards the contract to Arithane Foam Products Inc. for an amount not to exceed \$84,000 for the Roof Rehabilitation Project BID No. 2021-02, plus a construction contingency of 10% for any unforeseen expenses.

Section 2. The City Council authorizes the City Manager to execute any and all documents necessary to complete the Roof Rehabilitation Project BID No.2021-02 attached hereto as Exhibit A.

PASSED, APPROVED, AND ADOPTED on this 13th day of September, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A

**CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02**

**ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02**

This Contract and Agreement is made and effective this 13 day of September 2021, by and between the City of Canyon Lake, a California general law City ("CITY"), located at 31516 Railroad Canyon Road, Canyon Lake, CA 92587, and Arithane Foam Products Inc. ("CONTRACTOR").

WITNESSETH:

WHEREAS, CITY desires to hire a company to provide column repair services pursuant to CITY specifications and duly developed, prepared and implemented a bid for such work; and

WHEREAS, CONTRACTOR submitted the lowest responsive and responsible bid for such services indicating that it has the requisite personnel and ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD. BID NO. 2021-02;

NOW, THEREFORE, it is mutually understood and agreed by CITY and CONTRACTOR as follows:

ARTICLE 1.
COMPELETE AGREEMENT

A. The complete Agreement shall consist of the following component parts: This Agreement, and Amendments, if any; the Notice Inviting Bids; the Bid Terms and Conditions and Instructions to Bidders; the signed Bid Proposal, the Subcontractor List if a portion of the work is to be performed by a subcontractor, the non-collusion Affidavit, the accepted CONTRACTOR's bid, dated AUGUST 30, 2021, including all attached documents; the required bond(s) fully executed, if any; each of the component parts of the bid documents; and the addenda, if any. Agreement between CITY and CONTRACTOR and the said other documents are as fully a part of this Agreement as if hereto attached or herein repeated.

This instrument and the other documents mentioned above in this Article 1 constitute the complete and exclusive statement of the term(s) and condition(s) of the Agreement between CITY and CONTRACTOR and it supersedes all prior representations, understandings, and communications. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other term(s) or condition(s).

B. In the event of any discrepancy between or among the portions of the Agreement Documents, the following shall take precedence: (a) Change Orders/ Amendments/ Modifications; (b) this Agreement; (c) the accepted CONTRACTOR's proposal; (d) Addenda, if any; and (e) the solicitation, if any.

C. CITY's failure to insist in any one or more instances upon CONTRACTOR's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of CITY's right to such performance or to future performance of such term(s) or condition(s) and CONTRACTOR's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon CITY except when specifically authorized by signed written amendment to this Agreement issued in accordance with the provisions of this Agreement.

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

ARTICLE 2.
SCOPE OF WORK

A. CONTRACTOR shall provide all labor, materials, equipment, and services required to perform the Statement of Work attached hereto as the ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD. BID NO. 2021-02 and incorporated herein by this reference.

Furthermore, CONTRACTOR shall perform the Statement of Work in accordance with the Bid Sheet attached hereto as ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD. BID NO. 2021-02 and incorporated herein by this reference.

B. All services and equipment shall be provided at the times and places designated by the CITY.

ARTICLE 3.
TERM

This contract shall commence on September 20, 2021 and end on or before the 25th working day after receiving the Notice to Proceed. City has the option of extending the contract after this date, based on the performance of the Contractor. All work shall commence immediately upon receiving a written Notice to Proceed from the CITY.

Accordingly, City and Contractor agree that liquidated damages in the amount of one thousand dollars (\$1,000) for each calendar day the Project remains incomplete beyond the Completion Date is a reasonable sum to assess as liquidated damages due to City by reason of the failure of Contractor to complete the Project. City may deduct the amount of liquidated damages from any payment due or that may become due to Contractor under this Contract. Progress payment made after the Completion Date shall not constitute a waiver of liquidated damages.

ARTICLE 4.
MAXIMUM OBLIGATION

Notwithstanding any provisions of this Agreement to the contrary, CITY and CONTRACTOR mutually agree that CITY's maximum cumulative payment obligation hereunder (including, but not limited to obligation for CONTRACTOR's costs and profit), shall be EIGHTY FOUR THOUSAND dollars (\$84,000) for the Scope of Work which shall include all amounts payable to CONTRACTOR for its labor, subcontracts, leases, materials, equipment, the deliverables, and costs arising from CONTRACTOR's performance of this Agreement. CONTRACTOR exceeds the maximum cumulative amount at its own risk and expense.

ARTICLE 5.
PAYMENT

A. For CONTRACTOR's full and complete performance of its obligations under this Agreement, and subject to the maximum cumulative payment obligation provisions set forth in Article 4

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

below, CITY shall pay CONTRACTOR for work satisfactorily completed in accordance with the terms of the contract.

B. **Monthly Payment** CITY shall make payments based on invoices received for services satisfactorily performed.

This Agreement is subject to the provisions of Article 1.7 (commencing at Section 20104.50) of Division 2, Part 3, Chapter 1 of the Public Contract Code regarding prompt payment of contractors by local governments. Article 1.7 mandates certain procedures for the payment of undisputed and properly submitted payment requests within 30 days after receipt, for the review of payment requests, for notice to CONTRACTOR of improper payment requests, and provides for the payment of interest on progress payment requests that are not timely made in accordance with that Article. This agreement hereby incorporates the provisions of Article 1.7 as though fully set forth herein.

A deduction of five percent (5%) shall be made from the estimated value of the work done and fifty percent (50%) of the value of the materials so estimated to have been furnished and delivered and unused, and from the remainder there shall be further deducted any amounts due the City from the Contractor for supplies or materials furnished or services rendered and any other amounts that may be due the City under the terms of the contract. From the balance thus determined shall be deducted the amount of all previous payments and the remainder shall constitute the progress estimate for that month.

Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract, at the request and expense of the CONTRACTOR.

ARTICLE 6.
PREVAILING WAGES

Wage rates for this Project shall be 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. Wage rates shall conform to those posted at the CITY offices and the Project site.

The following Labor Code sections are hereby referenced and made a part of this Agreement:

- | | |
|---------------------------|--|
| 1. Section 1773.8 | Travel and Subsistence Pay |
| 2. Section 1774 | Prevailing Wage Requirement |
| 3. Section 1775 | Penalty for Failure to Comply with Prevailing Wage Rates |
| 4. Section 1776 | Payroll Records |
| 5. Section 1777.4 | Apprenticeship Requirements |
| 6. Section 1777.5 | Apprenticeship Requirements |
| 7. Sections 1810 and 1811 | Working Hour Restrictions |

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

- | | |
|-----------------|-------------------------------------|
| 8. Section 1813 | Penalty for Failure to Pay Overtime |
| 9. Section 1815 | Overtime Rate Requirement |

ARTICLE 7.
CONTRACTOR'S LICENSE

At the time of commencing work and throughout the Project duration, CONTRACTOR shall be in possession of a valid California State Contractor's License, applicable building license and certifications as listed below:

- City of Canyon Lake Business License
- Class 'A' General Contractor License
- Class C39 Roofing Contractor License

Furthermore, CONTRACTOR shall ensure that any subcontractor working on the Project possesses at the time of commencing work and throughout the Project duration, a Contractor's License, issued by the State of California, which is current and in good standing.

If CONTRACTOR is a corporation, the undersigned hereby represents and warrants that the corporation is duly incorporated and in good standing in the State of California, and that STEVEN J. PERKINS, whose title is CEO, is authorized to act for and bind the corporation.

ARTICLE 8.
REGISTRATION REQUIREMENTS

Pursuant to Section 1771.1(a) of the Labor Code, CONTRACTOR must be registered with the Department of Industrial Relations (DIR) of the State of California in order to be eligible to work on public works projects. CONTRACTOR must ensure registration with the DIR that is active and in good standing. The CONTRACTOR must submit certified payroll prior to any payment for work performed.

No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

**CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02**

**ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02**

**ARTICLE 9.
NOTICES**

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be affected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, return receipt requested, or postage prepaid and addressed as follows:

To CITY: City of Canyon Lake
 31516 Railroad Canyon Road
 Canyon Lake, CA 92587

To CONTRACTOR: Arithane Foam Products Inc.
 1530 North Missile Way
 Anaheim, CA 92801

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

ARTICLE 10.
INDEPENDENT CONTRACTOR

CONTRACTOR's relationship to CITY in the performance of this Agreement is that of an independent contractor. CONTRACTOR's personnel performing services under this Agreement shall at all times be under CONTRACTOR's exclusive direction and control and shall be considered exclusively to be employees of CONTRACTOR and not employees of CITY. CONTRACTOR shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

ARTICLE 11.
INSURANCE

The bidder shall not commence work under this contract until it has secured all insurance and bonds required nor shall it allow any subcontractor to commence work on this contract until all similar insurance and bonds required of the subcontractor have been obtained. All insurance issued in compliance with this section shall be issued in the form, and be an insurer or insurers, satisfactory to and first approved by the CITY in writing.

Without limiting Contractor's indemnification of CITY, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below, and in a form satisfactory to CITY.

General liability insurance. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability, and a \$2,000,000 completed operations aggregate.

Automobile liability insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Umbrella or excess liability insurance. Contractor shall obtain and maintain an umbrella or excess liability insurance policy with limits of not less than \$4,000,000 that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability and employer's liability. Such policy or policies shall include the following terms and conditions:

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

- A drop-down feature requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies; and
- Policies shall "follow form" to the underlying primary policies.
- Insured under primary policies shall also be insureds under the umbrella or excess policies.

Workers' compensation insurance. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000) for Contractor's employees in accordance with the laws of the State of California, Section 3700 of the Labor Code. In addition, Contractor shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California, Section 3700 for all of the subcontractor's employees,

Contractor shall submit to CITY, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of CITY and their officers, officials, agents, employees and authorized volunteers.

Other provisions or requirements:

Proof of insurance. Contractor shall provide certificates of insurance to CITY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by CITY prior to commencement of performance. Current certification of insurance shall be kept on file with CITY at all times during the term of this contract. CITY reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by Contractor, their agents, representatives, employees or subcontractors. Contractor must maintain general liability and umbrella or excess liability insurance for as long as there is a statutory exposure to completed operations claims. CITY and its officers, officials, employees, and agents shall continue as additional insureds under such policies.

CITY's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by Contractor or CITY will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, CITY may cancel this Agreement.

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the CITY's risk manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CITY, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against CITY and shall require similar written express waivers and insurance clauses from each of its sub-consultants.

Enforcement of contract provisions (non estoppel). Contractor acknowledges and agrees that any actual or alleged failure on the part of the CITY to inform Contractor of non-compliance with any requirement imposes no additional obligations on the CITY nor does it waive any rights hereunder.

Requirements not limiting. 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 as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

Notice of cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide to CITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that CITY and their officers, officials, employees, agents and authorized volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

CITY's right to revise requirements. The CITY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor a ninety (90)-day advance written notice of such change. If such change results in substantial additional cost to the Contractor, the CITY and Contractor may renegotiate Contractor's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by CITY. CITY reserves the right to require that self-insured retentions be eliminated, lowered,

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by CITY.

Timely notice of claims. Contractor shall give CITY prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

Contractor agrees to provide immediate notice to CITY of any claim or loss against contractor that includes CITY as a defendant. 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. In the event of any loss that is not insured due to the failure of to comply with these requirements, Contractor agrees to be personally responsible for any and all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the CITY, or the CITY's employees as a result of such failure.

Contractor agrees not to attempt to avoid its defense and indemnity obligations to CITY and its employees, agents, officials and servants by using as a defense contractor's statutory immunity under workers' compensation and similar statutes.

Contractor agrees to have its coverage endorsed so that all coverage limits required pursuant to this requirement are available separately for each and every location at which contractor conducts operations of any type on behalf of CITY. Contractor warrants that these limits will not be reduced or exhausted except for losses attributable to those specific locations and not by losses attributable to any other operations of contractor.

Contractor 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 contractor and CITY or between CITY and any party associated with CITY or its employees.

For purposes of insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards, performance of this Agreement.

Contractor agrees that upon request, all agreements with subcontractors or others with whom contractor contracts with on behalf of CITY will be submitted to CITY for review. Contractor acknowledges that such contracts or Agreements may require modification if the insurance requirements do not reflect the requirements herein. Failure of CITY to request copies of such agreement will not impose any liability on CITY, or its employees.

**CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02**

**ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02**

If contractor is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its Managers, Affiliates, employees, agents and other persons necessary or incidental to its operation are insured

**ARTICLE 12.
CHANGES**

By written notice or order, CITY may, from time to time, order work suspension or make changes in the general scope of this Agreement, including, but not limited to, the services furnished to CITY by CONTRACTOR as described in the Scope of Work. If any such work suspension or change causes an increase or decrease in the price of this Agreement or in the time required for its performance, CONTRACTOR shall promptly notify CITY thereof and assert its claim for adjustment within ten (10) days after the change or work suspension is ordered, and an equitable adjustment shall be negotiated. However, nothing in this clause shall excuse CONTRACTOR from proceeding immediately with the agreement as changed.

**ARTICLE 13.
CONTRACTOR CLAIMS OF \$375,000 OR LESS**

Claims by the CONTRACTOR relating to the Project for (a) a time extension; (b) money or damages arising from work done by, or on behalf of, the CONTRACTOR on the Project for which payment is not expressly provided for or to which the CONTRACTOR is not otherwise entitled; or (c) an amount that is disputed by the CITY, with a value of Three Hundred Seventy Five Thousand Dollars and 00/100 (\$375,000.00) or less, are subject to the claims procedures set forth in California Public Contract Code Sections 20104, et seq., except as otherwise provided in this Contract and California Public Contract Code Sections 20104 through 20104.6, incorporated by reference. Notwithstanding, statutory Govt. Code Claims procedures apply to any dispute that remains unresolved or to amounts in excess of this limit.

Effective January 1, 2017, the provisions of Public Contract Code Section 9204 govern claims by the CONTRACTOR to the CITY. The provisions of Section 9204 are attached as **Exhibit A** and included by reference.

**ARTICLE 14.
TERMINATION**

A. Termination Prior to Expiration of Term CITY reserves the right to terminate this Agreement at any time, with or without cause, upon ninety (90) days' written notice to CONTRACTOR. Upon receipt of any notice of termination, pursuant to this Section, CONTRACTOR shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. CONTRACTOR shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer.

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

B. Termination for Default of CONTRACTOR If termination is due to the failure of CONTRACTOR to fulfill its obligations under this Agreement, CITY may take over work and prosecute the same to completion by contract or otherwise, and CONTRACTOR shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation stipulated for the purpose of setoff or partial payment of the amounts owed to the CITY.

ARTICLE 15.
INDEMNITY, DEFENSE AND HOLD HARMLESS AGREEMENT

In addition to any other indemnification provisions of the Contract Documents, and specifically indemnifications for hazardous materials, Contractor shall indemnify, defend with legal counsel approved by CITY, and hold harmless CITY and its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Contractor's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the CITY. Should conflict of interest principles preclude a single legal counsel from representing both CITY and Contractor, or should CITY otherwise find Contractor's legal counsel unacceptable, then Contractor shall reimburse the CITY its costs of defense, including without limitation reasonable legal counsels fees, expert fees and all other costs and fees of litigation. The Contractor shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of the Contractor's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

Contractor obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of CITY under any provision of this agreement, Contractor shall not be required to indemnify and hold harmless CITY for liability attributable to the active negligence of CITY, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where CITY is shown to have been actively negligent and where CITY active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of CITY.

The obligations of Contractor under this or any other provision of this agreement will not be limited by the provisions of any workers' compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to CITY, its employees and officials.

Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, sub-tier contractor or any other person or entity involved by, for, with or on behalf of contractor in the performance or subject

**CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02**

**ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02**

matter of this agreement. In the event contractor fails to obtain such indemnity obligations from others as required here, contractor agrees to be fully responsible according to the terms of this section.

Failure of CITY to monitor compliance with these requirements imposes no additional obligations on CITY and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend CITY as set forth herein is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this agreement or this section.

**ARTICLE 16.
ASSIGNMENT AND SUBCONTRACTING**

Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR either voluntarily or by operation of law, nor may all or any part of this Agreement be subcontracted by CONTRACTOR, without the prior written consent of CITY. Consent by CITY shall not be deemed to relieve CONTRACTOR of its obligations to comply fully with all terms and conditions of this Agreement.

**ARTICLE 17.
RECORD AUDIT**

Under California Government Code, Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000), any records or documents of both the CITY and the CONTRACTOR shall be subject to examination, audit, and/or copying at any time during regular business hours by the Auditor General for a period of three (3) years after final payment, upon oral or written request of the CITY.

**ARTICLE 18.
CONTRACTOR'S FAILURE TO PROCURE COMPLETION OF PROJECT**

In the event CONTRACTOR fails to furnish tools, equipment, or labor in the necessary quantity or quality, or fails to prosecute the work or any part thereof contemplated by this Agreement in a diligent and workmanlike manner, and if the CONTRACTOR for a period of three (3) calendar days after receipt of written demand from CITY or its designated representative to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, and to prosecute its work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said three (3) calendar days, fails to continue to do so; then the CITY may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor or by a combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against the CONTRACTOR, and may be deducted from any money due or becoming due to CONTRACTOR from the CITY, or the

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY.

ARTICLE 19.
SUBSURFACE HAZARDOUS MATERIALS

A. In the event trenches or other excavations extend deeper than four (4) feet below the surface, the CONTRACTOR shall promptly, and before the following conditions are disturbed, notify the CITY in writing of any:

1. Material that the CONTRACTOR believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II or Class III disposal site in accordance with the provisions of existing law.
2. Subsurface or latent physical conditions at the site differing from those indicated.
3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the Work or the character provided for in the CONTRACT.

B. Upon receipt of said notification the CITY will investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the CONTRACTOR's cost of or the time required for performance of any part of the work, the CITY will issue a change order under the procedures described in the General Conditions.

C. In the event that a dispute arises between the CITY and the CONTRACTOR whether the conditions materially differ or involve hazardous waste or cause a decrease or increase in the CONTRACTOR's cost of or time required for performance of any part of the work, the CONTRACTOR shall not be excused from any scheduled completion date provided for by the Agreement but shall proceed with all work to be performed under the Agreement. The CONTRACTOR shall retain any and all rights provided either by Agreement or by law that pertain to the resolution of disputes and protests between the contracting parties.

ARTICLE 20.
PROVISIONS REQUIRED BY LAW

Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction. No waiver of any term or condition of this Agreement shall be a continuing waiver thereof.

**CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02**

**ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02**

**ARTICLE 21.
LEGAL PROVISIONS**

- A. **Governing Law.** The laws of the State of California shall govern this agreement.
- B. **Compliance with applicable laws.** CONTRACTOR and any subcontractor shall comply with all applicable local, state, and federal laws and regulations applicable to the performance of the work hereunder.
- C. **Attorneys' Fees.** If either party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- D. **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in Riverside County.
- E. **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the respective dates set forth opposite their signatures.

CITY OF CANYON LAKE

CONTRACTOR

Date: _____

Date: _____

By: **CHRIS MANN, City Manager**

By: **ARITHANE FOAM PRODUCTS INC.,
Contractor**

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

EXHIBIT A

Public Contract Code Section 9204:

- (a) The Legislature finds and declares that it is in the best interests of the state and its citizens to ensure that all construction business performed on a public works project in the state that is complete and not in dispute is paid in full and in a timely manner.
- (b) Notwithstanding any other law, including, but not limited to, Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2, Chapter 10 (commencing with Section 19100) of Part 2, and Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3, this section shall apply to any claim by a contractor in connection with a public works project.
- (c) For purposes of this section:
 - (1) "Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:
 - (A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.
 - (B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.
 - (C) Payment of an amount that is disputed by the public entity.
 - (2) "Contractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who has entered into a direct contract with a public entity for a public works project.
 - (3) (A) "Public entity" means, without limitation, except as provided in subparagraph (B), a state agency, department, office, division, bureau, board, or commission, the California State University, the University of California, a city, including a charter city, county, including a charter county, city and county, including a charter city and county, CITY, special CITY, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.
 - (B) "Public entity" shall not include the following:
 - (i) The Department of Water Resources as to any project under the jurisdiction of that department.
 - (ii) The Department of Transportation as to any project under the jurisdiction of that department.
 - (iii) The Department of Parks and Recreation as to any project under the jurisdiction of that department.

