



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
Council Member Jennifer Dain
Council Member Larry Greene
Council Member Dale Welty

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

AGENDA

Regular Meeting of the Canyon Lake City Council

Wednesday, October 6, 2021

Closed Session 5:30 P.M. – City Hall Administration Office – 31526 Railroad Canyon Road, Suite 5

Open Session 6:30 P.M. – City Hall Council Chamber – 31516 Railroad Canyon Road

CLOSED SESSION – 5:30 P.M.

CLOSED SESSION CALLED TO ORDER

ROLL CALL

PUBLIC COMMENT

LIMIT 3 MINUTES

Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.

Members of the public may submit comments electronically by sending an email 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.

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Section 54956.8

Property: APN 349-290-008

Agency Negotiator: City Manager

Negotiating Parties: Jim Kipp

Under Negotiation: Price and Terms of Payment

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 - 1 case

OPEN SESSION - 6:30 P.M.

OPEN SESSION CALLED TO ORDER

INVOCATION

FLAG SALUTE

ROLL CALL

CLOSED SESSION REPORT

APPROVAL OF CITY COUNCIL AGENDA

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

- Citizen of the Month

COMMUNITY REPORTS - LIMIT 3 MINUTES

- Elsinore Valley Municipal Water District Update – Vice President Darcy Burke
- Canyon Lake Property Owners Association Update – President Joe Kamashian
- Chamber of Commerce Update – President Jeanne O'Dell

PUBLIC SAFETY UPDATE

- ❖ Sheriff's Department
- ❖ Fire Department
- ❖ Code Enforcement

PUBLIC COMMENT

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CONSENT CALENDAR

All items listed on the Consent Calendar are considered to be routine matters, status reports or documents covering previous City Council action. The items listed on the Consent Calendar may be enacted in one motion. With the concurrence of the City Council, a Council Member may request that an item be removed for further discussion. Staff recommends approval of all items.

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Resolution – Adoption of Resolution No. 2021-49 Approving Claims and Demands of the City

- (3) Minutes – Approval of City Council Minutes
 - September 1, 2021 – Regular City Council Meeting
- (4) Second Reading of Ordinance No. 210 – An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 6.02 to the Canyon Lake Municipal Code Regarding Organic Waste Disposal Reduction
- (5) Second Reading of Ordinance No. 211 – An Ordinance of the City Council of the City of Canyon Lake, California, Adding Chapter 14.40 Related to Obstruction of Right-of-Way and 14.50 Related to Solicitation
- (6) Second Reading of Ordinance No. 212 – An Ordinance of the City Council of the City of Canyon Lake, California, Amending Chapter 2.34 of the Canyon Lake Municipal Code to Create a Canyon Lake Fire Department
- (7) Second Reading of Ordinance No. 214 – An Ordinance of the City Council of the City of Canyon Lake, California, Amending Chapter 11.03 of the Canyon Lake Municipal Code Prohibiting Personal Fireworks
- (8) Second Reading of 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

PULLED CONSENT CALENDAR ITEMS

PUBLIC HEARING

- (9) Ordinance – Introduction and First Reading of Ordinance No. 216, An Ordinance of the City Council of the City of Canyon Lake, California, Approving an Amendment to the Canyon Lake Municipal Code, Title 9: Planning and Zoning, Section 9.25.030 (A) and (B) Related to Eliminating Window Signage Area Requirements
- (10) Second Reading of Ordinance No. 213 – An Ordinance of the City Council of the City of Canyon Lake, California, Readopting the 2019 California Fire Code amending Chapter 8.12 of the Canyon Lake Municipal Code

BUSINESS ITEMS

- (11) Resolution – Adoption of Resolution No. 2021-50, Authorizing Execution of an Agreement with the CPS HR Consulting to Provide Human Resources Services on an As-Needed Basis
- (12) Resolution – Adoption of Resolution No. 2021-51, Authorizing Execution of an Agreement with CBIZ Human Capital Management (CBIZ) to Provide Payroll Services for the City

- (13) Resolutions – Adoption of Resolutions to Join the Public Entity Risk Management Authority and Approve Pooling of Self-Insurance Through their Workers’ Compensation Program
- Adopt Resolution No. 2021-52, Authorizing and Approving Pooling of Self-Insurance Through the Workers’ Compensation Program of Public Entity Risk Management Authority
 - Adopt Resolution No. 2021-53, Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers’ Compensation Liabilities.
 - Adopt Resolution No. 2021-54, Providing Workers’ Compensation Coverage for Certain City Volunteers Pursuant to the Provisions of Section 3363.5 of the Labor Code
 - Adopt Resolution No. 2021-55, Approving Coverage of all Officers and Employees Under one Master Faithful Performance Bond
- (14) Resolution – Adoption of Resolution No. 2021-56, Authorizing Execution of an Agreement with the Shuster Advisory Group, LLC (Shuster) for Plan Consulting, Investment Advisory and Investment Fiduciary Services to the Defined Contribution Retirement Plan
- (15) Discussion & Possible Action – Authorizing an Application to California Bank & Trust for City Cash Back Credit Cards
- (16) Discussion & Possible Action – American Rescue Plan Act Funding
- (17) Resolutions – Adoption of Resolutions Establishing the Maximum Number of Cannabis Retailers, Application Fees, and Application Review Criteria
- Adopt Resolution No. 2021-57, Establishing the Maximum Number of Commercial Cannabis Retailers that May Operate in the City of Canyon Lake
 - Adopt Resolution No. 2021-58 Establishing Application and Other Related Fees for Commercial Cannabis Business Permits
 - Adopt Resolution No. 2021-59 Establishing Review Criteria for Commercial Cannabis Businesses
- (18) Fire Department Startup Update – Presentation by Fire Consultant/Interim Fire Chief Jeff LaTendresse

CITY MANAGER COMMENTS

COMMITTEE AND COUNCIL REPORTS/COMMENTS

ANNOUNCEMENTS

The next regular meeting will be **Wednesday, November 3, 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.

October 6, 2021 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 October 1, 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



ITEM NO. 2

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Kayla Lozano, Accountant

DATE: October 6, 2021

SUBJECT: Adoption of Resolution No. 2021-49, Allowing Certain Claims and Demands as Set Forth in Exhibit A

Recommendation

That the City Council adopt Resolution No. 2021-49, allowing certain claims and demands as set forth in Exhibit A.

Background

All claims and demands are reported and summarized for review and approval by the City Council on a routine basis at each City Council meeting. The attached claims represent the paid claims and demands since the City Council meeting of September 1, 2021.

Fiscal Impact

All claims and demands are paid from appropriated funds or authorized resources of the City and have been recorded in accordance with the City's policies.

Attachments

1. Resolution No. 2021-49

ATTACHMENT 1

RESOLUTION NO. 2021-49

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA,
ALLOWING CERTAIN CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A**

WHEREAS, the Finance & Planning Committee of the City of Canyon Lake reviewed Exhibit A at their regularly scheduled meeting on October 6, 2021; and

WHEREAS, Exhibit A was presented at the regular meeting of the City Council on October 6, 2021, at which all present, were given an opportunity to comment.

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

Demands are approved as shown on the Demand\Warrant Register of October 6th, in the amount of \$928,828.12 as follows:

Payroll Earnings (Gross)	\$ 74,922.16	(2nd Half of August & 1st Half of September)
Payroll Taxes - Employer	1,352.95	(2nd Half of August & 1st Half of September)
On-line Retirement	9,521.70	(2nd Half of August & 1st Half of September)
On-line Health	4,101.54	(For the Month of September)
Nationwide Deferred Comp.	2,625.66	(For the Month of August)
General	836,304.11	
TOTAL	<u>\$ 928,828.12</u>	