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

- (iv) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.
- (v) The Military Department as to any project under the jurisdiction of that department.
- (vi) The Department of General Services as to all other projects.
- (vii) The High-Speed Rail Authority.
- (4) "Public works project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.
- (5) "Subcontractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with a contractor or is a lower tier subcontractor.
- (d) (1) (A) Upon receipt of a claim pursuant to this section, the public entity to which the claim applies shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the claimant a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, a public entity and a contractor may, by mutual agreement, extend the time period provided in this subdivision.
- (B) The claimant shall furnish reasonable documentation to support the claim.
- (C) If the public entity needs approval from its governing body to provide the claimant a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the public entity shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the claimant a written statement identifying the disputed portion and the undisputed portion.
- (D) Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. If the public entity fails to issue a written statement, paragraph (3) shall apply.
- (2) (A) If the claimant disputes the public entity's written response, or if the public entity fails to respond to a claim issued pursuant to this section within the time prescribed, the claimant may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the public entity shall schedule a meet and confer conference within 30 days for settlement of the dispute.
- (B) Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the claimant sharing the associated costs equally. The public entity and claimant shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

- (C) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.
 - (D) Unless otherwise agreed to by the public entity and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.
 - (E) This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.
- (3) Failure by the public entity to respond to a claim from a contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.
- (4) Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.
- (5) If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a public entity because privity of contract does not exist, the contractor may present to the public entity a claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that the contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the public entity shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the contractor shall notify the subcontractor in writing as to whether the contractor

CITY OF CANYON LAKE
PUBLIC WORKS AGREEMENT NO. 2021-02

ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD
BID NO. 2021-02

presented the claim to the public entity and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

- (e) The text of this section or a summary of it shall be set forth in the plans or specifications for any public works project that may give rise to a claim under this section.
- (f) A waiver of the rights granted by this section is void and contrary to public policy, provided, however, that (1) upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) a public entity may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of this section, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.
- (g) This section applies to contracts entered into on or after January 1, 2017.
- (h) Nothing in this section shall impose liability upon a public entity that makes loans or grants available through a competitive application process, for the failure of an awardee to meet its contractual obligations.
- (i) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

ATTACHMENT 2

**Bid Proposal –
Arithane Foam Products Inc.**


**AFFIDAVIT OF NON-COLLUSION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

**ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD
Project No. 2021-02**

State of California)
County of Riverside) ss

Meenakshi Babuta

_____ , being first duly sworn, deposes and says that he/she is of John Power _____, the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and neither collusive nor sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price, or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

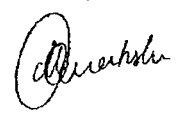
By: 
Signature (CONTRACTOR)
JOHN POWER

Arithane Foam Roofing Inc.
Title (CONTRACTOR)

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this _____
_____ day of _____, 20____

Signature of Officer Administering Oath
(NOTARY PUBLIC)

*See attached
for Notary
*

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

Subscribed and sworn to (or affirmed) before me on this 30th
day of August, 2021, by JOHN POWER

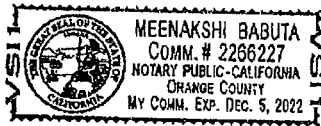
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in cursive script, appearing to read 'Meenakshi', written over a horizontal line.




Eighty-Four Thousand DOLLARS (\$ 84,000.00) Said BIDDER's bond has been duly executed by the undersigned bidder and by a financially sound surety company authorized to transact business in this state as a "California admitted insurer".

It is understood and agreed that should the bidder fail within ten business days after award of contract to enter into the contract and furnish acceptable surety bonds, then the proceeds of said cash, check, or bidder's bond, shall become the property of the City of Canyon Lake, but if this contract is entered into and said bonds are furnished, or if the bid is not accepted then said check or cash shall be returned to the undersigned, or the bidder will be released from the bidder's bond.

Arithane Foam Roofing Inc.

Print Name of Bidder _____

1530 N Missile Way, Anahiem CA 92801			
Street Address	City	Zip Code	Telephone Number
			714-853-1586

Signature of BIDDER _____


BID SCHEDULE

SPECIFIC TERMS AND CONDITIONS

Pursuant to the Notice Inviting Bids, the undersigned hereby proposes and agrees that on award by the City under this Bid, and in accordance with the provisions therein stated, to execute a Contract, with necessary bonds, to furnish and install any and all labor, materials, transportation, and services for **ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD, Project No. 2021-02**, in accordance with the Scope of Work and Specifications therefore adopted and on file with the City within the time hereinafter set forth and at the prices named in this Bid as follows:

BASE BID

ITEM NO.	DESCRIPTION	UNIT PRICE	TOTAL
1	Clean and prepare existing roof deck surface as necessary for the proper application of spray foam roofing system		\$8,433.00
2	Remove existing six (6) HVAC units and install proper duct curbs, and reinstall units		\$3,000.00
3	Install new metal foam stop at perimeter as necessary		
4	Mask as necessary to protect from overspray		\$1,200.00
5	Prime roof deck with SWD 2000 at the rate of 1/2 gallons per 100 sq. ft. as necessary.		\$2,000.00
6	Apply 1 inch thickness of SWD "Quik-Shield" 155 (2.5lb.) density polyurethane foam to the roof surface		\$14,433.00
7	Apply foam up walls and taper to: (top inside edge) (12 inches above deck) (top outside edge)		\$1,200.00
8	Build up apparent low areas to promote positive drainage		\$1,000.00
9	Apply *SWD 1929-F "Quik-Shield" elastomeric base coating at the rate of 1 gallon per 100 sq. ft.		\$4,567.00
10	Apply *SWD 1929-F "Quik-Shield" WHITE elastomeric top coating at the rate of 1-1/2 gallons per 100 sq. ft. (SWD "Quik-Shield" coating is Energy Star, CRRC California Title 24 Compliant with a solar reflectance of %82 and emittance of 91%.)		\$5,767.00
11	Broadcast #11 granules into wet finish coat at the rate of 20 lbs. per 100 sq.ft.		\$1,200.00
12	Daily and final clean		\$1,200.00

Sub Total Item 1 - 12 \$ \$44,000.00

TOTAL AMOUNT BASE BID IN FIGURES \$ \$84,000.00 *

TOTAL AMOUNT BASE BID IN WORDS Eighty-Four Thousand dollars.

*Addendum #1 Dated 9/23/21 included in base bid

*Unit price fascia board replacement per foot, \$45.00

*Unit price plywood replacement per sheet, \$198.00

BID PROPOSAL FORM

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, _____

Ari-Thane Foam Products Inc. as principal, and

Atlantic Specialty Insurance Company as surety, are held and firmly bound unto the City, hereinafter "City" in the sum to ten percent (10%) of the total amount of the bid of the principal, to be paid to the said City or its certain attorney, its successors and assigns; for which payment will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

In no case shall the liability of the surety hereunder exceed the sum of \$ Ten percent of bid amount (10% of bid amount)

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the principal has submitted the above-mentioned bid to the City for column repair services specifically described as follows, for which bids are to be opened at the City of Canyon Lake, City Hall, on 08/30/21 2:00 PM [time] at Canyon Lake [address].

NOW THEREFORE, if the aforesaid principal is awarded the contract, and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written contract, in the prescribed form in accordance with the bid proposal, and files the two bonds with the City, one to guarantee faithful performance and other to guarantee payments for labor and materials, as required by law, then this obligation shall be null and void; otherwise it shall remain in full force and effect. In the event suit is brought upon this bond by the Obligor and judgment is recovered, the surety shall pay all costs incurred by the Obligor in such suit, including a reasonable attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 30th
day of August, 2021

(seal)

(seal)

(seal)

Ari-Thane Foam Products, Inc.
[Signature]

PRINCIPAL (seal)

(seal)

Atlantic Specialty Insurance Company
[Signature]

SURETY (seal)

605 N. HWY 169 Suite 800 Plymouth, MN 55441 (seal)
ADDRESS

NOTE: Signatures of those executing for the surety must be properly acknowledged.

*State of Arizona
County of Maricopa
The foregoing instrument was acknowledged before
me this 30th day of August 2021 by Mark Barriere
CFO for Ari-Thane Foam Products Inc.
Patricia Marie Wicklund*





Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: Janis Horman, Kim Payton, Michael Wade, John Schlichte, Christopher Hughes, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: unlimited and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

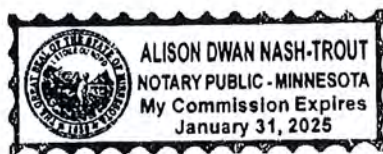
IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this twenty-seventh day of April, 2020.

STATE OF MINNESOTA
HENNEPIN COUNTY



By *Paul J. Brehm*
Paul J. Brehm, Senior Vice President

On this twenty-seventh day of April, 2020, before me personally came Paul J. Brehm, Senior Vice President of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, that he is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.



Alison Nash-Trout
Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 30th day of August, 2021.

This Power of Attorney expires
January 31, 2025



Kara Barrow
Kara Barrow, Secretary

Please direct bond verifications to surety@intactinsurance.com

SUBCONTRACTOR LIST


In compliance with the provisions of the Public Contract Code Section 4102, the undersigned bidder herewith sets forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the General contractor in or about the column repair in an amount in excess of one-half (1/2) of one percent (1%) of the General Contractor's total bid, and the portion of the work which will be done by each subcontractor.

Name of Subcontractor on License	Address of Office	License Number	Work to be completed by subcontractor
Doo Rite Construction	19300 Grand Ave Lake Elsinore CA, 92530	935039	Sloped Roof

If the bidder fails to specify a subcontractor for any portion of the work, the bidder agrees to perform the work with his own crews. (Alternative subcontractors for the same work are prohibited by provisions of the California Government Code.)

08/30/21

Dated _____

BIDDER Signature 

AFFIDAVIT FOR CO-PARTNERSHIP FIRM

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

_____, being first duly sworn,
deposes and says:

That he is a member of the co-partnership firm designated as _____

_____ which is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the City or any person interested in the proposed contract, for himself or for any other person.

That he has been and is duly vested with authority to make and sign instruments for the co-partnership by _____

who constitute the other members of the co-partnership.

Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

_____ day of _____, 20____

Signature of Officer Administering Oath
(NOTARY PUBLIC)

AFFIDAVIT FOR CORPORATION BIDDER

STATE OF CALIFORNIA)
) ss
COUNTY OF Orange)

Steven J Perkins Jr _____, being first duly sworn,
deposes and says:

That he is CEO _____ of,
Ari-Thane Foam Products Inc.

a corporation which is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the Recreation City or any person interested in the proposed contract, for himself or for any other person.




Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

18 day of August, 2021



Signature of Officer Administering Oath
(NOTARY PUBLIC)



AFFIDAVIT FOR INDIVIDUAL BIDDER

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

_____, being first duly sworn,
deposes and says:

That he is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the Recreation City or any person interested in the proposed contract, for himself or for any other person.

Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

_____ day of _____, 20____

Signature of Officer Administering Oath
(NOTARY PUBLIC)

Bid Proposal – Bienek Roofing Construction



08/27/2021

Dear City of Canyon Lake, Staff and Officials,

Thank You for giving "Team Bienek" the opportunity to serve you in regard to your current roofing project. Our success in this industry has not come from providing the lowest bid, but rather a team of top quality professionals in every aspect of the construction process, bringing our clients the very best value. With that said we look forward to adding your municipal to the list of well-cared for names below.

Contact our clients, ask them about "Team Bienek's" quality workmanship and customer service.

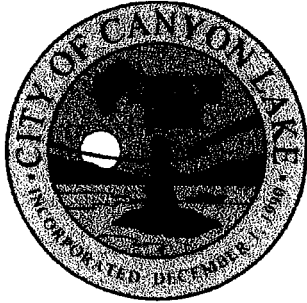
1. Mark Meyers, Board President Cliff Drive HOA Pasadena, CA 310-210-5507 (foam)
2. John Macdonnell, Armstrong Garden, multiple projects, 626-945-4730. (foam) (composition)
3. Jon Wilson, Roofing Services, multiple projects, 714-412-6244. (foam) (composition) (steel)
4. Jason, Morris Properties, multiple properties, 626-926-3674. (foam) (composition)
5. Dana Barbarine, Professional Services, multiple projects, 805-484-3210. (Clay) (Composition)
6. Steve Badger, Board President Sonoma Court HOA, 949-933-5973. (Concrete Tile)

We look forward to providing you the best application possible should you choose "Team Bienek". Contact me directly at: 949-939-0097 or Randy@TeamBienek.com.

Regards,

A handwritten signature in black ink, appearing to read "R. Holmes", written over a white background.

Randy Holmes
Managing Partner
Bienek Roofing Construction, Inc.



September 23, 2021

ADDENDUM #1

**BID No. 2021-02 Roof Rehabilitation Project – 31540-42 Railroad Canyon Road
Correction to Bid Schedule – Specific Terms and Conditions**

Under Bid Schedule – Specific Terms and Conditions, the scope of work and specifications calls for additional line items not listed in the initial Project Specification. The correction includes adding the following items to the scope of work:

ADDITIONAL LINE ITEMS

1. Tear off 2,100 sq of tile
2. Install high temp peel and stick membrane as the new underlayment
3. Install Boral steel Spanish red (barrel vault tile)
4. Replace miscellaneous cracked and broken tiles with salvaged red clay Spanish tiles from east side of the building
5. Install new edge metal
6. Install new hip and ridge where needed
7. Install wood battens where needed
8. Install tile pan metal where needed
9. Repair or replace cracked skylights
10. Repair or replace drains, as needed
11. Replace plywood underlayment, as needed
12. Replace fascia boards, as needed
13. Clean and detail premises to remove any job-related debris.
14. Issue 10 year NO LEAK renewable warranty.

If you have any questions, please feel free to contact Bill Blankenship, City Project Manager, at (951) 206-9020

Thank you,

Mike A. Borja
Administrative Services Manager

**AFFIDAVIT OF NON-COLLUSION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

**ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD
Project No. 2021-02**

State of California)
County of ~~Riverside~~) ss
Orange Jul 30/21

MICHAEL R. MORRIS, being first duly sworn, deposes and says that he/she is of BIENEK ROOFING CORP. INC. the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and neither collusive nor sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price, or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

By: *Michael R. Morris*
Signature (CONTRACTOR)

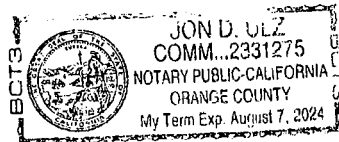
PRESIDENT / CEO
Title (CONTRACTOR)

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

30th day of August, 2021

Jon D. Ulz
Signature of Officer Administering Oath
(NOTARY PUBLIC)



CITY OF CANYON LAKE
BID NO 2021-02

ROOF REHABILITATION PROJECT
31540-42 RAILROAD CANYON RD

CONTRACTOR'S PROPOSAL

Date August 30th 2021

To the City of Canyon Lake:

The Undersigned hereby declares:

(a) That the only persons or parties interested in this proposal as principals are the following:

MICHAEL R. MORRIS

(If the bidder is a corporation, give the name of the corporation and the name of its president, secretary, treasurer, and manager. If a co-partnership, give the name, under which the co-partnership does business, and the names and addresses of all co-partners. If an individual, state the name under which the contract is to be drawn.)

(b) That this bid proposal is made without collusion with any person, firm or corporation.

(c) That he has carefully examined the location of the proposed work and has familiarized himself with all the physical and climatic conditions and makes this bid proposal solely upon his own knowledge.

(d) That by submitting this bidder's Proposal, he acknowledges receipt and knowledge of the contents of those communications sent by the City of Canyon Lake to him at the address furnished by him to the City of Canyon Lake when this bid proposal form was obtained.

(e) That he has carefully examined the specifications, both general and detail, and the drawings attached hereto, and communications sent to him as aforesaid, and makes this bid proposal in accordance therewith.

(f) That, if this bid proposal is accepted, he will enter into a written contract for the performance of the proposed work with the City.

(g) That he proposes to enter into such contract and to accept in full payment for the work done thereunder the prices shown in the attached schedule. It is understood and agreed that the quantities set forth are estimates, and that the unit prices will apply to the actual quantities whatever they may be.

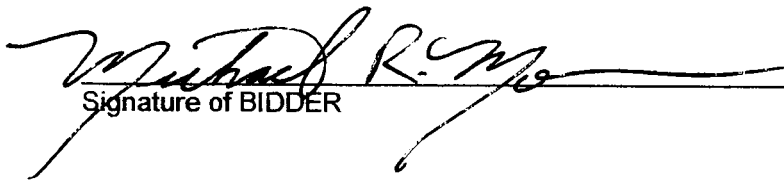
Accompanying this bid proposal is a certified or cashier's check or bidder's bond, payable to the order of the City in the amount of

NINETY FOUR THOUSAND FOUR HUNDRED EIGHTY DOLLARS (\$ 94,480) Said BIDDER's bond has been duly executed by the undersigned bidder and by a financially sound surety company authorized to transact business in this state as a "California admitted insurer".

It is understood and agreed that should the bidder fail within ten business days after award of contract to enter into the contract and furnish acceptable surety bonds, then the proceeds of said cash, check, or bidder's bond, shall become the property of the City of Canyon Lake, but if this contract is entered into and said bonds are furnished, or if the bid is not accepted then said check or cash shall be returned to the undersigned, or the bidder will be released from the bidder's bond.

BIENER ROOFING-CONSTRUCTION INC.
Print Name of Bidder

40066 CORTE ESPERANZA INDIO, CA 92203
Street Address City Zip Code Telephone Number
800-499-1340


Signature of BIDDER

Ninety-four Thousand four hundred eighty DOLLARS (\$ 94,480.00) Said BIDDER's bond has been duly executed by the undersigned bidder and by a financially sound surety company authorized to transact business in this state as a "California admitted insurer".

It is understood and agreed that should the bidder fail within ten business days after award of contract to enter into the contract and furnish acceptable surety bonds, then the proceeds of said cash, check, or bidder's bond, shall become the property of the City of Canyon Lake, but if this contract is entered into and said bonds are furnished, or if the bid is not accepted then said check or cash shall be returned to the undersigned, or the bidder will be released from the bidder's bond.

Michael Morris

Print Name of Bidder

40066 Corte Esperanza, Indio ca 92203

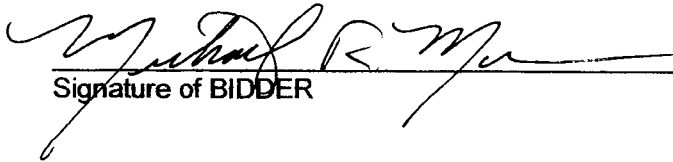
949-939-0097

Street Address

City

Zip Code

Telephone Number


Signature of BIDDER

BID SCHEDULE

SPECIFIC TERMS AND CONDITIONS

Pursuant to the Notice Inviting Bids, the undersigned hereby proposes and agrees that on award by the City under this Bid, and in accordance with the provisions therein stated, to execute a Contract, with necessary bonds, to furnish and install any and all labor, materials, transportation, and services for **ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD, Project No. 2021-02**, in accordance with the Scope of Work and Specifications therefore adopted and on file with the City within the time hereinafter set forth and at the prices named in this Bid as follows:

BASE BID

ITEM NO.	DESCRIPTION	UNIT PRICE	TOTAL
1	Clean and prepare existing roof deck surface as necessary for the proper application of spray foam roofing system	120.00	8500.00
2	Remove existing six (6) HVAC units and install proper duct curbs, and reinstall units	1000.00	6000.00
3	Install new metal foam stop at perimeter as necessary	10.00	3500.00
4	Mask as necessary to protect from overspray		5000.00
5	Prime roof deck with SWD 2000 at the rate of 1/2 gallons per 100 sq. ft. as necessary.	70.00	10000.00
6	Apply 1 inch thickness of SWD "Quik-Shield" 155 (2.5lb.) density polyurethane foam to the roof surface	314.00	22000.00
7	Apply foam up walls and taper to: (top inside edge) (12 inches above deck) (top outside edge)		3500.00
8	Build up apparent low areas to promote positive drainage		5000.00
9	Apply *SWD 1929-F "Quik-Shield" elastomeric base coating at the rate of 1 gallon per 100 sq. ft.	75.00	5250.00
10	Apply *SWD 1929-F "Quik-Shield" WHITE elastomeric top coating at the rate of 1-1/2 gallons per 100 sq. ft. (SWD "Quik-Shield" coating is Energy Star, CRRC California Title 24 Compliant with a solar reflectance of %82 and emittance of 91%.)	75.00	5250.00
11	Broadcast #11 granules into wet finish coat at the rate of 20 lbs. per 100 sq.ft.	25.00	1750.00
12	Daily and final clean		

Sub Total Item 1 - 12 \$ 75,750.00

TOTAL AMOUNT BASE BID IN FIGURES \$ 94,480.00

TOTAL AMOUNT BASE BID IN WORDS Ninety-four Thousand four hundred eighty

BID PROPOSAL FORM

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, _____

BIENEK ROOFING CONSTRUCTION INC. as principal, and

WESTERN NATIONAL MUTUAL INSURABLE COMPANY as surety, are held and firmly bound unto the City, hereinafter "City" in the sum to ten percent (10%) of the total amount of the bid of the principal, to be paid to the said City or its certain attorney, its successors and assigns; for which payment will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

In no case shall the liability of the surety hereunder exceed the sum of \$ 9,480

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the principal has submitted the above-mentioned bid to the City for column repair services specifically described as follows, for which bids are to be opened at the City of Canyon Lake, City Hall, on 2pm [time] at CITY HALL [address].

NOW THEREFORE, if the aforesaid principal is awarded the contract, and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written contract, in the prescribed form in accordance with the bid proposal, and files the two bonds with the City, one to guarantee faithful performance and other to guarantee payments for labor and materials, as required by law, then this obligation shall be null and void; otherwise it shall remain in full force and effect. In the event suit is brought upon this bond by the Obligee and judgment is recovered, the surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

BID BOND



KNOWN ALL BY THESE PRESENTS, That we, BIENEK ROOFING CONSTRUCTION INC., as Principal, and Western National Mutual Insurance Company, as Surety, are held and firmly bound unto CITY OF CANYON LAKE, as Obligee, in the sum of 10% OF THE TOTAL BID AMOUNT Dollars (10% OF BID) for the payment of which we bind ourselves, and our successors and assigns, jointly and severally, as provided herein.

WHEREAS, Principal has submitted or is about to submit a bid to the Obligee on a contract for ROOF REHABILITATION PROJECT 31540-42 RAILROAD CANYON RD ("Project").

NOW, THEREFORE, the condition of this bond is that if Obligee accepts Principal's bid, and Principal enters into a contract with Obligee in conformance with the terms of the bid and provides such bond or bonds as may be specified in the bidding or contract documents, then this obligation shall be void; otherwise Principal and Surety will pay to Obligee the difference between the amount of Principal's bid and the amount for which Obligee shall in good faith contract with another person or entity to perform the work covered by Principal's bid, but in no event shall Surety's and Principal's liability exceed the penal sum of this bond.

Signed this 28TH day of AUGUST, 2021.

BIENEK ROOFING CONSTRUCTION INC
(Principal)

By: [Signature]

Western National Mutual Insurance Company

By: [Signature]
JOHN MAGNUSON Attorney-in-Fact





POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Western National Mutual Insurance Company, a Minnesota mutual insurance company, does make, constitute and appoint JOHN MAGNUSON

SIMPLEBOND INSURANCE SERVICES LLC

Its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto (if a seal is required) bond, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of instalment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, hazardous waste remediation bonds or black lung bonds), as follows.

All written instruments in an amount not to exceed an aggregate of Seven Million Five Hundred Thousand and 00/100 (\$7,500,000) for any single obligation, regardless of the number of instruments issued for the obligation

and to bind Western National Mutual Insurance Company thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a meeting held on September 28, 2010. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of Western National Mutual Insurance Company on September 28, 2010:

RESOLVED that the president, any vice president, or assistant vice president in conjunction with the secretary or any assistant secretary may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the Company to bonds, undertakings, recognizances, and suretyship obligations of all kinds, and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
(ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the Company to such person or persons

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, Western National Mutual Insurance Company has caused these presents to be signed by its proper officer and its corporate seal to be affixed this 16th day of December, 2015

[Signature of Jon R Hebeisen]
Jon R Hebeisen, Secretary



[Signature of Larry A Byers]
Larry A Byers, Sr. Vice President

STATE OF MINNESOTA, COUNTY OF DAKOTA

On this 16th day of December, 2015, personally came before me Jon R. Hebeisen and Larry A. Byers and to me known to be the individuals and officers of the Western National Mutual Insurance Company who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally dispose and say, that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



[Signature of Jennifer A Young]
Jennifer A. Young, Notary Public
My commission expires January 31 2021

CERTIFICATE

I, the undersigned, assistant secretary of the Western National Mutual Insurance Company, a Minnesota corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked, and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force

[Signature of Jennifer A Young]
Jennifer A Young, Assistant Secretary

Signed and sealed at the City of Edina, MN this 28TH day of AUGUST, 2021

Acknowledgment of Principal

Acknowledgment of Surety (Attorney-in-Fact)

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 San Diego)^{ss}

On Aug. 28, 2021 before me, Emese J. Saffian - A Notary Public
date here insert name and title of the officer

personally appeared John Magnuson
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.

Signature Emese J. Saffian (Seal)



(The balance of this page is intentionally left blank.)



SUBCONTRACTOR LIST

In compliance with the provisions of the Public Contract Code Section 4102, the undersigned bidder herewith sets forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the General contractor in or about the column repair in an amount in excess of one-half (1/2) of one percent (1%) of the General Contractor's total bid, and the portion of the work which will be done by each subcontractor.

Name of Subcontractor on License	Address of Office	License Number	Work to be completed by subcontractor

If the bidder fails to specify a subcontractor for any portion of the work, the bidder agrees to perform the work with his own crews. (Alternative subcontractors for the same work are prohibited by provisions of the California Government Code.)

Dated 8/30/2021

Michael R. Young
 BIDDER Signature

AFFIDAVIT FOR CORPORATION BIDDER

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss
)

MICHAEL R. MORRIS, being first duly sworn,
deposes and says:

That he is PRESIDENT / CEO of,

BIENEK ROOFING-CONSTRUCTION INC.

a corporation which is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the Recreation City or any person interested in the proposed contract, for himself or for any other person.

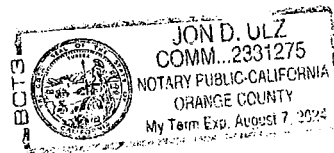
[Signature]
Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

30th day of AUGUST, 2021

[Signature]
Signature of Officer Administering Oath
(NOTARY PUBLIC)



**Bid Proposal –
C.I. Services Inc.**

CONTRACTOR'S PROPOSAL

Date August 30th 2021

To the City of Canyon Lake:

The Undersigned hereby declares:

(a) That the only persons or parties interested in this proposal as principals are the following:

William Baley - President, Secretary, Treasurer, Manager

(If the bidder is a corporation, give the name of the corporation and the name of its president, secretary, treasurer, and manager. If a co-partnership, give the name, under which the co-partnership does business, and the names and addresses of all co-partners. If an individual, state the name under which the contract is to be drawn.)

(b) That this bid proposal is made without collusion with any person, firm or corporation.

(c) That he has carefully examined the location of the proposed work and has familiarized himself with all the physical and climatic conditions and makes this bid proposal solely upon his own knowledge.

(d) That by submitting this bidder's Proposal, he acknowledges receipt and knowledge of the contents of those communications sent by the City of Canyon Lake to him at the address furnished by him to the City of Canyon Lake when this bid proposal form was obtained.

(e) That he has carefully examined the specifications, both general and detail, and the drawings attached hereto, and communications sent to him as aforesaid, and makes this bid proposal in accordance therewith.

(f) That, if this bid proposal is accepted, he will enter into a written contract for the performance of the proposed work with the City.

(g) That he proposes to enter into such contract and to accept in full payment for the work done thereunder the prices shown in the attached schedule. It is understood and agreed that the quantities set forth are estimates, and that the unit prices will apply to the actual quantities whatever they may be.

Accompanying this bid proposal is a certified or cashier's check or bidder's bond, payable to the order of the City in the amount of


10% of the bid amount _____ DOLLARS (\$ 10% of bid amount) Said BIDDER's bond has been duly executed by the undersigned bidder and by a financially sound surety company authorized to transact business in this state as a "California admitted insurer".

It is understood and agreed that should the bidder fail within ten business days after award of contract to enter into the contract and furnish acceptable surety bonds, then the proceeds of said cash, check, or bidder's bond, shall become the property of the City of Canyon Lake, but if this contract is entered into and said bonds are furnished, or if the bid is not accepted then said check or cash shall be returned to the undersigned, or the bidder will be released from the bidder's bond.

William Baley, President

Print Name of Bidder

23052 Alicia Parkway #H374	Mission Viejo	CA	92692	714-867-9178
Street Address	City		Zip Code	Telephone Number


Signature of BIDDER

BID SCHEDULE

SPECIFIC TERMS AND CONDITIONS

Pursuant to the Notice Inviting Bids, the undersigned hereby proposes and agrees that on award by the City under this Bid, and in accordance with the provisions therein stated, to execute a Contract, with necessary bonds, to furnish and install any and all labor, materials, transportation, and services for **ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD, Project No. 2021-02**, in accordance with the Scope of Work and Specifications therefore adopted and on file with the City within the time hereinafter set forth and at the prices named in this Bid as follows:

BASE BID

ITEM NO.	DESCRIPTION	UNIT PRICE	TOTAL
1	Clean and prepare existing roof deck surface as necessary for the proper application of spray foam roofing system	\$2000.00	\$2000.00
2	Remove existing six (6) HVAC units and install proper duct curbs, and reinstall units	\$1662.83	\$9977.00
3	Install new metal foam stop at perimeter as necessary	\$500.00	\$500.00
4	Mask as necessary to protect from overspray	\$1500.00	\$1500.00
5	Prime roof deck with SWD 2000 at the rate of 1/2 gallons per 100 sq. ft. as necessary.	\$4000.00	\$4000.00
6	Apply 1 inch thickness of SWD "Quik-Shield" 155 (2.5lb.) density polyurethane foam to the roof surface	\$19495.00	\$19495.00
7	Apply foam up walls and taper to: (top inside edge) (12 inches above deck) (top outside edge)	\$10000.00	\$10000.00
8	Build up apparent low areas to promote positive drainage	\$429.00	\$429.00
9	Apply *SWD 1929-F "Quik-Shield" elastomeric base coating at the rate of 1 gallon per 100 sq. ft.	\$5000.00	\$5000.00
10	Apply *SWD 1929-F "Quik-Shield" WHITE elastomeric top coating at the rate of 1-1/2 gallons per 100 sq. ft. (SWD "Quik-Shield" coating is Energy Star, CRRC California Title 24 Compliant with a solar reflectance of %82 and emittance of 91%.)	\$9000.00	\$9000.00
11	Broadcast #11 granules into wet finish coat at the rate of 20 lbs. per 100 sq.ft.	\$1000.00	\$1000.00
12	Daily and final clean	\$2000.00	\$2000.00
13	Tile Roof	\$30099.00	\$30099.00

Sub Total Item 1 - 12 \$ 95,000.00

TOTAL AMOUNT BASE BID IN FIGURES \$ 95,000.00

TOTAL AMOUNT BASE BID IN WORDS

Ninety five thousand dollars and zero cents

BID PROPOSAL FORM

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, C.I. Services, Inc.

_____ as principal, and

Philadelphia Indemnity Insurance Company as surety, are held and firmly bound unto the City, hereinafter "City" in the sum to ten percent (10%) of the total amount of the bid of the principal, to be paid to the said City or its certain attorney, its successors and assigns; for which payment will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

In no case shall the liability of the surety hereunder exceed the sum of \$ Ten percent (10%) of the total amount of the bid

_____.

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the principal has submitted the above-mentioned bid to the City for column repair services specifically described as follows, for which bids are to be opened at the City of Canyon Lake, City Hall, on 08/30/2021 2:00PM [time] at _____ [address].

NOW THEREFORE, if the aforesaid principal is awarded the contract, and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written contract, in the prescribed form in accordance with the bid proposal, and files the two bonds with the City, one to guarantee faithful performance and other to guarantee payments for labor and materials, as required by law, then this obligation shall be null and void; otherwise it shall remain in full force and effect. In the event suit is brought upon this bond by the Obligee and judgment is recovered, the surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 26th
day of August, 2021

C.I. Services, Inc. (seal)

Michael Boly (seal)
President

23052 Alicia Parkway #H374 (seal)
ADDRESS ^{MISSION Viejo, CA}

PRINCIPAL (seal)

Philadelphia Indemnity Insurance Company (seal)

Douglas A. Repp (seal)
Douglas A. Repp SURETY Attorney in Fact

251 So. Lake Avenue, Suite 360, Pasadena, CA 91101 (seal)
ADDRESS

NOTE: Signatures of those executing for the surety must be properly acknowledged.

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)

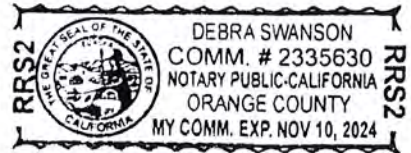
On August 26, 2021 before me, Debra Swanson, Notary Public
(insert name and title of the officer)

personally appeared Douglas A. Rapp,
who proved to me on the basis of satisfactory evidence to be the person(☉) whose name(☉) 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(☉) on the instrument the
person(☉), or the entity upon behalf of which the person(☉) 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 Debra Swanson (Seal)



PHILADELPHIA INDEMNITY INSURANCE COMPANY
231 St. Asaph's Rd., Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: that PHILADELPHIA INDEMNITY INSURANCE COMPANY (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint Douglas A. Rapp & Timothy D. Rapp of Rapp Surety & Insurance Services, Inc. its true and lawful Attorney(s) in fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$25,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY at a meeting duly called the 1st day of July, 2011.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company to: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with the respect to any bond or undertaking to which it is attached.

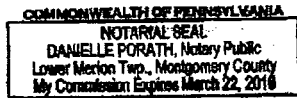
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 7TH DAY OF FEBRUARY 2013.



(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 7th day of February 2013, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the PHILADELPHIA INDEMNITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.

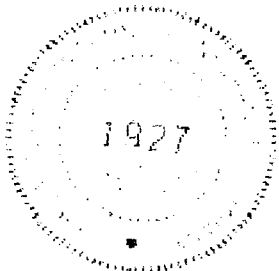


(Notary Seal)

Notary Public:
residing at: Bala Cynwyd, PA
My commission expires: March 22, 2016

I, Craig P. Keller, Executive Vice President, Chief Financial Officer and Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and this Power of Attorney issued pursuant thereto are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 26th day of August, 2021.


Craig P. Keller, Executive Vice President, Chief Financial Officer & Secretary
PHILADELPHIA INDEMNITY 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 Orange)

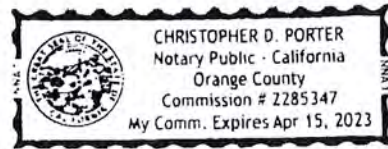
On 8/30/2021 before me, Christopher D. Porter, Notary Public
(insert name and title of the officer)

personally appeared William A. Baley,
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  (Seal)



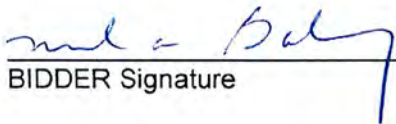
SUBCONTRACTOR LIST

In compliance with the provisions of the Public Contract Code Section 4102, the undersigned bidder herewith sets forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the General contractor in or about the column repair in an amount in excess of one-half (1/2) of one percent (1%) of the General Contractor's total bid, and the portion of the work which will be done by each subcontractor.

Name of Subcontractor on License	Address of Office	License Number	Work to be completed by subcontractor

If the bidder fails to specify a subcontractor for any portion of the work, the bidder agrees to perform the work with his own crews. (Alternative subcontractors for the same work are prohibited by provisions of the California Government Code.)

8/30/2021
 Dated _____


 BIDDER Signature _____

Project Reference List – Experience Qualifications

Project Name: City of Santa Ana – SARTC Re-roof

Location: 1000 East Santa Ana Blvd, Santa Ana, CA 92701

Owner: City of Santa Ana

Contact: Robert Aguirre, 714-647-5051, raguirre@santa-ana.org

Total Contract: \$1,007,850.72

Date of Completion: 10/6/2020

Project Name: Placentia Yorba Linda USD – Roofing Projects and District Locations

Location: Placentia, CA

Owner: Placentia Yorba Linda USD

Contact: Don Rosales, 714-985-8470, drosales@pylud.org

Total Contract: \$469,700.00

Date of Completion: 10/4/2019

Project Name: Deferred Maintenance Project 2020

Location: Pioneer Middle School, Tustin, CA

Owner: Tustin USD

Contact: Tom Rizzuti, 714-730-7515, trizzuti@tustin.k12.ca.us

Total Contract: \$1,528,112.53

Date of Completion: 8/17/2020

Project Name: San Bernardino County Superintendent of Schools – Roofing at Various Locations

Location: 8 locations within the district

Owner: San Bernardino County Superintendent of Schools

Contact: Andy Nelson, 909-386-9508, andy.nelson@sbcss.net

Total Contract: \$824,963.00

Date of Completion: 8/25/2020

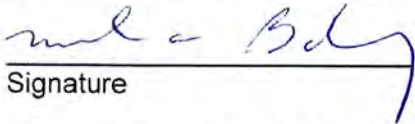
AFFIDAVIT FOR CORPORATION BIDDER

STATE OF CALIFORNIA)
) ss
COUNTY OF Orange)

William Baley _____, being first duly sworn,
deposes and says:

That he is President _____ of,
C.I. Services, Inc. _____

a corporation which is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the Recreation City or any person interested in the proposed contract, for himself or for any other person.



Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

_____ day of _____, 20__

Signature of Officer Administering Oath
(NOTARY PUBLIC)

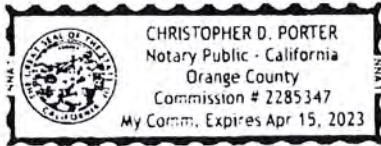
SEE ATTACHED

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

Subscribed and sworn to (or affirmed) before me on this 30th
day of August, 2021, by William Baley

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in blue ink, appearing to read 'Chris Porter', written over a horizontal line.

**AFFIDAVIT OF NON-COLLUSION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

**ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD
Project No. 2021-02**

State of California)
County of Riverside) ss

William Baley, being first duly sworn, deposes and says that he/she is of C.I. Services, Inc., the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and neither collusive nor sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price, or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

By: 
Signature (CONTRACTOR)

President
Title (CONTRACTOR)

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

_____ day of _____, 20____

Signature of Officer Administering Oath
(NOTARY PUBLIC)

SEE ATTACHED

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

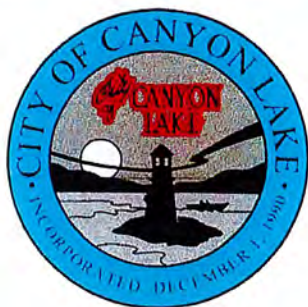
Subscribed and sworn to (or affirmed) before me on this 30th
day of August, 2021, by William Baley

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature Chris Baley



September 23, 2021

ADDENDUM #1

**BID No. 2021-02 Roof Rehabilitation Project – 31540-42 Railroad Canyon Road
Correction to Bid Schedule – Specific Terms and Conditions**

Under Bid Schedule – Specific Terms and Conditions, the scope of work and specifications calls for additional line items not listed in the initial Project Specification. The correction includes adding the following items to the scope of work:

ADDITIONAL LINE ITEMS

1. Tear off 2,100 sq of tile
2. Install high temp peel and stick membrane as the new underlayment
3. Install Boral steel Spanish red (barrel vault tile)
4. Replace miscellaneous cracked and broken tiles with salvaged red clay Spanish tiles from east side of the building
5. Install new edge metal
6. Install new hip and ridge where needed
7. Install wood battens where needed
8. Install tile pan metal where needed
9. Repair or replace cracked skylights
10. Repair or replace drains, as needed
11. Replace plywood underlayment, as needed
12. Replace fascia boards, as needed
13. Clean and detail premises to remove any job-related debris.
14. Issue 10 year NO LEAK renewable warranty.