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A

Claims and Demands

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26946	9/8/2021	AMERICAN FORENSIC NURSES INC	Sheriff's Blood Draws, July 2021	165.00	10	GENERAL
26946	9/8/2021	AMERICAN FORENSIC NURSES INC	Sheriff's Blood Draws, July 2021 (Rodeway Inn)	55.00	10	GENERAL
Total 26946	9/8/2021			220.00		
26947	9/8/2021	AMP GLOBAL LLC	Rent for Admin Bldg. for the month of October 2021	2,834.00	10	GENERAL
Total 26947	9/8/2021			2,834.00		
26948	9/8/2021	AMP GLOBAL LLC	Rent for 31526 Railroad Cyn. Rd. Ste. #4 October 2021	412.00	10	GENERAL
Total 26948	9/8/2021			412.00		
26949	9/8/2021	ANIMAL FRIENDS OF THE VALLEYS	Animal Control Services for July 2021	3,500.00	10	GENERAL
Total 26949	9/8/2021			3,500.00		
26950	9/8/2021	Bill Blankenship	Economic Development Consultant August 2021	2,500.00	10	GENERAL
Total 26950	9/8/2021			2,500.00		
26951	9/8/2021	BIO-TOX LABORATORIES	Sheriff's Blood Draws, 7/15/2021	316.00	10	GENERAL
26951	9/8/2021	BIO-TOX LABORATORIES	Sheriff's Blood Draws, 7/8/21 & 7/22/21	488.00	10	GENERAL
Total 26951	9/8/2021			804.00		
26952	9/8/2021	Control Pump	Monthly Landscape Booster Station, August 2021	375.00	20	GAS TAX

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 26952	9/8/2021			375.00		
26953	9/8/2021	Corelogic Information Solutions, INC.	Database for Code Enforcement, August 2021	125.00	10	GENERAL
Total 26953	9/8/2021			125.00		
26954	9/8/2021	Jennifer Dain	Auto Allowance for the month of September 2021 - Dain	100.00	10	GENERAL
Total 26954	9/8/2021			100.00		
26955	9/8/2021	DATA TICKET	Citation Processing (1035), Code Enforcement July 2021	100.00	10	GENERAL
26955	9/8/2021	DATA TICKET	Monthly EMS Response Fee (1241), July 2021	100.00	10	GENERAL
26955	9/8/2021	DATA TICKET	Parking Citations (0506) July 2021	100.00	10	GENERAL
Total 26955	9/8/2021			300.00		
26956	9/8/2021	Derotic Emergency Equipment	Deposit on SCBA Compressor for Fire Station, 9/7/2021	24,517.31	10	GENERAL
Total 26956	9/8/2021			24,517.31		
26957	9/8/2021	STATE OF CA DEPT. OF JUSTICE	Sheriff's Blood Analysis, July 2021	105.00	10	GENERAL
Total 26957	9/8/2021			105.00		
26958	9/8/2021	Fast Signs	Remove Vinyl on Door at City Hall, 7/28/2021	165.00	10	GENERAL
Total 26958	9/8/2021			165.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 209 - Emergency Medical Services 9/10/21	27.30	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 210 - Organic Waste Disposal Reduction 9/10/21	29.40	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 211-Obstruction of Right-Of-Way Solit. 9/10/21	29.40	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 212 - Create A CL Fire Department 9/10/21	29.40	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 213 - California Fire Code 9/10/21	30.45	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Ordinance No. 214 - Prohibiting Personal Fireworks 9/10/21	29.40	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Special Mtg. 9/13/21 Cannabis Advertisement	245.00	10	GENERAL
26959	9/8/2021	FRIDAY FLYER	Special Mtg. 9/3/21 Cannabis Advertisement	245.00	10	GENERAL
Total 26959	9/8/2021			665.35		
26960	6/30/2021	Interwest Consulting Group	Building & Safety for May 2021	41,720.61	10	GENERAL
Total 26960	6/30/2021			41,720.61		
26961	9/8/2021	Inland Urgent Care Menifec	Drug Testing for Maggs, 8/30/21	145.00	10	GENERAL
Total 26961	9/8/2021			145.00		
26962	9/8/2021	Jeremy Smith	Auto Allowance for the month of September 2021 - Smith	100.00	10	GENERAL
Total 26962	9/8/2021			100.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26963	9/8/2021	Joe's Hardware	Fuel, Clorox Wipes, Exchange Tank for Fire Station, 8/2/2021	75.25	10	GENERAL
26963	9/8/2021	Joe's Hardware	Velcro & Air Filters for Fire Station, 8/3/2021	23.71	10	GENERAL
Total 26963	9/8/2021			98.96		
26964	9/8/2021	Johnson Controls Security Solutions	Admin Office Door Access Reader Balance, 7/22/2021	6,598.12	10	GENERAL
26964	9/8/2021	Johnson Controls Security Solutions	Pro-Rated Charges for Access Reader (July - September 2021)	181.44	10	GENERAL
Total 26964	9/8/2021			6,779.56		
26965	9/8/2021	Kasey Castillo	Auto Allowance for the month of September 2021 - Castillo	100.00	10	GENERAL
Total 26965	9/8/2021			100.00		
26966	9/8/2021	Larry Greene	Auto Allowance for the month of September 2021 - Greene	100.00	10	GENERAL
Total 26966	9/8/2021			100.00		
26967	9/8/2021	Jeff LaTendresse	Monthly Contracted Services for Interim Fire Chief, Sept. 21	7,272.72	10	GENERAL