If you have any questions, please feel free to contact Bill Blankenship, City Project Manager, at (951) 206-9020

Thank you,

Mike A. Borja
Administrative Services Manager

William Baley, President
C.I. Services, Inc.

Bid Proposal – BEST Contracting Services

FORMS

CITY OF CANYON LAKE
BID NO 2021-02

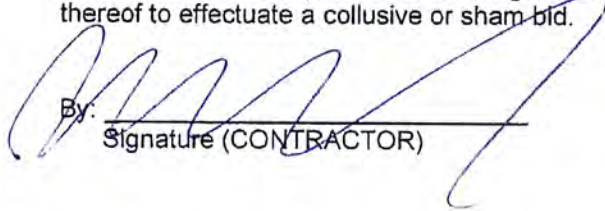
ROOF REHABILITATION PROJECT
31540-42 RAILROAD CANYON RD

**AFFIDAVIT OF NON-COLLUSION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

**ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD
Project No. 2021-02**

State of California)
County of Riverside) ss

Sean Tabazadeh, being first duly sworn, deposes and says that he/she is of BEST Contracting Services, Inc. the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and neither collusive nor sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price, or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

By: 
Signature (CONTRACTOR)

Sean Tabazadeh, CEO/Secretary
Title (CONTRACTOR)

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

****SEE ATTACHED NOTARY****

_____ day of _____, 20____

Signature of Officer Administering Oath
(NOTARY PUBLIC)

CONTRACTOR'S PROPOSAL

Date August 30 20 21

To the City of Canyon Lake:

The Undersigned hereby declares:

(a) That the only persons or parties interested in this proposal as principals are the following:

- BEST Contracting Services, Inc.
Mojitaba Tabazadeh, President
Sean Tabazadeh, CEO/Secretary
Fatemeh Tabazadeh, Treasurer

(If the bidder is a corporation, give the name of the corporation and the name of its president, secretary, treasurer, and manager. If a co-partnership, give the name, under which the co-partnership does business, and the names and addresses of all co-partners. If an individual, state the name under which the contract is to be drawn.)

(b) That this bid proposal is made without collusion with any person, firm or corporation.

(c) That he has carefully examined the location of the proposed work and has familiarized himself with all the physical and climatic conditions and makes this bid proposal solely upon his own knowledge.

(d) That by submitting this bidder's Proposal, he acknowledges receipt and knowledge of the contents of those communications sent by the City of Canyon Lake to him at the address furnished by him to the City of Canyon Lake when this bid proposal form was obtained.

(e) That he has carefully examined the specifications, both general and detail, and the drawings attached hereto, and communications sent to him as aforesaid, and makes this bid proposal in accordance therewith.

(f) That, if this bid proposal is accepted, he will enter into a written contract for the performance of the proposed work with the City.

(g) That he proposes to enter into such contract and to accept in full payment for the work done thereunder the prices shown in the attached schedule. It is understood and agreed that the quantities set forth are estimates, and that the unit prices will apply to the actual quantities whatever they may be.

Accompanying this bid proposal is a certified or cashier's check or bidder's bond, payable to the order of the City in the amount of

10% BIDDERS BOND

_____ DOLLARS (\$_____)

Said

BIDDER's bond has been duly executed by the undersigned bidder and by a financially sound surety company authorized to transact business in this state as a "California admitted insurer".

It is understood and agreed that should the bidder fail within ten business days after award of contract to enter into the contract and furnish acceptable surety bonds, then the proceeds of said cash, check, or bidder's bond, shall become the property of the City of Canyon Lake, but if this contract is entered into and said bonds are furnished, or if the bid is not accepted then said check or cash shall be returned to the undersigned, or the bidder will be released from the bidder's bond.

BEST Contracting Services, Inc.

Print Name of Bidder

19027 S. Hamilton Ave. Gardena, CA 90248

(310) 328-6969

Street Address

City

Zip Code

Telephone Number

Signature of BIDDER


Sean Tabazadeh, CEO/Secretary

BID SCHEDULE

SPECIFIC TERMS AND CONDITIONS

Pursuant to the Notice Inviting Bids, the undersigned hereby proposes and agrees that on award by the City under this Bid, and in accordance with the provisions therein stated, to execute a Contract, with necessary bonds, to furnish and install any and all labor, materials, transportation, and services for **ROOF REHABILITATION PROJECT – 31540-42 RAILROAD CANYON ROAD, Project No. 2021-02**, in accordance with the Scope of Work and Specifications therefore adopted and on file with the City within the time hereinafter set forth and at the prices named in this Bid as follows:

BASE BID

ITEM NO.	DESCRIPTION	UNIT PRICE	TOTAL
1	Clean and prepare existing roof deck surface as necessary for the proper application of spray foam roofing system	\$5,000.00	\$5,000.00
2	Remove existing six (6) HVAC units and install proper duct curbs, and reinstall units	\$4,000.00	\$4,000.00
3	Install new metal foam stop at perimeter as necessary	\$2,000.00	\$2,000.00
4	Mask as necessary to protect from overspray	\$3,000.00	\$3,000.00
5	Prime roof deck with SWD 2000 at the rate of 1/2 gallons per 100 sq. ft. as necessary.	\$34,000.00	\$34,000.00
6	Apply 1 inch thickness of SWD "Quik-Shield" 155 (2.5lb.) density polyurethane foam to the roof surface	\$7,000.00	\$7,000.00
7	Apply foam up walls and taper to: (top inside edge) (12 inches above deck) (top outside edge)	\$10,000.00	\$10,000.00
8	Build up apparent low areas to promote positive drainage	\$17,000.00	\$17,000.00
9	Apply *SWD 1929-F "Quik-Shield" elastomeric base coating at the rate of 1 gallon per 100 sq. ft.	\$15,000.00	\$15,000.00
10	Apply *SWD 1929-F "Quik-Shield" WHITE elastomeric top coating at the rate of 1-1/2 gallons per 100 sq. ft. (SWD "Quik-Shield" coating is Energy Star, CRRR California Title 24 Compliant with a solar reflectance of %82 and emittance of 91%.)	\$49,000.00	\$49,000.00
11	Broadcast #11 granules into wet finish coat at the rate of 20 lbs. per 100 sq.ft.	\$7,000.00	\$7,000.00
12	Daily and final clean	\$2,000.00	\$2,000.00

Sub Total Item 1 - 12 \$ 155,000.00

TOTAL AMOUNT BASE BID IN FIGURES \$ 155,000.00

TOTAL AMOUNT BASE BID IN WORDS

One Hundred Fifty Five Thousand Dollars

BID PROPOSAL FORM

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, Best Contracting Services, Inc.

_____ as principal, and

The Hanover Insurance Company _____ as surety, are held and firmly bound unto the City, hereinafter "City" in the sum to ten percent (10%) of the total amount of the bid of the principal, to be paid to the said City or its certain attorney, its successors and assigns; for which payment will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

In no case shall the liability of the surety hereunder exceed the sum of \$ 10% of Amount Bid

_____.

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the principal has submitted the above-mentioned bid to the City for column repair services specifically described as follows, for which bids are to be opened at the City of Canyon Lake, City Hall, on 8/30/2021 [time] at ** [address].

NOW THEREFORE, if the aforesaid principal is awarded the contract, and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written contract, in the prescribed form in accordance with the bid proposal, and files the two bonds with the City, one to guarantee faithful performance and other to guarantee payments for labor and materials, as required by law, then this obligation shall be null and void; otherwise it shall remain in full force and effect. In the event suit is brought upon this bond by the Obligee and judgment is recovered, the surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

**31516 Railroad Canyon Rd.
Canyon Lake, CA 92587

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 19th
day of August, 2021

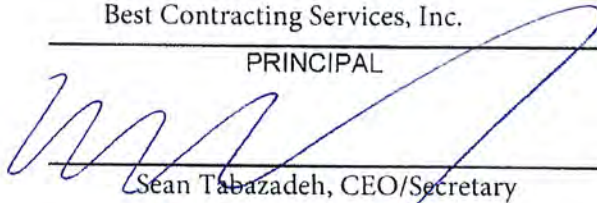
(seal)

(seal)

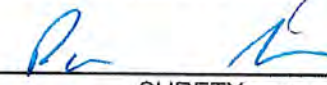
(seal)

Best Contracting Services, Inc.

PRINCIPAL (seal)



Sean Tabazadeh, CEO/Secretary (seal)

The Hanover Insurance Company  _____ (seal)
SURETY Patrick T. Moughan, Attorney-in-Fact
5 Hutton Centre Dr. Suite 1060, Santa Ana, CA 92707 (seal)
ADDRESS

NOTE: Signatures of those executing for the surety must be properly acknowledged.

**THE HANOVER INSURANCE COMPANY
 MASSACHUSETTS BAY INSURANCE COMPANY
 CITIZENS INSURANCE COMPANY OF AMERICA**

POWER OF ATTORNEY

THIS Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

KNOW ALL PERSONS BY THESE PRESENTS:

That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, (hereinafter individually and collectively the "Company") does hereby constitute and appoint,

Patrick T. Moughan, Mark D. Kiger, Alec D. Martinez, and/or Jing Guo Mason

Of **Global Risk, LLC of Los Angeles, CA** each individually, if there be more than one named, as its true and lawful attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, any and all surety bonds, recognizances, undertakings, or other surety obligations. The execution of such surety bonds, recognizances, undertakings or surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company, in their own proper persons. Provided however, that this power of attorney limits the acts of those named herein; and they have no authority to bind the Company except in the manner stated and to the extent of any limitation stated below:

Any such obligations in the United States, not to exceed Fifty Million and No/100 (\$50,000,000) in any single instance

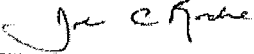
That this power is made and executed pursuant to the authority of the following Resolutions passed by the Board of Directors of said Company, and said Resolutions remain in full force and effect:

RESOLVED: That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED: That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 – The Hanover Insurance Company; Adopted April 14, 1982 – Massachusetts Bay Insurance Company; Adopted September 7, 2001 – Citizens Insurance Company of America)

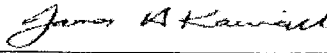
IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by two Vice Presidents, this 29th day of **March, 2017**.

**The Hanover Insurance Company
 Massachusetts Bay Insurance Company
 Citizens Insurance Company of America**


 John C. Roche, EVP and President

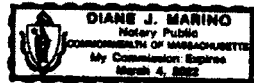


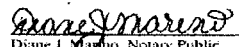
**The Hanover Insurance Company
 Massachusetts Bay Insurance Company
 Citizens Insurance Company of America**


 James H. Kawiecki, Vice President

THE COMMONWEALTH OF MASSACHUSETTS)
 COUNTY OF WORCESTER) ss.

On this 29th day of **March, 2017** before me came the above named Vice Presidents of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.





 Diane J. Marino, Notary Public
 My Commission Expires March 4, 2022

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 19th day of August, 2021.

CERTIFIED COPY


 Theodore G. Martinez, Vice President

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 Los Angeles }

On 8/19/21 before me, Ashley Greenberg, Notary Public
(Here insert name and title of the officer)

personally appeared Patrick T. Moughan
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.

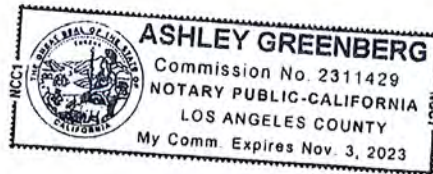
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Ashley Greenberg

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

SUBCONTRACTOR LIST

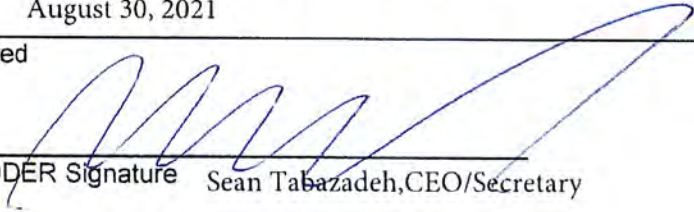
In compliance with the provisions of the Public Contract Code Section 4102, the undersigned bidder herewith sets forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the General contractor in or about the column repair in an amount in excess of one-half (1/2) of one percent (1%) of the General Contractor's total bid, and the portion of the work which will be done by each subcontractor.

Name of Subcontractor on License	Address of Office	License Number	Work to be completed by subcontractor
None			

If the bidder fails to specify a subcontractor for any portion of the work, the bidder agrees to perform the work with his own crews. (Alternative subcontractors for the same work are prohibited by provisions of the California Government Code.)

August 30, 2021

Dated _____

BIDDER Signature  Sean Tabazadeh, CEO/Secretary

AFFIDAVIT FOR CORPORATION BIDDER

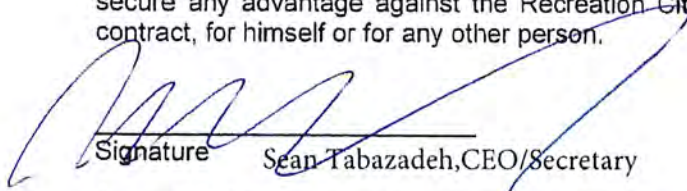
STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) ss
)

Sean Tabazadeh, being first duly sworn,
deposes and says:

That he is CEO/Secretary of,

BEST Contracting Services, Inc.

a corporation which is the party making the foregoing bid proposal; that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a sham bid proposal or that such other person shall refrain from bidding; and has not in any manner sought by collusion to secure any advantage against the Recreation City or any person interested in the proposed contract, for himself or for any other person.


Signature Sean Tabazadeh, CEO/Secretary

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

****SEE ATTACHED NOTARY****

_____ day of _____, 20__

Signature of Officer Administering Oath
(NOTARY PUBLIC)



State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAR 23 2007

DEBRA BOWEN
Secretary of State

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAR 19 2007

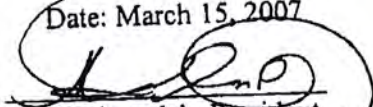
CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION OF
BEST ROOFING & WATERPROOFING, INC.

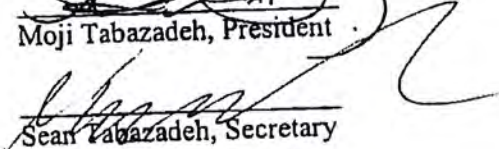
The undersigned certify that:

1. They are the President and Secretary, respectively, of Best Roofing & Waterproofing, Inc., a California corporation.
2. Article I of the Articles of Incorporation of this corporation is amended to read as follows: The name of this corporation is Best Contracting Services, Inc.
3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the shareholders in accordance with Section 902, California Corporation Code. The total number of outstanding shares of the corporation is 100. The number of shares voting in favor of amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: March 15, 2007


Moji Tabazadeh, President


Sean Tabazadeh, Secretary



0522840

ENDORSED FILED
in the office of the Secretary of State
of the State of California

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION OF
TABA DEVELOPMENT CO., INC.

MAR 26 1999

BILL JONES, Secretary of State

Mojitaba Tabazadeh and Sean Tabazadeh certify that:

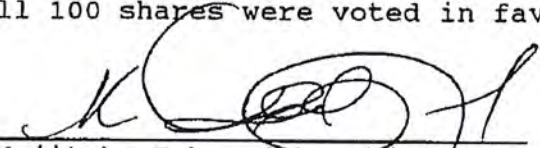
1. They are the Chief Executive Officer and Secretary, respectively, of Taba Development Co., Inc., a California corporation.

2. The Board of Directors of Taba Development Co., Inc. has approved the following amendment to Article I of the Articles of Incorporation of said corporation:

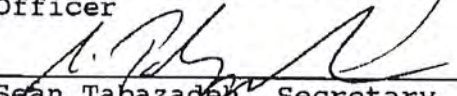
"I

The name of this corporation is Best Roofing & Waterproofing, Inc."

3. The amendment has been approved by the required vote of the shareholders in accordance with Sections 902 and 903 of the California Corporations Code. The corporation has only one outstanding class of shares. Each outstanding share is entitled to only one vote. The corporation has 100 shares outstanding, and, hence, the total number of shares entitled to vote with respect to the amendment was 100. All 100 shares were voted in favor of the Amendment.

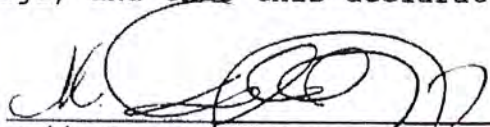


Mojitaba Tabazadeh, Chief Executive Officer

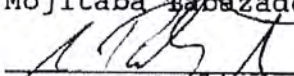


Sean Tabazadeh, Secretary

Each of the undersigned declares under penalty of perjury that the matters set forth in the foregoing certificate are true and correct of her own personal knowledge, and that this declaration was executed on March 25, 1999.



Mojitaba Tabazadeh



Sean Tabazadeh



****NOT APPLICABLE****

AFFIDAVIT FOR JOINT VENTURE

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

_____, being first duly sworn,
deposes and says:

That he is _____ of,

_____,
one of the parties submitting the foregoing bid proposal as a joint venture and that he has been
and is duly vested with the authority to make and sign instruments for and on behalf of the parties
making said bid proposal who are:

that such bid proposal is genuine and not collusive or sham; that said bidder has not colluded,
conspired, connived or agreed, directly or indirectly, with any other bidder or person to put in a
sham bid proposal or that such other person shall refrain from bidding; and has not in any manner
sought by collusion to secure any advantage against the Recreation City or any person interested
in the proposed contract, for himself or for any other person.

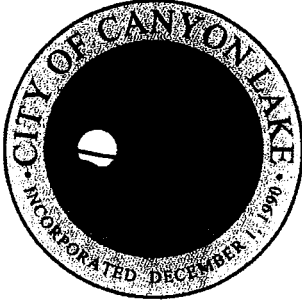
Signature

A notary public or other officer completing this certificate verifies on 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.

Subscribed and sworn (affirmed)
to before me this

_____ day of _____, 20__

Signature of Officer Administering Oath
(NOTARY PUBLIC)



September 23, 2021

ADDENDUM #1

BID No. 2021-02 Roof Rehabilitation Project – 31540-42 Railroad Canyon Road Correction to Bid Schedule – Specific Terms and Conditions

Under Bid Schedule – Specific Terms and Conditions, the scope of work and specifications calls for additional line items not listed in the initial Project Specification. The correction includes adding the following items to the scope of work:

ADDITIONAL LINE ITEMS

1. Tear off 2,100 sq of tile
2. Install high temp peel and stick membrane as the new underlayment
3. Install Boral steel Spanish red (barrel vault tile)
4. Replace miscellaneous cracked and broken tiles with salvaged red clay Spanish tiles from east side of the building
5. Install new edge metal
6. Install new hip and ridge where needed
7. Install wood battens where needed
8. Install tile pan metal where needed
9. Repair or replace cracked skylights
10. Repair or replace drains, as needed
11. Replace plywood underlayment, as needed
12. Replace fascia boards, as needed
13. Clean and detail premises to remove any job-related debris.
14. Issue 10 year NO LEAK renewable warranty.

If you have any questions, please feel free to contact Bill Blankenship, City Project Manager, at (951) 206-9020

Thank you,

Mike A. Borja
Administrative Services Manager

Experience Qualifications – Similar Services Contract References

Reference #1:

(i) Owner: MOUNT DIABLO UNIFIED SCHOOL DISTRICT
1936 CARLOTTA DR. CONCORD, CA 94519

(ii) Owner Contact: CHARLIE BEIGARTEN

(iii) Contact Information: 925.682.8000 EXT. 3826
BEIGARTENC@MDUSD.ORG

(iv) Project Name: MOUNT DIABLO USD VARIOUS SITES

(v) Scope: RE-ROOF WITH SHEET METAL ROOFING AND COLD MOD BIT

(vi) Original Contract Amount: \$5,068,856.00

(vii) Final Contract Amount: \$4,985,321.00

(viii) Start & Completion Date: 12/2017 – 1/2019

Reference #2:

(i) Owner: MOUNTAIN VIEW SCHOOL DISTRICT GROUP 1
3320 GILMAN ROAD EL MONTE, CA 91732-3201

(ii) Owner Contact: LILLIAN MALDONADO FRENCH

(iii) Contact Information: 626. 652.4951
LMFRENCH@MTVIEW.K12.CA.US

(iv) Project Name: MVSD VARIOUS SITES GROUP 1

(v) Scope: RE-ROOF WITH HOT BUR, SHINGLES AND ROOF TILES

(vi) Original Contract Amount: \$2,157,595.00

(vii) Final Contract Amount: \$2,454,806.00

(viii) Start & Completion Date: 6/2016 – 5/2017

Reference #3:

(i) Owner: MOUNTAIN VIEW SCHOOL DISTRICT GROUP 2
3320 GILMAN ROAD EL MONTE, CA 91732-3201

(ii) Owner Contact: LILLIAN MALDONADO FRENCH

(iii) Contact Information: 626. 652.4951
LMFRENCH@MTVIEW.K12.CA.US

(iv) Project Name: MVSD VARIOUS SITES GROUP 2

(v) Scope: ELASTO MEMBRANE, THERMO MEMBRANE, SHINGLES, METAL ROOFING

(vi) Original Contract Amount: \$3,466,680.00

(vii) Final Contract Amount: \$3,481,868.00

(viii) Start & Completion Date: 6/2016 – 5/2017

Reference #4:

(i) Owner: CITY OF SANTA MONICA ARCHITECTURE SERVICES DIVISION
1437 FOURTH ST. SUITE 300 SANTA MONICA, CA 90401

(ii) Owner Contact: PHILLIP TICUN

(iii) Contact Information: 424.330.9683
PHILLIP.TICUN@SMGOV.NET

(iv) Project Name: SANTA MONICA AIRPORT ACRYLIC APPLICATION
(v) Scope: RE-ROOF WITH COLD APPLIED BUR
(vi) Original Contract Amount: \$1,543,858.00
(vii) Final Contract Amount: \$2,182,446.00
(viii) Start & Completion Date: 6/2019 – 7/2019

Reference #5:

(i) Owner: LOS ANGELES UNIFIED SCHOOL DISTRICT
8525 REX ROAD PICO RIVERA, CA 90660
(ii) Owner Contact: MARK FAIRHURST
(iii) Contact Information: 213. 763.3022
MARK.FAIRHURST@LAUSD.NET
(iv) Project Name: LAUSD - EL SERENO MIDDLE SCHOOL
(v) Scope: RE-ROOF PVC ROOFING, METAL FRAMED SKYLITE
(vi) Original Contract Amount: \$1,851,500.00
(vii) Final Contract Amount: \$1,851,500.00
(viii) Start & Completion Date: 7/2016 – 3/2017

Reference #6:

(i) Owner: CLAREMONT UNIFIED SCHOOL DISTRICT
170 WEST SAN JOSE AVENUE CLAREMONT, CA 91711
(ii) Owner Contact: RICK COTA
(iii) Contact Information: 909. 398.0637
RCOTA@CUSD.CLAREMONT.EDU
(iv) Project Name: CLAREMONT USD VARIOUS SITES
(v) Scope: RE-ROOF WITH BUR HOT, ROOF TILES, TOCH MOD BIT
(vi) Original Contract Amount: \$3,135,730.00
(vii) Final Contract Amount: \$3,255,730.00
(viii) Start & Completion Date: 5/2017 – 4/2018

Reference #7:

(i) Owner: COUNTY OF SONOMA
2300 COUNTY CENTER DRIVE, SUITE A220, SANTA ROSA, CA 95403
(ii) Owner Contact: JOHN BRENCIC
(iii) Contact Information: (707) 565-2847
JOHN.BRENCIC@SONOMA-COUNTY.ORG
(iv) Project Name: SONOMA MADF PHASE 2 & 3
(v) Scope: RE-ROOF WITH SINGLE PLY SYSTEM
(vi) Original Contract Amount: \$1,785,000.00
(vii) Final Contract Amount: \$1,718,648.00
(viii) Start & Completion Date: 11/2017 – 5/2019

Reference #8:

(i) Owner: FOOTHILL DE ANZA CCD
12345 EL MONTE ROAD, LOS ALTOS HILLS, CA 94022
(ii) Owner Contact: ANNETTE PEREZ
(iii) Contact Information: (650) 949-6163
PEREZANNETTE@FHDA.EDU

(iv) Project Name: Foothill de Anza College Bldg 2500
(v) Scope: RE-ROOF WITH SHINGLES/TILES SYSTEM
(vi) Original Contract Amount: \$935,000.00
(vii) Final Contract Amount: \$1,468,029.00
(viii) Start & Completion Date: 9/11/2018 – 9/17/2019

Reference #9:

(i) Owner: SONOMA COUNTY JUNIOR COLLEGE
1501 MENDOCINO AVENUE, SANTA ROSA, CA 95401
(ii) Owner Contact: RALPH GAUSE
(iii) Contact Information: (707)527-4823
rgause@santarosa.edu
(iv) Project Name: SANTA ROSA JUNIOR COLLEGE TAUZER
(v) Scope: RE-ROOF WITH SHINGLES/ROOF TILES
(vi) Original Contract Amount: \$ 621,222.00
(vii) Final Contract Amount: \$659,723.00
(viii) Start & Completion Date: 9/18/2018 – 3/10/2020

Reference #10:

(i) Owner: UC SANTA CRUZ
1156 HIGH STREET, SANTA CRUZ ,CA 95064
(ii) Owner Contact: STEVEN IRIE
(iii) Contact Information: (831) 502-7095
sirie@ucsc.edu
(iv) Project Name: UCSC RACHEL CARSON COLLEGE APT. BLDGS. 2,3,4 & 5
(v) Scope: RE-ROOF WITH SHINGLES/ROOF TILES
(vi) Original Contract Amount: \$ 760,000.00
(vii) Final Contract Amount: \$778,942.00
(viii) Start & Completion Date: 7/2017 – 9/22/2018



ITEM NO. 2

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Jeff LaTendresse, Interim Fire Chief

DATE: September 13, 2021

SUBJECT: Adoption of Resolutions Authorizing the City Manager to execute Agreements to become a participant in the Firefighter Property (FFP) Program and the Federal Excess Personal Property (FEPP) Program

Recommendation

That the City Council adopt:

1. Resolution No. 2021-47, authorizing the City Manager to execute an agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Firefighter Property (FFP) Program in accordance with Title 10 United States Code §2576b
2. Resolution No. 2021-48, authorizing the City Manager to execute an agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Federal Excess Personal Property (FEPP) Program in accordance with the United States Service Cooperative Forestry Assistance Act (CFAA) of 1978

Background

On November 4, 2020, the City Council adopted Resolution No. 2020-48, declaring the City of Canyon Lake's intent to establish a municipal fire department and authorizing the City Manager to take such actions as necessary to prepare the City of Canyon Lake to begin fire department operations on January 1, 2022. The City Council has authorized and funded the Fire Department so that it could purchase a new Type I and Type VI fire engine, and provided an additional \$735,470 for startup costs and capital outlay. While this funding will enable the Fire Department to be operational on January 1, 2022, there were some items that were left unfunded for the first year of operations.

The State of California, through Cal Fire, manages several programs that provide access to surplus Federal property from the United States Department of Agriculture (USDA) Forest

Service and the Department of Defense (DOD). Two programs that specifically benefit the fire service are the Firefighter Property (FFP) Program and the Federal Excess Property (FEPP) Program. Both programs allow local fire agencies the ability to screen and determine if they desire to acquire surplus government equipment at no cost. The local fire agency must follow the procurement procedures outlined in the program guidelines.

The Firefighter Property (FFP) Program, administered through Cal Fire, allow access to surplus firefighting equipment, tools, and vehicles at no cost to local fire agencies. Materials procured under this program must be used for providing fire and emergency services, which can include disaster relief. The Federal Excess Personal Property (FEPP) program, also administered by Cal Fire, provides equipment and vehicles to local fire agencies for wildland and rural community fire protection services. The Riverside County/Cal Fire Chief has approved the City of Canyon Lake's participation in these two programs.

The Canyon Lake Fire Department becoming a participant in both the FFP and FEPP programs would enable the City to monitor surplus government equipment as it becomes available. Should an opportunity then arise to procure equipment that would enhance the Fire Department's service delivery, we would be in a position to act on it.

The agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Firefighter Property (FFP) Program has been included with Resolution No. 2021-47 as Exhibit A. The agreement with the State of California, Department of Forestry and Fire Protection (Cal Fire), to become a participant in the Federal Excess Personal Property (FEPP) Program has been included with Resolution No. 2021-48 as Exhibit A.

Fiscal Impact

There is no fiscal impact to join either of the two programs. Should the Fire Department determine a need for an identified piece of equipment, then all costs for transportation to and from the location where the equipment is located will be a burden of the City's. In addition, should the Fire Department acquire a vehicle from the Forest Service or DOD, there is a requirement that the vehicle be repaired within one year. The Fire Department intends to use the existing maintenance accounts for any equipment procured through this process.

Attachments

1. Resolution No. 2021-47 – Firefighter Property Program
2. Resolution No. 2021-48 – Federal Excess Property Program

ATTACHMENT 1

RESOLUTION NO. 2021-47

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) TO BECOME A PARTICIPANT IN THE FIREFIGHTER PROPERTY (FFP) PROGRAM IN ACCORDANCE WITH TITLE 10 UNITED STATES GOVERNMENT CODE §2576b

WHEREAS, on November 4, 2020, the City Council adopted Resolution No. 2020-48, declaring the City of Canyon Lake’s intent to establish a municipal fire department and authorizing the City Manager to take such actions as necessary to prepare the City of Canyon Lake to begin fire department operations on January 1, 2022; and

WHEREAS, there is a need for excess personal property from the Department of Defense (DoD) through the Firefighter Property (FFP) Program to help actively engage in prevention, protection, and suppression of all fires and medical emergency response services in the City of Canyon Lake; and

WHEREAS, the acquisition of certain Firefighter Property as described in the United States Department of Agriculture (USDA), Forest Property Standard Operating Procedures, in accordance with Title 10 of United States Code §2576b is available for local fire agencies.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Each of the above recitals is true and correct and is adopted by the City Council of the City of Canyon Lake.

\\
\\
\\
\\
\\
\\
\\
\\
\\

Section 2. That the City Council of the City of Canyon Lake accepts the agreement between the State of California, Department of Forestry and Fire Protection (CAL FIRE) and the City of Canyon Lake on September 13, 2021, for the acquisition of Firefighter Property, and, authorizes the City Manager to execute the agreement on behalf of the City Council attached hereto as Exhibit A.

PASSED, APPROVED, AND ADOPTED on the 13th day of September, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A

STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

COOPERATIVE AGREEMENT FOR THE
DEPARTMENT OF DEFENSE
FIREFIGHTER PROPERTY (FFP) PROGRAM
Under Title 10 United States Code § 2576b

This agreement is entered into by and between

THE STATE OF CALIFORNIA
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

AND

CITY OF CANYON LAKE

This agreement made and entered into this ____ day of ____, 20__, by and between the State of California acting by and through the Director of the Department of Forestry and Fire Protection (CAL FIRE), hereinafter referred to as the STATE and the City of Canyon Lake, hereinafter referred to as the COOPERATOR, covenants as follows:

I. PURPOSE

The STATE has been approved as an agent of the United States Department of Agriculture (USDA) Forest Service for administering excess Department of Defense (DoD) personal property as part of the Firefighter Property (FFP) program, which allows the COOPERATOR to take custody and use FFP property in providing fire and emergency medical services, including disaster relief activities.

II. MUTUAL INTEREST OF PARTIES

Both the STATE and the COOPERATOR have a mutual interest in the prevention, protection, and suppression of all fires near and adjacent to the property and the people of California, including providing medical emergency services and disaster relief.

III. AUTHORITIES

The Secretary of Defense is authorized by Title 10 United States Code § 257b to transfer to firefighting agencies, personal property that is excess to the needs of the DoD and that the Secretary of Defense determines is suitable to be used by such agencies in fire protection, emergency medical services and disaster relief activities.

IV RESPONSIBILITIES

THE COOPERATOR AGREES:

1. To only screen and acquire FFP property that are designed for or can be modified for direct use in fire pre-suppression or suppression activities, provide emergency medical services associated with the COOPERATOR's fire service responsibilities, or items that can be used to support disaster relief activities.
2. FFP property cannot be requested or issued for: cannibalization, parts, for speculative/possible future use, warehousing/stockpiling, or to sell, lease, rent, exchange, barter, secure a loan, or to otherwise supplement normal budget.

3. Warehousing/stockpiling is only authorized for disaster response accommodations. FFP property such as generators, cots, tents, etc. that are obtained to support potential disaster relief or other contingency operations will be considered to have been placed into use if they are readily available to support emergency contingencies.
4. To send the STATE a copy of the signed receipt (1348-1A) for each FFP property item removed from the DoD Defense Logistics Agency (DLA) upon return from property pick up. This is a mandatory requirement as identified by the DoD and the USDA Forest Service.
5. To bear the entire cost of transportation, retrofit, modification, maintenance, repair, (including painting, as necessary) and operation of acquired FFP property while in the COOPERATOR'S possession, and relieve the STATE of all responsibility and liability in matters related to FFP property.
6. Acquired FFP property must be placed into use or ready for use within one (1) year of receipt. If the property is not placed for use in the one (1) year timeline, the property must be returned to the DoD Defense Logistics Agency (DLA) at the COOPERATOR's expense.
7. To ensure add on tanks, pumps, hose reels, modification of property (e.g.: converting fuel tanker to a water tanker) etc. will not cause an acquired FFP vehicle to exceed the manufacturer's Gross Vehicle Weight (GVW) rating. This could compromise the safe use of the FFP vehicle.
8. To obtain prior to operation of any FFP property, the minimum liability insurance in the amount required by State law to cover the operation of FFP rolling stock. The COOPERATOR must maintain adequate insurance to cover damages or injuries to cover persons or property relating to the use of the FFP property.
9. Insurance is not required on any FFP property that has a DEMIL code of B, C, D, F and Q (other than Q6) along with other property with special handling requirements that remain titled to the DoD.
10. The COOPERATOR must paint any FFP rolling stock that has distinct military colors or markings.
11. The COOPERATOR shall be responsible for the proper care, maintenance, security, and storage of the FFP property.
12. The COOPERATOR is required to keep the FFP property operational for a minimum of one (1) year after "In Service" date before normal disposal can take place.
13. Identify and track all FFP property that has a DEMIL code of B, C, D, F and Q (other than Q6) which require special handling. These FFP property items will not transfer ownership to the COOPERATOR and will remain titled to the DoD.
14. COOPERATOR will contact the STATE for FFP property that has a DEMIL code of B, C, D, F and Q (other than Q6) that is no longer needed and to be returned to the DLA at the COOPERATOR's expense.
15. The DoD reserves the right to recall DEMIL property issued through the FFP program at any time tracked by the USDA Forest Service for accountability purpose until the COOPERATOR requests disposal of the FFP property item.
16. FFP property that has not been used for firefighting or emergency services for a minimum of one year must be reported to the STATE and USDA Forest Service for disposal authority. Supporting documentation must be provided on why the property needs to be disposed prior to the one year of use. Possible documentation includes:
 - a. A police report for items lost or stolen.

- b. An accident report for items that have been damaged, destroyed or rendered uneconomical to repair due to an accident.
 - c. A mechanics report for items that have suffered mechanical damage and are now considered uneconomical to repair.
 - d. A statement (email is acceptable if it includes the person's name, title and contact information) from a Fire Chief explaining why the item cannot be placed into service.
17. The COOPERATOR shall report lost, missing, stolen or destroyed FFP property to the STATE. FFP property with a DEMIL code of B, C, D, F and Q (other than Q6) must be reported within 24 hours. FFP property with a DEMIL Code of A or Q6 must be reported within seven (7) days.
18. When FFP property is lost, damaged, or stolen, a determination is required whether there was negligence on the part of the COOPERATOR. The STATE shall make a recommendation to the USDA Forest Service PMO whether there was negligence or gross negligence.
 - a. Negligence: The failure to abide by Federal rules and regulations.
 - i. Repeated instances of negligent damage to FFP property by employees of the COOPERATOR may be cause for the STATE to suspend further acquisitions by the COOPERATOR until the reasons for the negligence are identified and steps taken to prevent further instances.
 - b. Gross negligence: The intentional, willful, or wanton failure to exercise a reasonable degree of care to protect FFP property in one's custody in reckless disregard of the consequences of the actions.
 - i. If the STATE determines that there is apparent gross negligence on the part of a COOPERATOR employee, Recipient or a User of FFP property, the findings plus all supporting documentation shall be forwarded by the STATE to the USDA Forest Service Property Management Officer (PMO) for a final determination.
 - ii. If the final determination is one of gross negligence, the COOPERATOR shall be suspended from acquiring any additional FFP property for SIX (6) months.
 - iii. A second case of Gross Negligence will cause the COOPERATOR to lose all privileges of participating in the FFP program, indefinitely.
19. To perform/participate in the physical inventory process on FFP property with a DEMIL code of B, C, D, F and Q (other than Q6) in the COOPERATOR'S possession every two (2) years.
20. The STATE and the USDA Forest Service will periodically conduct joint reviews of the FFP program to ensure compliance with the DoD, USDA Forest Service and other applicable statutes, regulations and policies are being followed. The COOPERATOR must participate and provide access to all physical FFP property tracked in the Federal Property Management Information System (FEPMIS) along with access to all FFP documentation during the review. Any FFP property removed and closed in FEPMIS will not be inventoried during the review process.
21. The STATE is authorized to perform audits and reviews by STATE personnel, in between joint reviews, to provide the USDA Forest Service information for FFP program improvements.
22. To retain all documentation on all FFP property for six (6) years and three (3) months after acquisition; starting with the date of pick up through the property's disposal. Copies of final disposition paperwork shall be sent to the STATE.
23. The COOPERATOR must provide access to and the right to examine all records, books, or documents relating to FFP property transferred to the COOPERATOR under Title 10 U.S.C. 2576b to the USDA Forest Service, the Department of Defense, the Office of the Inspector General, and the Comptroller General of the United States, the STATE or their authorized representatives.
24. The proceeds from the sale of any FFP vehicle and/or other FFP property must be earmarked for "Fire/Emergency Services."

25. FFP Property with a DEMIL Code of A or Q6, after the one (1) year conditional holding and utilization period, may be sold or transferred to non-FFP participants in compliance with the United States Export Control Regulations. Under no circumstances will FFP property be sold or transferred to non-United States persons or exported.

V. OTHER AGREEMENT TERMS
IT IS MUTUALLY AGREED THAT:

1. Title and ownership of FFP property does not pass to any private individual in their private capacity.
2. The COOPERATOR shall complete a resolution, or a statement from their governing board/council approving participation in the FFP Program. The resolution must be received with this Cooperative Agreement as a requirement of the terms and conditions before the STATE will prepare the COOPERATOR's access to screen and manage FFP property.
3. The STATE will transfer ownership of said property. In the case of vehicles and other titled property, the Certificate of Title will transfer to the COOPERATOR under the terms of this agreement, once the property has become operational and is ready to be placed into service by the COOPERATOR.
 - a. The COOPERATOR which puts FFP property into use will accept ownership of equipment.
 - b. Title must be in the entity's name and cannot have an individual's name on the title.
 - c. COOPERATOR is responsible for any cost of obtaining title.
4. The STATE will not be responsible for furnishing spare parts for FFP property and the COOPERATOR accepts all FFP property "as is" without any warranties of any kind, either expressed or implied.
5. Owners of FFP property will cooperate with Federal and State parties to ensure compliance with Federal and State regulations, program and property management requirements. Additional FFP Program information may be requested and provided by the STATE.
6. COOPERATORS with any FFP property will cooperate with regulatory agencies to ensure compliance with Federal and State regulations, program and property management requirements.
7. In the event of any dispute over FFP property or any terms or conditions contained herein, the dispute shall be decided by the STATE and its decision shall be binding and final.
8. The parties hereto agree that the COOPERATOR, their officers, employees, agents, servants, contractors, volunteers, paid firefighters, and all others acting on behalf of the COOPERATOR, performing under the terms of this agreement, are not acting as officers, employees or agents of the State or the Federal Government.
9. The COOPERATOR agrees to defend, indemnify, save, and hold harmless the STATE as defined herein, and the Department of Forestry and Fire Protection (CAL FIRE), their officers, agents and employees against all claims, demands, causes of action or liability of any kind whatsoever arising out of the acts of the COOPERATOR, its agents or employees in the performance of any function provided for under the terms of this agreement or the use of property transferred.
10. The STATE and COOPERATOR will provide appropriate assurances of complying with the following federal anti-discrimination statutes:
 - a. On the basis of race, color, or national origin, in Title VL of the Civil Rights Act of 1964 (42 USC 2000d et seq.) as implemented by DOD regulations 32 CR Part 195.