Total 26967	9/8/2021			7,272.72		
26968	9/8/2021	CASH	Reimburse Petty Cash September 2021	37.20	10	GENERAL
Total 26968	9/8/2021			37.20		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26969	9/8/2021	Pitney Bowes, Inc.	Red Ink for Postage Machine, 8/23/2021	87.00	10	GENERAL
Total 26969	9/8/2021			87.00		
26970	9/8/2021	PV Maintenance Inc.	Maintenance and Removed Items at City Hall, August 2021	517.36	10	GENERAL
Total 26970	9/8/2021			517.36		
26971	9/8/2021	PZL, Inc.	Planning Services for July 2021	3,100.00	10	GENERAL
Total 26971	9/8/2021			3,100.00		
26972	9/8/2021	Rogers, Anderson, Malody & Scott, LLP	Accounting services for the month of July 2021	5,643.30	10	GENERAL
Total 26972	9/8/2021			5,643.30		
26973	9/8/2021	Riverside County Sheriff Dept. Lake Elsinore	Sheriff's Contract Law, 7/1/21 to 7/28/21	149,518.48	10	GENERAL
Total 26973	9/8/2021			149,518.48		
26974	9/8/2021	The Gas Company	Gas Charges for 31520 Railroad Cyn. Rd. 7/29/21 to 8/27/21	16.48	60	ENTERPR... FUND
Total 26974	9/8/2021			16.48		
26975	9/8/2021	Time Warner Cable	Digital Converter for City Hall, 8/22/21 to 9/21/21	5.52	10	GENERAL
Total 26975	9/8/2021			5.52		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26976	9/8/2021	Toshiba Financial Services	Monthly Copier Lease for Admin & City Hall, 9/10/21	799.32	10	GENERAL
Total 26976	9/8/2021			799.32		
26977	9/8/2021	Toshiba America Business Solutions	Color & Black/White Monthly Copy Costs 7/26/21 to 8/25/21	458.45	10	GENERAL
Total 26977	9/8/2021			458.45		
26978	9/8/2021	Dale Welty	Auto Allowance for the month of September 2021 - Welty	100.00	10	GENERAL
Total 26978	9/8/2021			100.00		
26979	9/8/2021	Jolly Jumps	Deposit for 2021 Winter Wonderland Event Package	9,397.50	10	GENERAL
Total 26979	9/8/2021			9,397.50		
26980	9/9/2021	Berg Print & Mail	Mailing for EMS Subscription & Trash Rate Increase, 7/27/21	6,713.46	10	GENERAL
Total 26980	9/9/2021			6,713.46		
26981	9/9/2021	FRIDAY FLYER	CEQA Housing Element Update, 8/8/2021	48.30	10	GENERAL
Total 26981	9/9/2021			48.30		
26982	9/16/2021	Abila	Monthly Accounting Software Subscription, 9/9/21	181.39	10	GENERAL
Total 26982	9/16/2021			181.39		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26983	9/16/2021	Albert A. Webb Associates	Professional Services for State SB2 Planning, 8/21/21	22,145.75	10	GENERAL
Total 26983	9/16/2021			22,145.75		
26984	9/16/2021	Atlas Planning Solutions	Safety Element Update Services August 2021	6,920.00	10	GENERAL
Total 26984	9/16/2021			6,920.00		
26985	9/16/2021	California State Fire Protection	5lb. Extinguisher Inspection - 31542 RRRCR, 8/30/21	107.50	60	ENTERPR... FUND
Total 26985	9/16/2021			107.50		
26986	9/16/2021	CANYON LAKE PEST CONTROL, Steven E. Young	Quarterly Pest Control City Hall, 8/24/21	100.00	10	GENERAL
Total 26986	9/16/2021			100.00		
26987	9/16/2021	CR&R	Trash Services for Rental Bldg. September 2021	167.96	60	ENTERPR... FUND
Total 26987	9/16/2021			167.96		
26988	9/16/2021	CR&R	Refuse FY 20-21 CY Sec SS3	46,477.44	50	AGENCY
Total 26988	9/16/2021			46,477.44		
26989	9/16/2021	CR&R	Refuse FY 20-21 PY SEC SP2	10,271.58	50	AGENCY
Total 26989	9/16/2021			10,271.58		
26990	9/16/2021	CTAI Pacific Greenscape	Install Plants & Repair Drip Tubing on RRRCR, 9/16/21	3,325.00	20	GAS TAX

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 26990	9/16/2021			3,325.00		
26991	9/16/2021	STATE OF CA DEPT. OF JUSTICE	Fingerprints for August 2021	64.00	10	GENERAL
Total 26991	9/16/2021			64.00		
26992	9/16/2021	Fast Signs	Deposit for Fire Station Sign, 9/13/2021	2,550.26	10	GENERAL
Total 26992	9/16/2021			2,550.26		
26993	9/16/2021	NANCY GREENHALGH	Retiree Health Insurance for October 2021	168.56	10	GENERAL
Total 26993	9/16/2021			168.56		
26994	9/16/2021	HINDERLITER, DE LLAMAS & ASSOC	Audit Services - Sales Tax for Quarter 1 2021	1,209.50	10	GENERAL
Total 26994	9/16/2021			1,209.50		
26995	9/16/2021	Kansas City Life Group Benefits	Life Insurance for Employee's 9/15/21 to 10/14/21	185.46	10	GENERAL
Total 26995	9/16/2021			185.46		
26996	9/16/2021	Purchase Power	Postage for 8/31/2021	400.00	10	GENERAL
Total 26996	9/16/2021			400.00		
26997	9/16/2021	PZL, Inc.	Planning Services for August 2021	4,400.00	10	GENERAL
Total 26997	9/16/2021			4,400.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
26998	9/16/2021	Special District Risk Management Authority	Dental & Vision Insurance for October 2021	455.87	10	GENERAL
Total 26998	9/16/2021			455.87		
26999	9/16/2021	STAPLES	General Office Supplies, 8/25/21	187.53	10	GENERAL
Total 26999	9/16/2021			187.53		
27000	9/16/2021	STATE COMP. INS. FUND	Workers Comp Insurance for September 2021	919.25	10	GENERAL
Total 27000	9/16/2021			919.25		
27001	9/16/2021	Teleflex LLC	Medical Supplies IV's (Driver) for Fire Station, 9/7/2021	288.38	10	GENERAL
27001	9/16/2021	Teleflex LLC	Medical Supplies IV's (Needles) for Fire Station, 9/7/2021	1,251.73	10	GENERAL
Total 27001	9/16/2021			1,540.11		
27002	9/16/2021	Ur Wire Guy	Added New Data Lines to Building Department, 9/13/21	975.00	10	GENERAL
Total 27002	9/16/2021			975.00		
27003	9/16/2021	Verizon Wireless	Cell Phones, 8/4/21 to 9/3/21	151.53	10	GENERAL
27003	9/16/2021	Verizon Wireless	Ipads & SIM Card Device, 8/4/21 to 9/3/21	136.57	10	GENERAL
Total 27003	9/16/2021			288.10		
27004	6/30/2021	Albert A. Webb Associates	Professional Services for State SB2 Planning, 5/22/2021	26,875.48	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 27004	6/30/2021			26,875.48		
27005	6/30/2021	ECS Imaging, Inc.	Scanning Services for City Records in FY 20/21	7,509.17	10	GENERAL
Total 27005	6/30/2021			7,509.17		
27006	6/30/2021	Stan Gonzales	Refund of Developer Deposit 23742 Continental Drive	1,250.00	10	GENERAL
Total 27006	6/30/2021			1,250.00		
27007	6/30/2021	RIVERSIDE COUNTY FIRE DEPT	Fire Protection Services for 4th Qtr. (April - June) FY20-21	390,746.78	10	GENERAL
Total 27007	6/30/2021			390,746.78		
27008	6/30/2021	COUNTY OF RIVERSIDE-TLMA	SLF Costs for June 2021	1,098.04	20	GAS TAX
Total 27008	6/30/2021			1,098.04		
27009	9/29/2021	Aflac	Supplemental Insurance for September 2021	461.18	10	GENERAL
Total 27009	9/29/2021			461.18		
27010	9/29/2021	Bill Blankenship	Economic Development Consulting September 2021	2,500.00	10	GENERAL
Total 27010	9/29/2021			2,500.00		
27011	9/29/2021	CTAI Pacific Greenscape	Monthly Landscape Maintenance for Fire Station 60 Sept. 2021	250.00	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
27011	9/29/2021	CTAI Pacific Greenscape	Landscape Maintenance for Median & Parkways September 2021	4,500.00	20	GAS TAX
27011	9/29/2021	CTAI Pacific Greenscape	Median Repairs at Black Horse St. on RRCR, 9/15/2021	540.00	20	GAS TAX
27011	9/29/2021	CTAI Pacific Greenscape	Median Repairs at Sorrel Lane on RRCR, 9/15/21	1,267.00	20	GAS TAX
Total 27011	9/29/2021			6,557.00		
27012	9/29/2021	L.N. Curtis and Sons	Swift Water Rescue Equipment for Fire Dept. 9/8/2021	1,178.02	10	GENERAL
27012	9/29/2021	L.N. Curtis and Sons	Wildland Helmet & Ear/Neck Protectors for Fire Dept. 9/10/21	222.29	10	GENERAL
27012	9/29/2021	L.N. Curtis and Sons	Wildland Helmets & Ear/Neck Protectors for Fire Dept.9/10/21	808.78	10	GENERAL
27012	9/29/2021	L.N. Curtis and Sons	Wildland Helmets Ear/Neck Protectors for Fire Dept. 9/8/2021	679.99	10	GENERAL
Total 27012	9/29/2021			2,889.08		
27013	9/29/2021	Delgado Janitorial Services	Janitorial Services for the Month of September 2021	1,124.50	10	GENERAL
27013	9/29/2021	Delgado Janitorial Services	Janitorial Services for the Month of September 2021	106.00	60	ENTERPR... FUND
Total 27013	9/29/2021			1,230.50		
27014	9/29/2021	DIRECTV	Satellite Service for Fire Station, 9/12/21 to 10/11/21	116.54	10	GENERAL
Total 27014	9/29/2021			116.54		