- b. On the basis of age, in the Age Discrimination Act of 1975 (42 USC 6101, et seq.) as implemented by Department of Health and Human Services regulations in 45 CFR Part 90.
 - c. On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended by Department of Justice regulations in 28 CFR Part 41 and DOD regulations at 32 CFR Part 56.
11. The period of this agreement is for three (3) years from the date of last signature on page six (6) and entered on page one (1), if no violations or signatory changes occur. Thereafter, the agreement shall be reviewed annually for compliance by the STATE during the agreement review process and extended if no violations or changes have occurred, not to exceed a three (3) year term renewal.
 12. During the three (3) year term of this agreement, at the option of the STATE, this agreement may be terminated for any material breach by the COOPERATOR for any terms herein.
 13. Either party may terminate this agreement by providing written notice to the other party 60 days prior to the termination date. If the agreement is terminated, the COOPERATOR shall be ineligible to continue participation in the FFP program. Upon termination of the Cooperative agreement, all FFP property as identified as assigned in FEPMIS to the COOPERATOR shall be returned to the DLA. Prior to terminating a COOPERATOR's eligibility for cause, the STATE shall attempt alternative solutions.
 14. Any information provided to the STATE under this Cooperative agreement is subject to the Freedom of Information Act (5 USC §§ 551 et seq.).
 15. The primary contact information of the parties hereto, for all notices, payments, repayments, or any other activity required or contemplated under the terms of this Cooperative agreement are:

Cooperator Name:	Department of Forestry and Fire Protection (CAL FIRE) Federal Property Programs
City of Canyon Lake	
Contact Name:	
Title:	
Street Address:	Street Address:
31516 Railroad Canyon Road	710 Riverpoint Court West Sacramento, CA 95605
Mailing Address:	Mailing Address:
	P.O. Box 944246
City:	City:
Canyon Lake	Sacramento
Zip:	Zip:
92587	94244-2460
Phone Number:	Phone Number:
(951) 244-2955 Ext.	(916) 894-9804
Cell Phone Number:	Fax Phone Number:
() -	(916) 894-9880
Email:	Email:
	FederalProperty@fire.ca.gov

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year of the last signature below.

COOPERATOR	
NAME OF COOPERATOR: City of Canyon Lake	
BY (Authorized Signature): <i>CS</i>	DATE SIGNED:
PRINTED NAME AND TITLE OF PERSON SIGNING: Chris Mann, City Manager	
STATE OF CALIFORNIA Department of Forestry and Fire Protection (CAL FIRE)	
BY (CAL FIRE Property and Local Services Manager): <i>CS</i>	DATE SIGNED:
PRINTED NAME AND TITLE OF PERSON SIGNING: Nicole Harner, Property and Local Services Manager	

STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

COOPERATIVE AGREEMENT FOR THE
DEPARTMENT OF DEFENSE
FIREFIGHTER PROPERTY (FFP) PROGRAM
Under Title 10 United States Code § 2576b

ATTACHMENT A

CITY OF CANYON LAKE

	ITEM:	SERIAL #:	IDENTIFICATION #
1.	No Property At This Time		
2.			
3.			
4.			
5.			
6.			
7.			

Revised July 2021

RESOLUTION AUTHORIZING APPLICATION
FOR FIREFIGHTER PROPERTY (FFP) PROGRAM
IN ACCORDANCE
Under Title 10 United States Code § 2576b

_____ Date

The City Council of the _____ Fire Department finds:

WHEREAS, there is a need for excess personal property from the Department of Defense (DoD) through the Firefighter Property (FFP) program to help actively engage in prevention, protection and suppression of all fires and medical emergency response services in the City of _____, and

WHEREAS, the acquisition of certain Firefighter Property as described in the United States Department of Agriculture (USDA), Forest Service Firefighter Property Standard Operating Procedures, in accordance with Title 10 United States Code § 2576b is available for local fire agencies.

THEREFORE, be it resolved that the City Council of the _____ Fire Department accepts the agreement between the State of California, Department of Forestry and Fire Protection (CAL FIRE) and the _____ Fire Department, _____ for the acquisition of Firefighter Property,
Dated

and, authorizes Fire Chief _____ to sign the agreement on behalf of the City Council.

City Clerk

City Council of the _____ Fire Department

ATTACHMENT 2

RESOLUTION NO. 2021-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) TO BECOME A PARTICIPANT IN THE FEDERAL EXCESS PERSONAL PROPERTY (FEPP) PROGRAM IN ACCORDANCE WITH THE UNITED STATES SERVICE COOPERATIVE FORESTRY ASSISTANCE ACT (CFAA) OF 1978

WHEREAS, on November 4, 2020, the City Council adopted Resolution No. 2020-48, declaring the City of Canyon Lake's intent to establish a municipal fire department and authorizing the City Manager to take such actions as necessary to prepare the City of Canyon Lake to begin fire department operations on January 1, 2022; and

WHEREAS, there is a need for Federal Excess Personal Property to help fight wildland, rural, structural, or other fires in the City of Canyon Lake.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Each of the above recitals is true and correct and is adopted by the City Council of the City of Canyon Lake.

Section 2. That the City Council of the City of Canyon Lake accepts the agreement between the State of California, Department of Forestry and Fire Protection (CAL FIRE) and the City of Canyon Lake, on September 13, 2021, for the loan of Federal Excess Personal Property, and authorizes the City Manager to execute the agreement on behalf of the City Council attached hereto as Exhibit A.

PASSED, APPROVED, AND ADOPTED on this 13th day of September, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A

STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

COOPERATIVE AGREEMENT FOR THE
USDA FOREST SERVICE
FEDERAL EXCESS PERSONAL PROPERTY (FEPP) PROGRAM
Under the United States Forest Service Cooperative Forestry Assistance Act (CFAA) of 1978

This agreement is entered into by and between

THE STATE OF CALIFORNIA
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

AND

CITY OF CANYON LAKE

This agreement made and entered into this day of , 20 , by and between the State of California acting by and through the Director of the Department of Forestry and Fire Protection (CAL FIRE), hereinafter referred to as the STATE and the City of Canyon Lake, hereinafter referred to as the COOPERATOR, covenants as follows:

I. PURPOSE

The STATE has been approved as an agent of the United States Department of Agriculture (USDA) Forest Service for administering Federal Excess Personal Property (FEPP) as part of the Cooperative Fire Protection Program, which allows the COOPERATOR to take custody and use FEPP property for wildland and rural community fire protection services.

II. MUTUAL INTEREST OF PARTIES

Both the STATE and the COOPERATOR have a mutual interest in the prevention, protection and suppression of all wildland and rural community fires near and adjacent to the property and the people of California.

III. AUTHORITIES

The Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. § 483) and the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. § 2106(c)) authorizes the FEPP Program as an element of the Cooperative Fire Protection Program (16 U.S.C. § 2106(b)). Under these authorities, the USDA Forest Service may lend FEPP property needed for wildland and rural community fire protection to the STATE and to local paid or unpaid fire departments for their use.

IV. RESPONSIBILITIES
THE COOPERATOR AGREES:

1. Primary use of FEPP property must be 90 percent for activities directly related to wildland and rural community fire protection; however, situations may occur that make this exclusive use impractical. Non-fire emergency use of FEPP property is authorized and limited to no more than 10percent total usage. Abuse of the 10 percent non-fire use standard could result in recall of the property on loan, suspension from the program, or other sanctions.

2. FEPP property acquired by the COOPERATOR is not permitted to be rented, leased, loaned, or traded to another party; no exceptions. FEPP property is not permitted to be transferred or sold without prior approval from the STATE or the USDA Forest Service. FEPP property is for official use only; personal use of FEPP property is prohibited, violates the law, and this Cooperative agreement. Any personal use violations found, subjects the COOPERATOR to penalties and FEPP property recall as determined by the STATE and the USDA Forest Service.
3. To immediately notify the STATE of receipt of FEPP property during the acquisition process.
4. To bear the entire cost of transportation, retrofit, modification, maintenance, repairs, and operation of acquired FEPP property while in the COOPERATOR's possession.
5. The COOPERATOR must paint any FEPP rolling stock acquired directly from the USDA Forest Service that has the distinct Forest Service green color. If the FEPP property is acquired from the Department of Defense (DoD) and has military colors or markings, it must be painted. This is mandatory per the STATE and the USDA Forest Service. The painting of the FEPP vehicle must be accomplished within one (1) calendar year of the acquisition.
6. To register all FEPP rolling stock with the California Department of Motor Vehicles (DMV) within 60 days of receipt of property. Lien Holder will remain as the USDA Forest Service. This is mandatory as ownership remains with the USDA Forest Service. Registered Owner will be the COOPERATOR.
7. To obtain prior to operation of any FEPP property the minimum liability insurance in the amount required by State law to cover the operation of FEPP rolling stock. The COOPERATOR must maintain adequate insurance to cover damages or injuries to cover persons or property relating to the use of the property. Proof of insurance coverage must be provided to the STATE in the form of an insurance policy or a self-insured statement on an official letterhead.
8. Drivers of FEPP property must take the necessary equipment training and have a valid California operator license to operate the loaned vehicle(s).
9. To make FEPP property operable and ready to be placed into service for wildland and rural community fire protection, including fire suppression and prevention. Operational condition of the property will be achieved within one (1) year to the date of property pick up/receipt.
10. FEPP property cannot be modified or cannibalized without prior authorization from the STATE and the USDA Forest Service. The COOPERATOR shall contact the STATE with a request and justification to modify or cannibalize any FEPP property. The request must be submitted for approval before any modification or cannibalization to FEPP property takes place.
11. The COOPERATOR is responsible for the proper care, maintenance, security and storage of all acquired FEPP property.
12. All FEPP property must be identified as property belonging to the USDA Forest Service and for fire use only. The STATE will provide USDA Forest Service property tags along with a property number assigned to accountable FEPP property.

13. To promptly report any FEPP property when it is no longer needed by the COOPERATOR to the STATE and the USDA Forest Service for disposal authority. The COOPERATOR is not to release FEPP property to anyone unless the STATE and the USDA Forest Service have provided the proper authorization and documentation needed. The COOPERATOR is to provide reasonable access to authorized personnel for inspection and removal of FEPP property.
14. Ownership of all accessories, tools, light bars, sirens and equipment which is added to the loaned FEPP property remains with the COOPERATOR and must be removed prior to the disposal process.
15. Accidents involving FEPP property must be reported directly to the STATE within 10 days of the situation. This includes accidents that result in death, injury, illness, or property damage (more than \$350). Depending on the type of accident, the STATE will provide direction to the COOPERATOR on the information required to be submitted to the USDA Forest Service.
16. Lost, stolen, damaged or destroyed FEPP property shall be reported to the STATE for proper documentation and handling.
17. When FEPP property is lost, damaged, destroyed or stolen, a determination is required whether there was negligence on the part of the COOPERATOR. The STATE shall make a recommendation to the USDA Forest Service Property Management Officer (PMO) whether there was negligence or gross negligence.
 - a. Negligence: The failure to abide by Federal rules and regulations.
 - i. Repeated instances of negligent damage to FEPP property by staff of the COOPERATOR may be cause for the STATE to suspend further acquisitions by the COOPERATOR until the reasons for the negligence are identified and steps taken to prevent further instances.
 - b. Gross negligence: The intentional, willful, or wanton failure to exercise a reasonable degree of care to protect FEPP property in one's custody in reckless disregard of the consequences of the actions.
 - i. If the STATE determines that there is apparent gross negligence on the part of the COOPERATOR staff, the findings plus all supporting documentation shall be forwarded by the STATE to the USDA Forest Service PMO for a final determination.
 - ii. Should the USDA Forest Service submit the final determination is one of gross negligence and sends the STATE a Bill of Collection for FEPP property under the COOPERATOR's care, the COOPERATOR will reimburse the STATE for all the costs listed on the Bill of Collection.
 - iii. The COOPERATOR shall be suspended from acquiring any additional FEPP property for a set time as determined by the STATE.
 - iv. A second case of gross negligence will cause the COOPERATOR to lose all privileges of participation in the FEPP program as determined by the STATE.
18. To perform/participate in the physical inventory process on FEPP property in the COOPERATOR's possession every two (2) years.
19. The STATE and the USDA Forest Service will periodically conduct joint reviews of the FEPP program to ensure compliance with the USDA Forest Service and other applicable statutes, regulations and policies are being followed. The COOPERATOR must participate and provide access to all physical FEPP property along with access to all FEPP documentation during the review. The STATE is authorized to perform audits and reviews by STATE personnel, in between joint reviews, to provide the USDA Forest Service information for FEPP program improvements.

20. To retain all documentation on all inventoried FEPP property for six (6) years and three (3) months after the year designated for the disposal of the property. The STATE will send all mandatory documentation required for acquisition, management and disposal of FEPP property to the COOPERATOR as these processes occur.
21. The COOPERATOR must provide access to and the right to examine all records, books, papers or documents relating to the FEPP program to the USDA Forest Service, the USDA Office of the Inspector General (OIG), the Comptroller General of the United States, the STATE and their authorized representatives.
22. To comply with Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or natural origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination, under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. To comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) prohibiting discrimination where discriminatory practices will result in unequal treatment of persons who are or should be benefiting from the activity.

V. OTHER AGREEMENT TERMS
IT IS MUTUALLY AGREED THAT:

1. Title to all FEPP property shall remain vested in the United States federal government.
2. The COOPERATOR shall complete a resolution, or a statement from their governing board/council, approving participation in the FEPP program. The resolution must be received with this Cooperative agreement as a requirement of the Terms and Conditions before the STATE will prepare or continue (in the case of a renewal agreement) the COOPERATOR's access to screen and manage FEPP property.
3. All FEPP property loaned to the COOPERATOR shall be for an indefinite period of time, unless the COOPERATOR is negligent of program requirements as detailed in the Terms and Conditions of this Cooperative agreement as well as any Federal regulations that govern the FEPP program. The agreement may be terminated by either party after giving notice 60 days in advance of such termination to the other party.
4. The STATE will not be responsible for furnishing spare parts for FEPP property and the COOPERATOR accepts all FEPP property "as is" without any warranties of any kind, either expressed or implied.
5. Amendments to this Cooperative agreement covering acquisitions and disposals of FEPP property will be submitted by the STATE to the COOPERATOR for review and signature. These Amendments will be sent upon completion of the action taken and must be returned signed and dated by the COOPERATOR to the STATE to maintain accurate record keeping as required by the USDA Forest Service.
6. COOPERATORS with any FEPP property will cooperate with regulatory agencies to ensure compliance with Federal and State regulations, program and property management requirements.
7. In the event of any dispute over FEPP loaned equipment or any terms or conditions contained herein, the dispute shall be decided by the STATE and its decision shall be binding and final.

8. The parties hereto agree that the COOPERATOR, their officers, employees, agents, servants, contractors, volunteers, paid firefighters, and all others acting on behalf of the COOPERATOR, performing under the terms of this Cooperative agreement, are not acting as officers, employees or agents of the State or the Federal government.
9. The COOPERATOR agrees to defend, indemnify, save and hold harmless the STATE as defined herein, and the Department of Forestry and Fire Protection (CAL FIRE), their officers, agents and employees against all claims, demands, causes of action or liability of any kind whatsoever arising out of the acts of the COOPERATOR, its agents or employees in the performance of any function provided for under the terms of this agreement or the use of property transferred.
10. The period of this agreement is for five (5) years from the date of last signature on page six (6) and entered on page one (1), if no violations or signatory changes occur. Thereafter, the agreement shall be reviewed every other year for compliance by the STATE during the agreement review process and extended if no violations or changes have occurred, not to exceed a five (5) year term renewal. This Cooperative agreement supersedes all prior agreements related to the FEPP program.
11. Either party may terminate this agreement by providing written notice to the other party 60 days prior to the termination date. If the agreement is terminated, the COOPERATOR shall be ineligible to continue participation in the FEPP program. Upon termination of this Cooperative agreement, all FEPP property assigned to the COOPERATOR shall be returned to the STATE. Prior to terminating a COOPERATOR's eligibility for cause, the STATE shall attempt alternative resolutions.
12. Any information provided to the STATE under this Cooperative agreement is subject to the Freedom of Information Act (5 U.S.C. §§ 551 *et seq.*).
13. The primary contact information of the parties hereto, for all notices, payments, repayments, or any other activity required or contemplated under the terms of this Cooperative agreement are:

Cooperator Name:	Department of Forestry and Fire Protection (CAL FIRE) Federal Property Programs
City of Canyon Lake	
Contact Name:	
Title:	
Street Address:	Street Address:
31516 Railroad Canyon Road	710 Riverpoint Court West Sacramento, CA 95605
Mailing Address:	Mailing Address:
	P.O. Box 944246
City:	City:
Canyon Lake	Sacramento
Zip:	Zip:
92587	94244-2460
Phone Number:	Phone Number:
(951) 244-2955 Ext.	(916) 894-9804
Cell Phone Number:	Fax Phone Number:
(951) 260-0869	(916) 894-9880
Email:	Email:
jlatendresse@canyonlakeca.gov	FederalProperty@fire.ca.gov

14. Local CAL FIRE Unit contact information:

CAL FIRE Unit: Riverside Unit (RRU)	Point of Contact: RRU Forestry Logistics Officer
Physical Address: 210 W. San Jacinto	
City: Perris	Zip Code: 92570
Phone Number: (951) 940-6248 Ext. :	

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year of the last signature below.

COOPERATOR	
NAME OF COOPERATOR: City of Canyon Lake	
BY (Authorized Signature): <i>[Signature]</i>	DATE SIGNED:
PRINTED NAME AND TITLE OF PERSON SIGNING: Chris Mann, City Manager	
STATE OF CALIFORNIA Department of Forestry and Fire Protection (CAL FIRE)	
BY (CAL FIRE Unit Chief): <i>[Signature]</i>	DATE SIGNED:
PRINTED NAME AND TITLE OF PERSON SIGNING: Bill Weiser, Unit Chief, Riverside Unit (RRU)	
BY (CAL FIRE Property and Local Services Manager): <i>[Signature]</i>	DATE SIGNED:
PRINTED NAME AND TITLE OF PERSON SIGNING: Nicole Harner, Property and Local Services Manager	

STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)

COOPERATIVE AGREEMENT FOR THE
USDA FOREST SERVICE
FEDERAL EXCESS PERSONAL PROPERTY (FEPP) PROGRAM
Under the United States Forest Service Cooperative Forestry Assistance Act (CFAA) of 1978

ATTACHMENT A

CITY OF CANYON LAKE

	ITEM:	SERIAL #:	PROPERTY #
1.	No Property At This Time		
2.			
3.			
4.			
5.			
6.			
7.			

Rev. June 2020

RESOLUTION AUTHORIZING APPLICATION
FOR FEDERAL EXCESS PERSONAL PROPERTY (FEPP) PROGRAM
IN ACCORDANCE WITH
United States Forest Service Cooperative Forestry Assistance Act (CFAA) of 1978

_____ Date

The City Council of the _____ Fire Department finds:

WHEREAS, there is a need for Federal Excess Personal Property to help fight wildland,
rural, structure or other fires in the City of _____, and

WHEREAS, _____ is the Chief of the _____ Fire Department,

THEREFORE, be it resolved that the City Council of the _____ Fire

Department accepts the agreement between the State of California, Department of Forestry and

Fire Protection (CAL FIRE) and the _____ Fire Department,

_____ for the loan of Federal Excess Personal Property, and, authorizes
Dated

Fire Chief _____ to sign the agreement for the City Council.

City Clerk

City Council of the _____ Fire Department



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

DATE: September 13, 2021

SUBJECT: Introduction and First Reading of Ordinance No. 215, Repealing Chapter 9.03 of the Canyon Lake Municipal Code and Adding Chapter 4.20 Regarding Commercial Cannabis Businesses

Recommendation

That the City Council receive information and feedback from consultants, law enforcement and the public, discuss the merits of repealing Municipal Code Section 9.03, which currently prohibits commercial cannabis activity, and consider approving the introduction and first reading of Ordinance No. 215, which would allow for limited and controlled retail sale of cannabis in Canyon Lake.

Background

In June of 2019, the City received a request from a resident to consider amending Section 9.03.030 of the Canyon Lake Municipal Code, which prohibits all commercial cannabis activity within the City. At the September 4, 2019, City Council meeting, in response to public comment made by that same resident, then Mayor Jordan Ehrenkranz appointed an ad-hoc committee to explore the issue.

Given that 53% of Canyon Lakers casting votes in the November 2016 election voted in favor of Proposition 64 (which legalized recreational marijuana in California), the ad-hoc committee expressed a desire to proceed with evaluating whether or not the retail sale of cannabis might make sense in Canyon Lake, particularly in light of the City's need to identify additional sources of revenue.

The consulting firm Hinderliter, de Llamas & Associates (HdL), which for many years has served as the City's sales tax consultant, also happens to have extensive experience helping cities navigate the commercial cannabis industry. The City contracted with HdL in April of 2020 for subject matter expertise and technical support, to develop a draft cannabis regulatory ordinance, and to create an application process by which to evaluate and rank potential cannabis permittees. Should the City Council ultimately vote to amend the Municipal Code to allow commercial cannabis, it is anticipated that only one or two dispensaries would be permitted, and that a rigorous application and interview process would be conducted to identify only operations that would fit well within the

community and be operated to a certain standard. HdL would help the City through that process, and then conduct quarterly regulatory compliance inspections and annual revenue audits of any cannabis businesses operating within the City.

In early March of 2020, the City retained Probolsky Research to conduct a public opinion survey pertaining to commercial cannabis in Canyon Lake. The plan was to have the polling firm present the results at the April 1, 2020, City Council meeting. Unfortunately, COVID-19 restrictions went into place prior to that meeting, and the principals of the polling firm quarantined. The decision was made at that time to hold off on bringing the cannabis issue to the City Council until we got past the COVID restrictions and could once again welcome the public into the Council Chambers. At the time, none of us could have predicted how long the pandemic would drag on. At the City Council meeting on October 7, 2020, the Council directed staff to continue holding off on bringing the cannabis issue to the Council until the public could safely and legally participate in the discussion in-person.

As the City's exploration and consideration of amending Municipal Code Section 9.03.030 is at the request of potential applicants, those interested potential applicants, and not the City, should incur the related costs. In order to accomplish this, interested potential applicants were invited to enter into credit and reimbursement agreements with the City. Through these agreements, interested potential applicants deposit funds with the City. The City then draws from these funds to pay for related expenses. In this case, expenses include HdL's fees, the cost of the survey that was conducted by Probolsky Research, and any time spent by the City Attorney on the matter. Unexpended funds are to be refunded equally to those who have placed deposits.

As COVID-19 regulations no longer limit occupancy within the City Council Chambers, at the July 7, 2021, City Council meeting, staff sought direction from the City Council on how the Council would like to proceed. After significant discussion, the Council continued the item to September and directed staff to move forward on a more thorough examination of the issue and to bring back additional information.

The City Attorney, the City's consultants at HdL, and the City Manager have worked together on a draft ordinance to repeal and replace Chapter 9.03. Contained in this ordinance is a proposed procedure for accepting and evaluating applications from those interested in opening a cannabis dispensary. The goal of the ordinance would be to allow for a limited number of cannabis dispensaries (the exact number to be determined by Council resolution at a future meeting), operated by vetted professionals in a manner that preserves or enhances public safety, is consistent with the look and feel of the surrounding area, and maximizes benefits to the community.

At tonight's meeting, Probolsky Research will present the Council with the methodology and results of the public opinion survey that was conducted in March of 2020. The Riverside County Sheriff's Department will then present statistics and give input from a law enforcement perspective based on their experiences in other jurisdictions where cannabis dispensaries exist. The City Attorney will then introduce the draft ordinance, including the proposed application procedure. HdL will discuss how they envision the scoring of applications working, and will provide some projections of revenue that could

be generated for the City by a cannabis dispensary. The public will also be given an opportunity to provide input to the Council. Finally, the City Council will be asked to have a discussion and to consider approving the introduction and first reading of Ordinance No. 215. Should significant changes to the draft ordinance be requested by the Council, staff will need to make those changes and bring the ordinance back for first reading at a future meeting. Otherwise, if approved, the ordinance will return at the October 6, 2021, City Council meeting for second reading, along with a number of related resolutions for the Council's consideration.

Fiscal Impact

Revenue from credit and reimbursement agreements along with application fees will offset in their entirety the City's costs for exploring, adopting, and implementing the new ordinance. In addition, should one or more cannabis dispensaries open in Canyon Lake, it is anticipated that significant revenue will be generated for the General Fund. The exact amount of such revenue is impossible to accurately calculate at this time.

Attachments

1. Ordinance No. 215

ATTACHMENT 1

ORDINANCE NO. 215

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, REPEALING CHAPTER 9.03 OF THE CANYON LAKE MUNICIPAL CODE AND ADDING CHAPTER 4.20 REGARDING COMMERCIAL CANNABIS BUSINESSES

THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES ORDAIN AS FOLLOWS:

SECTION 1. MUNICIPAL CODE AMENDMENT.

Chapter 4.20 of the Canyon Lake Municipal Code is hereby added to read as follows:

“CHAPTER 4.20 – Commercial Cannabis Businesses”

Sec. 4.20.010 Purpose and Intent.

It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this Chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA” or “Proposition 64” approved by California voters in 2016), while imposing sensible regulations on the conduct of business and use of land to protect the City’s residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this Chapter to regulate the sale and delivery of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City of Canyon Lake and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis operators to obtain and renew annually a permit to operate within the City of Canyon Lake. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis in a manner that violates state law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under City, state, or other law.

Sec. 4.20.020 Legal Authority.

Pursuant to Sections 5 and 7 of Chapter XI of the California Constitution, the provisions of the MAUCRSA, any subsequent state legislation and/or regulations regarding same, the City of Canyon Lake is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Canyon Lake to all commercial cannabis activity.

Sec. 4.20.030 Cannabis Cultivation and Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

- (a) Except as specifically authorized in this Chapter, the commercial sale and delivery (other than as provided under Business and Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the City of Canyon Lake.
- (b) The commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, distribution or transportation (other than as provided under Business and Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the City of Canyon Lake.

Sec. 4.20.040 Compliance with State and Local Laws and Regulations.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. In the event of a conflict between applicable state and local laws and regulations, the more stringent provision shall control. Nothing in this Chapter shall be construed as authorizing any actions that violate state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, including the MAUCRSA, and any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this Chapter shall be construed as authorizing any actions that violate City or state law regarding the operation of a commercial cannabis business. It is the stated intent of this Chapter to regulate commercial cannabis activity in the City of Canyon Lake in compliance with all provisions of the MAUCRSA and any subsequent state legislation and implementing regulations.

Sec. 4.20.050 Definitions.

For purposes of this Chapter, all definitions pertaining to cannabis regulation that appear in Business and Professions Code Section 26001, as it may be amended from time to time, are hereby incorporated by reference. In addition, the following definitions apply:

- (a) “Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- (b) “Distributor” shall have the same meaning as that appearing in Section 26070 of the Business and Professions Code.
- (c) “Commercial cannabis business” means any business or operation which engages in medicinal or adult-use commercial cannabis activity.
- (d) “Commercial cannabis business permit” means a regulatory permit issued by the City of Canyon Lake pursuant to this Chapter, to a commercial cannabis business and is required

before any commercial cannabis activity may be conducted in the City. The initial permit and annual renewal of a commercial cannabis business is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

- (e) “Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.
- (f) “Limited-access area” means an area in which cannabis is stored or held and is only accessible to some licensee and authorized personnel.
- (g) “Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation, oral ingestion or topical application.
- (h) “Manufacturing site” means a location where a manufacturer manufactures cannabis products.
- (i) “Microbusiness” shall have the same meaning as that contained in Section 26070(a)(3) of the Business and Professions Code.
- (j) “Non-volatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined by state law. For purposes of this Chapter, a nonvolatile solvent includes carbon dioxide (CO₂) used for extraction and ethanol used for extraction or post-extraction processing.
- (k) “Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.22.
- (l) “Person with an identification card” shall have the meaning given that term by California Health and Safety Code Section 11362.7.
- (m) “Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products.
- (n) “Retailer” shall have the same meaning as the definition appearing in Section 26070(a)(1) of the Business and Professions Code.
- (o) “State license” means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in commercial cannabis activity. A state license alone will not authorize the holder to operate a cannabis business, as state law also requires a permit or other authorization issued by a local jurisdiction.

- (p) “Topical cannabis” means a product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- (q) “Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same. Transport can only be performed by licensed distributors and does not include deliveries of cannabis or cannabis products.
- (r) "Volatile solvent" means a solvent as defined by Health and Safety Code Section 11362.3(b)(3) as of the effective date of this Chapter and as subsequently amended.
- (s) “Youth center” means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations.
Canyon Lake.

Sec. 4.20.060 Commercial Cannabis Business Permit Required to Engage in Commercial Cannabis Business.

No person may engage in any commercial cannabis business or in any commercial cannabis activity within the City of Canyon Lake unless the person (1) has a valid commercial cannabis business permit from the City of Canyon Lake; (2) has a valid State of California Seller’s Permit; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activities, including the duty to obtain any required state licenses.

Sec. 4.20.070 Evidence of Cannabis Owners, Managers and Employee Background Check Required.

- (a) Any person who is an owner, manager, employee or who otherwise works within a commercial cannabis business must be legally authorized to do so under applicable state law.

- (b) Commercial cannabis business owners and operators shall be required to provide the Chief of Police or their designee with evidence of the completion of a criminal background check for all owners, managers, and employees in their employment including contract employees prior to working in the cannabis business.
- (c) The criminal background checks completed by commercial cannabis business owners, managers, employees must at a minimum identify the following:
 - 1) Whether the individual applying for cannabis owner, manager or employee has ever been convicted of a violent felony as defined by California Penal Code 667.5, or equivalent offenses in other states;
 - 2) Whether the individual applying for cannabis owner, manager, employee has ever been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or
 - 3) Whether the individual applying for cannabis owner, manager, or employee has ever been convicted of the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the federal Controlled Substances Act, not including cannabis-related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.
- (d) Evidence of a conviction of any the offenses enumerated in Section 4.20.070(c) shall be grounds for denial of cannabis owner, manager or employee. Employers who wish to hire an individual notwithstanding this rule shall appeal to the City Manager, or their designee, who at their sole discretion may issue a written waiver.
- (e) Violation of this section shall be grounds for immediate suspension of the business' operating permit, pending a hearing before the City Manager or their designee within 30 days for a final determination of the status of the permit.

Sec. 4.20.080 Personnel Prohibited from Holding a License or from Employment with a Cannabis Business Permittee.

- (a) Any person, including but not limited to any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for non-compliance, shall be prohibited from holding a commercial cannabis business permit or from employment with a commercial cannabis business permittee in the City of Canyon Lake:
 - (1) The person has been denied a license or has had a license suspended or revoked by any city, county, city and county or any other state cannabis licensing authority;

- (2) The person was notified that it was conducting commercial cannabis activity in violation of City of Canyon Lake ordinances, codes and requirements, and failed to cure the violation in a timely manner;
 - (3) Evidence that the person is delinquent in payment of federal, state or local taxes and/or fees, and took no steps to cure the delinquency when notified by the appropriate agencies; or
 - (4) As of July 1, 2021, applicant was conducting commercial cannabis activity in the City of Canyon Lake in violation of local and state law.
- (b) No person shall be issued a commercial cannabis business permit to operate who enters into either a verbal or written agreement to lease, sublease, or any other agreement for any terms of use of the premises granted by a property owner, commercial broker or any third party, when such property owner, commercial broker, or other third party is in violation of Section 4.20.080(a), unless that property is leased at fair market value. Any such lease, sublease or agreement shall not contain terms or conditions requiring the cannabis permit licensee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based a monthly rate.

Sec. 4.20.090 Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted.

- (a) The number of each type of commercial cannabis business that shall be permitted to operate in the City may be established by resolution of the City Council.
- (b) Section 4.20.090(a) is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City must issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process or that the City Council upon further deliberation determines that the issuance of any or all commercial cannabis business permits will impact the public safety, welfare or other policy concerns which may be detrimental in the issuance of these permits.
- (c) At any time in the City Council's discretion the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance.

Sec. 4.20.100 Initial Application Procedure.

- (a) The City Council may adopt by resolution the procedures governing the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permits, which shall include:

- (1) An initial review that requires the City Manager or their designee to evaluate each application using detailed objective review criteria and an accompanying point system or equivalent quantitative evaluation scale tied to each set of review criteria (“Review Criteria”).
 - (2) A determination by the City Manager on whether an applicant is qualified based on meeting a threshold minimum points or equivalent quantitative evaluation established by the City Council by resolution.
 - (3) A noticed public meeting to discuss community concerns regarding those applications determined to be qualified by the City Manager.
 - (4) A final determination on the issuance of commercial cannabis business permits by the City Manager following an evaluation of which qualified applicant is proposing the most community benefits to the City.
- (b) The City Manager or their designee shall be authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, hold public meetings, and issue commercial cannabis business permits as authorized by this Chapter.
- (c) At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the City in the application process and enter into a credit and reimbursement agreement with the City for the costs of establishing the commercial cannabis business program.
- (d) The City’s Reservation of Rights. The City reserves the right to reject any or all applications. Prior to permit issuance, the City may also modify, postpone, or cancel any application process, or the entire program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this Chapter, an application RISKS BEING REJECTED for any of the following reasons:
- (1) The application was received after the designated time and date of the deadline.
 - (2) The application did not contain the required elements, exhibits, or was not organized in the required format.
 - (3) The application was considered not fully responsive to the request for a permit application, i.e. was substantially incomplete.
- (e) The City reserves the right for the City Manager to waive minor informalities or irregularities, which are merely a matter of form and not of substance, or immaterial defect

in an application or variation of an application from the exact requirements of the process that can be corrected or waived without being prejudicial to other applicants. The City Manager shall give the applicant an opportunity to cure any deficiency resulting from a minor informality or irregularity in an application or waive the deficiency.

Sec. 4.20.110 Permittee Selection Process.

- (a) The applicants shall be evaluated utilizing the Review Criteria by the City Manager or their designee.
- (b) After the initial review and scoring under the Review Criteria, the City Manager or their designee will make a final determination whether an applicant has met the minimum threshold established by the City Council based on the points awarded. The City Manager shall notify each applicant of the determination on their application.
- (c) Each application and the determination on qualification shall be published on the City's website following the determination on qualification. The City Clerk shall also make available as a public record each application and determination on qualification to any person requesting the same.
- (d) A public meeting shall then be set before the City Manager, or their designee, where the concerns of residents and affected businesses alike may be brought before the City Manager or their designee regarding the applicants determined to be qualified. At least ten (10) days prior to the public meeting, notice of the public meeting shall be:
 - (1) Sent to all property owners located within three hundred (300) feet of the proposed business locations;
 - (2) Posted on the City's website; and
 - (3) Published in a local newspaper.
- (e) The City Manager shall thereafter enter into negotiations with each qualified applicant on a Community Benefit Agreement, which shall ensure that the private benefits received by an applicant who is awarded a commercial cannabis business permit are balanced by commensurate public benefits to the community. In addition, the City Manager shall negotiate with each qualified applicant on additional conditions to ensure neighborhood compatibility based on the public input at the public meeting. Both the community benefits and any additional provisions regarding neighborhood compatibility shall be memorialized in an agreement and incorporated into the terms and conditions under which the commercial cannabis business will operate with the City's approval, if and when a commercial cannabis business permit is issued. Such terms and conditions shall be in addition to the requirements of this Chapter.
- (f) Following the negotiations, the City Manager shall rank the qualified applicants in order beginning with the applicant proposing the highest and best community benefits for the

City. The City Manager shall notify each qualified applicant of the ranks assigned as well as the final terms agreed to during negotiations. The City Clerk shall post the same to the City's website.

- (g) The City Manager shall then issue the number of commercial cannabis business permits authorized by the City Council under this Chapter, beginning with the qualified applicant proposing the highest and best community benefits, and continuing down the ranked list until the maximum number of permits has been issued. In making the decision, the City Manager is authorized to impose additional conditions to a permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare.
- (h) City Manager shall prepare a report regarding the application process and selection for issuance of the commercial cannabis business permits which shall be transmitted to the City Council for their information only.
- (i) Issuance of a commercial cannabis business permit shall be conditioned upon the prevailing applicant obtaining all required land use approvals. After the awarding of the permit the City Manager shall transmit the list of permittees to the Planning Department. Following the City Manager's selection, the prevailing applicant(s) shall apply to the City's Planning Department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager or their designee(s) shall formally issue the commercial cannabis business permit(s) once the Planning Director or their designee(s) affirms that all of the required land use approvals have been obtained.
- (j) Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit, have been complied with, until a state license is available and obtained by the permitted operator as set forth in Chapter.
- (k) Notwithstanding anything in this Chapter to the contrary, the City Manager may reject any or all applications if the City Manager determines it would be in the best interest of the City, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this Chapter.
- (l) If an application is denied resulting from a disqualification, a new application may not be filed for one (1) year from the date of the denial. However, if an applicant was determined qualified, but not issued a permit following negotiations, the applicant may apply again should the City open a future round of the application process.

- (m) Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the commercial cannabis business permit program created in this Chapter prior to commencing business in the City.

Sec. 4.20.120. Expiration of Commercial Cannabis Business Permits.

Each commercial cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of issuance which shall be defined as when the Certificate of Occupancy has been approved and thereafter on the renewal date. Commercial cannabis business permits may be renewed as provided in this Chapter.

Sec. 4.20.130. Renewal of Cannabis Business Permits.

- (a) An application for renewal of a commercial cannabis business permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.
- (b) The renewal application shall contain all the information required for new applications.
- (c) The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any regulatory fee established by the City Council to cover the costs of administering the program created under this Chapter.
- (d) An application for renewal of a commercial cannabis business permit shall be rejected if any of the following exists:
 - (1) The application is filed less than sixty (60) days before its expiration without good cause, as determined in the reasonable discretion of the City Manager.
 - (2) The commercial cannabis business permit is suspended or revoked at the time of the application.
 - (3) The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - (4) The permittee fails or is unable to renew its State of California license.
 - (5) If the City or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, of the Canyon Lake Municipal Code, or of the state rules and regulations, and the City or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.

- (e) The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his/her designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare.
- (f) If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.

Sec. 4.20.140. Revocation of Permits.

Commercial cannabis business permits may be suspended or revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to any policy, procedure or regulation in this Chapter.

Sec. 4.20.150. Effect of State License Suspension, Revocation, or Termination.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the City of Canyon Lake. At the City Manager's discretion, the cannabis business owner may re-apply for a local permit at such time as it can demonstrate that the grounds for revocation of the license by the state no longer exist, or that the underlying deficiency has otherwise been cured.

Sec. 4.20.160. Appeals.

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Chapter from a decision of the City Manager or their designee(s), the appeal shall be conducted as prescribed in this Chapter.

Sec. 4.20.170. Written Request for Appeal.

- (a) Within ten (10) calendar days after the date of an action or decision of the City Manager, or their designee, made under this Chapter, any person may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.
- (b) At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.
- (c) A hearing officer appointed by the City Council shall hear appeals filed under this section.
- (d) Any appeal must be supported by evidence that was presented to the City Manager in the first instance.

Sec. 4.20.180. Appeal Hearing Process.