27015	9/29/2021	Embroidery & More	City Logo Shirts for LaTendresse, M 9/28/21	72.32	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 27015	9/29/2021			72.32		
27016	9/29/2021	Frontier Communications	Internet for City Hall, 9/10/21 to 10/9/21	202.53	10	GENERAL
27016	9/29/2021	Frontier Communications	Phones for Fire Station, 9/13/21 to 10/12/21	388.68	10	GENERAL
Total 27016	9/29/2021			591.21		
27017	9/29/2021	Inland Urgent Care Wildomar	Drug Testing for Harnden, 8/3/2021	40.00	10	GENERAL
Total 27017	9/29/2021			40.00		
27018	9/29/2021	Johnson Controls Security Solutions	Security System for Admin Office Ste. 5 10/1/21 to 12/31/21	462.05	10	GENERAL
27018	9/29/2021	Johnson Controls Security Solutions	Security System for City Hall, October - December 2021	143.75	10	GENERAL
Total 27018	9/29/2021			605.80		
27019	9/29/2021	Johnson Equipment Company	Remove Strip Decal on Highlander for Building Dept. 9/20/21	323.25	10	GENERAL
Total 27019	9/29/2021			323.25		
27020	9/29/2021	MR. WINDOW CLEANING	Window Cleaning Inside & Out - City Hall & Admin (9/16/21)	170.00	10	GENERAL
27020	9/29/2021	MR. WINDOW CLEANING	Window Cleaning Inside & Out - City Hall & Admin (9/16/21)	160.00	60	ENTERPR... FUND
Total 27020	9/29/2021			330.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
27021	9/29/2021	Nate Volk	Video Broadcasting Mtg. for 10/7/21	575.00	10	GENERAL
27021	9/29/2021	Nate Volk	Video Broadcasting Mtg. for 9/30/21	500.00	10	GENERAL
Total 27021	9/29/2021			1,075.00		
27022	9/29/2021	Donna Ritchie	Two Week Ad for Special Mtg. on Cannabis, 9/13/21	150.00	10	GENERAL
Total 27022	9/29/2021			150.00		
27023	9/29/2021	COUNTY OF RIVERSIDE-TLMA	SLF Costs for July 2021	1,920.71	20	GAS TAX
Total 27023	9/29/2021			1,920.71		
27024	9/29/2021	SOUTHERN CALIFORNIA EDISON	New Meter and Service for Veterans Day Park (31572 RRCR)9/28	2,245.02	10	GENERAL
Total 27024	9/29/2021			2,245.02		
27025	6/30/2021	Steno Solutions	Report Requested for Month of March 2021	67.41	10	GENERAL
Total 27025	6/30/2021			67.41		
27026	9/29/2021	Time Warner Cable	Digital Converter for City Hall 9/22/21 to 10/21/21	5.52	10	GENERAL
Total 27026	9/29/2021			5.52		
27027	9/29/2021	Time Warner Cable	Internet for Fire Station, 9/10/21 to 10/9/21	114.98	10	GENERAL
Total 27027	9/29/2021			114.98		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
27028	9/29/2021	Trauma Intervention Program	Annual Trauma Intervention Program FY 2021-22	1,500.00	10	GENERAL
Total 27028	9/29/2021			1,500.00		
27029	9/29/2021	Toshiba Financial Services	Monthly Copier Lease for Admin & City Hall, 10/10/21	799.32	10	GENERAL
Total 27029	9/29/2021			799.32		
27030	9/29/2021	Toshiba America Business Solutions	Color & Black/White Monthly Copy Costs 8/26/21 to 9/25/21	706.05	10	GENERAL
Total 27030	9/29/2021			706.05		
27031	9/29/2021	TRI LAKE CONSULTANTS, INC.	Engineering Srvc for July 2021 (Discussion RRCR & Payment)	2,209.12	10	GENERAL
Total 27031	9/29/2021			2,209.12		
27032	9/29/2021	TRI LAKE CONSULTANTS, INC.	Engineering Srvc for July 2021 (Gas Tax & General)	70.00	10	GENERAL
27032	9/29/2021	TRI LAKE CONSULTANTS, INC.	Engineering Srvc for July 2021 (Gas Tax & General)	345.00	20	GAS TAX
Total 27032	9/29/2021			415.00		
27033	9/29/2021	U. S. Bank	See Credit Card Review	1,881.73	10	GENERAL
Total 27033	9/29/2021			1,881.73		
EFT394		Sparkletts	Drinking Water for Admin & City Hall August 2021	149.69	10	GENERAL
Total EFT394				149.69		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
EFT395		SOUTHERN CALIFORNIA EDISON	Electricity for 31540/31542 Railroad Cyn. Rd. 6/15-8/18/21	1,884.92	60	ENTERPR... FUND
Total EFT395				1,884.92		
EFT396		SOUTHERN CALIFORNIA EDISON	Electricity for Traffic Signals 7/15/21 to 8/12/21	206.20	20	GAS TAX
Total EFT396				206.20		
EFT397		SOUTHERN CALIFORNIA EDISON	Electricity for City Hall 7/15/21 to 8/12/21	1,272.71	10	GENERAL
Total EFT397				1,272.71		
EFT398		SOUTHERN CALIFORNIA EDISON	Electricity for Traffic Signals 7/21/21 to 8/18/21	9.36	20	GAS TAX
Total EFT398				9.36		
EFT399		SOUTHERN CALIFORNIA EDISON	Electricity for RRCR Admin Ste. 3 7/21/21 to 8/18/21	28.53	10	GENERAL
Total EFT399				28.53		
EFT400		SOUTHERN CALIFORNIA EDISON	Electricity for Traffic Signals 7/22/21 to 8/19/21	55.23	20	GAS TAX
Total EFT400				55.23		
EFT401		SOUTHERN CALIFORNIA EDISON	Electricity for Fire Station 7/15/21 to 8/12/21	905.89	10	GENERAL
Total EFT401				905.89		
EFT402		SOUTHERN CALIFORNIA EDISON	Electricity for 31520 RRCR Ste. D 7/21/21 to 8/18/21	132.50	60	ENTERPR... FUND