- (a) Any appeal filed with the City Clerk under this Chapter shall be in writing and signed by the person making the appeal (“appellant”), or their legal representative, and shall contain the following:
 - (1) Name, address, and telephone number of the appellant.
 - (2) A description of the action or decision that are the subject of the appeal.
 - (3) Include a true and correct copy of any notice issued by the City Manager for which the appellant is appealing.
 - (4) State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the hearing officer to understand the nature of the controversy, the basis of the appeal, and the relief requested.
 - (5) All documents or other evidence pertinent to the appeal that the appellant requests the hearing officer to consider at the hearing.
 - (6) An appeal fee, as established by Resolution of the City Council.
- (b) Failure of the City Clerk to receive a timely appeal constitutes a waiver of the right to appeal the action or decision of the City Manager and a failure to exhaust all administrative remedies. In such instances, the City Manager’s action or decision is final and binding.
- (c) In the event a written Notice of Appeal is timely filed, the appealed action or decision shall be stayed pending a final decision by the hearing officer.
- (d) Review by the Hearing Officer; Appeal Hearing and Proceedings.
 - (1) All appellants shall, subject to filing a timely written Notice of Appeal, obtain review thereof before the hearing officer.
 - (2) Upon receipt by the City Clerk of a timely-filed appeal, the City Clerk shall forward such appeal immediately to an administrative hearing officer appointed by the City Council, or if none, a hearing officer from the California Office of Administrative Hearings, and, in any case where the appellant is not the same person as the permittee or applicant that is the subject of the action or decision, a copy of the appeal shall be transmitted to the permittee or applicant.
 - (3) The administrative appeal shall be scheduled as expeditiously as possible pursuant to the availability of a hearing officer and the parties, but in no case shall the appeal be scheduled more than forty-five (45) days after the Notice of Appeal is filed unless all parties consent to a later date.

- (4) All requests by any party to the appeal to continue a hearing must be submitted to the City Clerk in writing no later than three (3) business days before the date scheduled for the hearing. The hearing officer may continue a hearing for good cause or on its own motion; however, in no event may the hearing be continued for more than thirty (30) calendar days, unless there is a stipulation by all parties to do so.
 - (5) At the date, time and location set forth in the Notice of Appeal hearing, the hearing officer shall hear and consider the testimony of the appellant(s), City staff, and/or their witnesses, and any other interested person, as well as any documentary evidence properly submitted for consideration.
- (e) The following rules shall apply at the appeal hearing:
- (1) Appeal hearings are informal, and formal rules of evidence and discovery do not apply. However, rules of privilege shall be applicable to the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious testimony may be excluded.
 - (2) The City bears the burden of proof to establish the grounds for the action or decision by a preponderance of evidence.
 - (3) The issuance of the City Manager's notice constitutes prima facie evidence of grounds for the action or decision, and City personnel who significantly took part in the investigation, which contributed to the City Manager issuing a notice of decision, may be required to participate in the appeal hearing.
 - (4) The hearing officer may not accept and consider evidence that was not known to the City Manager or City personnel when the action or decision was made except upon a showing of good cause. The hearing officer shall determine whether a particular fact or facts amount to a good cause on a case-by-case basis.
 - (5) The appellant may bring a language interpreter to the hearing at their sole expense.
 - (6) The City may, at its discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the City that said recording take place, the City may require that the costs of same be deposited with the City at the time the Notice of Appeal and appeal fee are submitted to the City.
- (f) If the appellant, or their legal representative, fails to appear at the appeal hearing, appointed hearing officer may cancel the appeal hearing and send a notice thereof to the appellant by certified, first class mail to the address(es) stated on the Notice of Appeal. A cancellation of a hearing due to non-appearance of the appellant shall constitute the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instances, the City Manager's notice of decision is final and binding.

(g) Decision of the Hearing Officer; Final Decision.

- (1) Following the conclusion of the appeal hearing, the hearing officer, shall determine if any ground exists for action or decision of the City Manager. If the hearing officer determines that no grounds for the action or decision exist, the City Manager's action or decision shall be deemed vacated. If the hearing officer determines that one or more of the reasons or grounds for the action or decision exist, a written final decision shall be issued within ten (10) business days, which shall at minimum contain the following:
 - i. A finding and description of each reason or grounds for the action or decision that exists.
 - ii. Any other finding, determination or requirement that is relevant or related to the subject matter of the appeal.
 - iii. A holding that the City Manager's decision is affirmed.
- (2) The decision of the hearing officer is final and conclusive and is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6.
- (3) A copy of the final decision shall be served by certified, first class mail on the appellant. If the appellant is not the owner of the real property in which the commercial cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the City pursuant to this Chapter.

Sec. 4.20.190. Change in Location; updated registration form.

- (a) Any time the retail or delivery location specified in the commercial cannabis business permit is proposed to be changed, the applicant shall file an application with the City Manager or his/her designee(s). The process and the fees for application shall be the same as the process and fees set forth for a new application above.
- (b) Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this Chapter, including any change in the commercial cannabis business ownership or management members, the applicant shall file an updated registration form with the City Manager or his/her designee(s) for review along with a registration amendment fee.

Sec. 4.20.200. Transfer of Cannabis Business Permit.

- (a) The owner of a cannabis business permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains an amendment to the permit from the City Manager or their designee stating that the transferee is now the

permittee. Such an amendment may be obtained only if the transferee files an application with the City Manager or their designee in accordance with all provisions of this Chapter (as though the transferee were applying for a new original cannabis business permit). The proposed transferee's application shall be accompanied by a transfer fee in the same amount as the application fee.

- (b) The City Manager or their designee shall conduct a hearing to determine whether the transferee passed the background check required for permittees and meets all other requirements of this Chapter pertaining to the original application. The transferee's application will be treated as a new application and will be evaluated according to the procedures described in this Chapter. This will require a complete evaluation of the application and an interview of the applicant prior to the hearing. Following the hearing, the City Manager must approve the transfer in order for it to be authorized. If the transfer involves a lesser percentage of the change in ownership than the threshold cited below, then the hearing will be administrative in nature.
- (c) Commercial cannabis business permits issued through the grant of a transfer by the City Manager or his/her designee shall be valid for a period of one year beginning on the day the City Manager or their designee approves the transfer of the permit. Before the transferee's permit expires, the transferee shall apply for a renewal permit in the manner required by this Chapter.
- (d) Changes in ownership of a permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 51% of the original ownership), must be approved by the City Manager or his/her designee through the transfer process contained in this Chapter. Failure to comply with this provision is grounds for permit revocation.
- (e) A permittee may change the form of business entity without applying to the City Manager or their designee for a transfer of permit, provided that either:
 - 1. The membership of the new business entity is substantially similar to original permit holder business entity (at least 51% of the membership is identical), or
 - 2. If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and in compliance with this Chapter, provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the City permit application) of the original permittee entity are the same as the new business entity.

Although a transfer is not required in these two circumstances, the permit holder is required to notify the City Manager in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.

- (f) No commercial cannabis business permit may be transferred when the City Manager or his/her designee has notified the permittee that the permit has been or may be suspended or revoked.
- (g) Any attempt to transfer a commercial cannabis business permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

Sec. 4.20.210. City Business License.

Prior to commencing operations, a commercial cannabis business shall obtain a City of Canyon Lake business license.

Sec. 4.20.220. Building Permits and Inspection.

Prior to commencing operations, a commercial cannabis business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), the Canyon Lake Fire Department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.

Sec. 4.20.230. Certification from the Planning Director.

Prior to commencing operations, a commercial cannabis business must obtain a certification from the Planning Director or their designee(s) certifying that the business is located on a site that meets all of the zoning and locational requirements this Chapter.

Sec. 4.20.240. Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a commercial cannabis business permit pursuant to this Chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the commercial cannabis business on the owner's property.

Sec. 4.20.250. Location and Design of Cannabis Businesses.

Cannabis businesses permitted to engage in Retail subject to the following zoning and locational requirements:

- (a) Retail must be in the C-1 General Commercial Zone and must meet all of the requirements for development in these zones. The cannabis businesses must also meet all of the following distance requirements:

- (1) It shall not be adjacent to any parcel in the City designated by state law as a sensitive use.
- (2) It shall not be adjacent to any parcel containing any of the following:
 - A. A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);
 - B. A commercial daycare center licensed by the state, county or city or that is in existence at the time the license is issued, unless the state licensing authority or the city specifies a different radius; or
 - C. A youth center that is in existence at the time the license is issued, unless the state licensing authority or the city specifies a different radius.

(b) Each proposed cannabis business project shall:

- (1) Conform with the city's general plan, any applicable specific plans, master plans, and design requirements.
- (2) Comply with all applicable zoning and related development standards.
- (3) Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
- (4) Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
- (5) Be served by highways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
- (6) Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

Sec. 4.20.260. Limitations on City's Liability.

To the fullest extent permitted by law, the City of Canyon Lake shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

- (a) Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of Canyon Lake, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business permit, the City's decision to approve the operation of the commercial cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.
- (b) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Manager.
- (c) Reimburse the City of Canyon Lake for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City of Canyon Lake may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business permit, or related to the City's approval of a commercial cannabis activity. The City of Canyon Lake may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

Sec. 4.20.270. Records and Recordkeeping.

- (a) Each owner and operator of a commercial cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business permit issued pursuant to this Chapter), or at any time upon reasonable request of the City, each commercial cannabis business shall file a sworn statement detailing the number of sales by the commercial cannabis business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager or his/her designee(s).
- (b) Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the City Manager or his/her designee(s) upon a reasonable request.

- (c) Prior to state licensing, each commercial cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the commercial cannabis business, for a period of no less than four (4) years. Once a state license is obtained, the commercial cannabis business must maintain such records only to the extent permitted or required by MAUCRSA.
- (d) All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth MAUCRSA.
- (e) Each commercial cannabis business shall allow the City of Canyon Lake officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

Sec. 4.20.280. Security Measures.

- (a) A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:
 - (1) Alarm system (perimeter, fire, and panic buttons).
 - (2) Remote monitoring of alarm systems by licensed security professionals.
 - (3) Perimeter lighting systems (including motion sensors) for after-hours security.
 - (4) Perimeter security and lighting as approved by the Chief of Police and/or Planning Director or his/her designees.
 - (5) Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.
 - (6) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.

- (7) Except for live growing plants which are being cultivated or sold at a commercial cannabis business where applicable, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated or sold, shall be kept in a manner as to prevent diversion, theft, and loss.
- (8) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City 's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Chief of Police or his/her designee(s) by the commercial cannabis business, to facilitate remote monitoring of security cameras by the Department or its designee.
- (9) Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.
- (10) Panic buttons shall be installed in all commercial cannabis businesses with direct notification to the Canyon Lake Police Department dispatch and shall be configured to immediately alert dispatch for the Canyon Lake Police Department.
- (11) Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

- (12) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
 - (13) Armed and licensed security personnel shall be on-site 24 hours a day. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld.
 - (14) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
 - (15) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the commercial cannabis business; or (b) a licensed security professional.
 - (16) Each commercial cannabis business shall have an accounting software system in place to provide point of sale data as well as audit trails for both product and cash, where applicable.
 - (17) Each commercial cannabis business shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.
 - (18) Each commercial cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.
 - (19) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.
 - (20) Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.
- (b) Each commercial cannabis business shall identify a designated security representative/liaison to the City of Canyon Lake, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the commercial cannabis business, annually maintain a copy of the current security plan on the premises of the

business, to present to the City Manager or his/her designee upon request that meets the following requirements:

- (1) Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
 - (2) Identifies all Managers of the commercial cannabis business and their contact phone numbers.
 - (3) Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.
 - (4) Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
 - (5) Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the commercial cannabis business, the parking lot, and any adjacent property under the business' control.
 - (6) Confirm that the licensed security personnel shall continuously monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of employees and their vehicles one-half hour after closing.
- (c) As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.
 - (d) The commercial cannabis business shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
 - (e) A commercial cannabis business shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee(s).

- (2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the commercial cannabis business.
 - (4) Any other breach of security.
- (f) Compliance with the foregoing requirements shall be verified by the City Manager or his/her designee prior to commencing business operations. The City Manager or his/her designee may supplement these security requirements once operations begin, subject to review by the City Manager or his/her designee if requested by the business owner.

Sec. 4.20.290. Restriction on Alcohol & Tobacco Sales.

- (a) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.
- (b) No person shall cause or permit the sale or tobacco products on or about the premises of the commercial cannabis business.
- (c) No person shall consume tobacco or alcohol on the premises of any commercial cannabis business.

Sec. 4.20.300. Fees and Charges.

- (a) No person may commence or continue any commercial cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council which may be amended from time to time.
- (b) All commercial cannabis businesses authorized to operate under this Chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each commercial cannabis business shall cooperate with City with respect to any reasonable request to audit the commercial cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.
- (c) Prior to operating in the City and as a condition of issuance of a regulatory permit, the operator of each cannabis facility shall enter into a neighborhood compatibility agreement and community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition

to the requirements of this Chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

Sec. 4.20.310. General Operating Requirements.

- (a) Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City. No person under the age of 21 shall operate, or be issued a permit for, a commercial cannabis business of any kind.
- (b) Restriction on Consumption. Cannabis and cannabis products shall not be consumed by any person on the premises of any commercial cannabis business.
- (c) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (d) Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or his/her designee(s) prior to being used by the permittee.
- (e) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.
- (f) Emergency Contact. Each commercial cannabis business shall provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
- (g) Signage and Notices.
 - (1) In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to

the requirements of the City of Canyon Lake ordinance, including, but not limited to, seeking the issuance of a City sign permit.

- (2) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.
- (3) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.
- (4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.
- (5) Signage shall not depict any image of cannabis or cannabis products. All temporary signs must comply with the City's sign code.
- (6) In accordance with state law and regulations or as stipulated in the City of Canyon Lake regulatory permit, holders of a commercial cannabis business permit shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the City of Canyon Lake utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

(h) Minors.

- (1) Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.
- (2) Notwithstanding any provision of this Chapter to the contrary, persons aged 18 to 20 years shall be allowed on the premises of a commercial cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of

addressing the medical need that is the subject of the physician's recommendation.

- (2) The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.
- (i) **Odor Control.** Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the Planning Director or his/her designee(s) determine is a more effective method or technology:
 - (1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally.
 - (2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.
 - (j) **Display of Permit and City Business License.** The original copy of the commercial cannabis business permit issued by the City pursuant to this Chapter and the City issued business license shall be posted inside the commercial cannabis business in a location readily visible to the public.
 - (k) **Background Check.** Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, contract employee or who otherwise works in a commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the City of Canyon Lake Police Department. No person shall be issued a permit to operate a commercial cannabis business or be authorized to

work in a cannabis business unless they have first cleared the background check, as determined by the Chief of Police or his/her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Canyon Lake to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section 26057(b)(4), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

- (l) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises. The cannabis business shall notify the Police Chief or his/her designee(s) if anyone continues to loiter around the building or premises after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.
- (m) Permits and other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.
- (n) Each commercial cannabis operator shall establish minimum training standards for all employees. The City Manager or his/her designee shall have the discretion to require other training for the business operations should the City identify deficiencies or non-compliance issues with City or state requirements.

Sec. 4.20.320. Amendments to General Operating Requirements.

The City Manager or their designee may develop other commercial cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

Sec. 4.20.330. Operating Requirements for Retail Facilities.

- (a) No more than the number of cannabis retailers adopted by resolution may operate within the City of Canyon Lake at any one time and shall be issued a permit by the City of Canyon Lake.
- (b) Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical Marijuana Card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or

cannabis products.

- (c) Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.
- (d) Armed and uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.
- (e) Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.
- (f) All restroom facilities shall remain locked and under the control of management.
- (g) Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.
 - (1) The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.
 - (2) Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.
 - (3) No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.
 - (4) All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
 - (5) Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
 - (6) A retail licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

- (h) Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician’s recommendation.
- (i) Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager, Chief of Police or their designees upon request.
- (j) Operating hours of the Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- (k) Store Front/Retail Security Requirements. All provisions incorporated within this Chapter related to security measures, are directly applicable to and binding on all commercial cannabis businesses, including all Store Front/Retail businesses.

Sec. 4.20.340. Operating Requirements for retail deliveries.

- (a) Non-Store Front Retailer (Delivery) permit Owners and Operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least eighteen (18) years of age, and verify that the customer has a valid doctor’s recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least twenty-one (21) years of age. Sales shall only be made to persons matching this criteria.
- (b) All Store Front Retailers, Non-Store Front Retailers (delivery) and Microbusinesses which conduct deliveries into or within the City of Canyon Lake shall be required to obtain a permit from the City of Canyon Lake in order to conduct retail sales regardless if they are located in the City or another local jurisdiction.
- (c) Operating hours of the Non-Store Front Retailer License or out of town retail delivery services shall be limited to the hours of 8:00 a.m. through 10:00 p.m., seven days a week.

Sec. 4.20.350. Delivery Vehicle Requirements.

Prior to commencing delivery operations, a permittee shall provide the following information to the City:

- (a) Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.
- (b) The year, make, model, color, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.
- (c) Proof of insurance for any and all vehicles being used to deliver cannabis goods.
- (d) The licensee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.
- (e) The licensee shall provide the City with any changes to the information required by this section in writing within thirty (30) calendar days.

Sec. 4.20.360. Operating Requirements for Delivery Services.

Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:

- (a) Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.
- (b) The retail business operating the delivery service shall provide the City Manager or his/her designee with evidence of a valid state license for a commercial cannabis business on whose authorization the delivery service is performing the delivery function.
- (c) The retail business operating the delivery service shall furnish to the City Manager or his/her designee the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

Sec. 4.20.370. Permissible Delivery Locations and Customers.

Cannabis delivery businesses permitted to engage in delivery of cannabis and cannabis products inside the City of Canyon Lake are subject to the following requirements:

- (a) A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- (b) A licensed cannabis business shall comply with all requirements of state and local law pertaining to the cannabis permit and all subsequent policies,

procedures and regulations which may be amended by the City Manager from time to time in order to enforce this Chapter.

- (c) Any kiosk, i-Pad, tablet, smartphone, fixed location or technology platform, whether manned or unmanned, other than a retail location permitted by the city, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this Chapter.

Sec. 4.20.380. Promulgation of Regulations, Standards and Other Legal Duties.

- (a) In addition to any regulations adopted by the City Council, the City Manager or their designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.
- (b) Regulations shall be published on the City's website.
- (c) Regulations promulgated by the City Manager shall become effective upon date of publication. Commercial cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or his/her designee.

Sec. 4.20.390. Community Relations.

- (a) Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.
- (b) During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this Chapter shall attend meetings with the City Manager or his/her designee(s), and other interested parties as deemed appropriate by the City Manager or his/her designee(s), to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his/her designee(s) when and as requested by the City Manager or his/her designee(s).

Sec. 4.20.400. Fees Deemed Debt to the City of Canyon Lake.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Canyon Lake that is recoverable via an authorized administrative process as set forth in the City ordinance, or in any court of competent jurisdiction.

Sec. 4.20.410. Permit Holder Responsible for Violations.

The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of Canyon Lake, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

Sec. 4.20.420. Inspection and Enforcement.

- (a) The City Manager, or his/her designee(s) charged with enforcing the provisions of the City of Canyon Lake Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.
- (b) It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this Chapter or under state or local law.
- (c) The City Manager, or his/her designee(s) charged with enforcing the provisions of this Chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City of Canyon Lake shall be logged, recorded, and maintained in accordance with established procedures by the City of Canyon Lake's City Manager or these regulations.

Sec. 4.20.430. Violations declared a public nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

Sec. 4.20.440. Each violation a separate offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Canyon Lake. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the City for any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of Canyon Lake may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, or his/her designee(s), may take immediate action to temporarily suspend a commercial cannabis business permit issued by the City, pending a hearing before the City Manager, or his/her designee(s).

Sec. 4.20.450. Criminal Penalties.

Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney or City Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the county jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

Sec. 4.20.460 Remedies cumulative and not exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

SECTION 2. REPEAL OF CHAPTER 9.03.

Chapter 9.03 of the Canyon Lake Municipal Code is repealed in its entirety.

SECTION 3. SEVERABILITY.

If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 4. EFFECTIVE DATE.

This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 5. PUBLICATION AND POSTING.

The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause the ordinance or a summary thereof to be published in accordance with state law.

SECTION 6. CEQA.

This proposed ordinance does not constitute a CEQA project because it does not have the potential for causing a significant effect on the environment, as explained at State CEQA Guideline 15061(b)(3).

PASSED APPROVED AND ADOPTED this ____ day of _____, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana Sauseda, CMC
City Clerk

Steven Graham, City Attorney