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total EFT402				132.50		
EFT403		SOUTHERN CALIFORNIA EDISON	Electricity for 31526 RRCR Admin Ste. 4 7/21/21 to 8/18/21	400.62	10	GENERAL
Total EFT403				400.62		
EFT404		SOUTHERN CALIFORNIA EDISON	Electricity for Traffic Signals 7/29/21 to 8/26/21	323.74	20	GAS TAX
Total EFT404				323.74		
EFT405		SOUTHERN CALIFORNIA EDISON	Electricity for Pump Station 7/9/21 to 8/8/21	223.66	20	GAS TAX
Total EFT405				223.66		
EFT406		SOUTHERN CALIFORNIA EDISON	Electricity for Pump Station 8/9/21 to 9/7/21	274.29	20	GAS TAX
Total EFT406				274.29		
EFT407		ELSINORE VALLEY MUNI WATER DIS	Water for Irrigation 7/27/21 to 8/27/21	1,014.45	20	GAS TAX
Total EFT407				1,014.45		
EFT408		ELSINORE VALLEY MUNI WATER DIS	Water for Fire Station 7/27/21 to 8/27/21	463.69	10	GENERAL
Total EFT408				463.69		
EFT409		SOUTHERN CALIFORNIA EDISON	Water for City Hall 7/25/21 to 8/24/21	0.00	10	GENERAL
Total EFT409				0.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 9/1/2021 Through 9/30/2021

Check Number	Matching Document Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
EFT410		ELSINORE VALLEY MUNI WATER DIS	Water for 31520 RRCR 7/25/21 to 8/24/21	63.64	60	ENTERPR... FUND
Total EFT410				63.64		
EFT411		ELSINORE VALLEY MUNI WATER DIS	Water for Rental Bldg. (31542 RRCR) 7/25/21 to 8/24/21	93.49	60	ENTERPR... FUND
Total EFT411				93.49		
EFT412		ELSINORE VALLEY MUNI WATER DIS	Water for City Hall 7/25/21 to 8/24/21	93.15	10	GENERAL
Total EFT412				93.15		
Report Total				836,304.11		

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
AMERICAN FORENSIC	Sheriff's Blood Draws, July 2021	165.00
	Sheriff's Blood Draws, July 2021 (Rodeway Inn)	55.00
AMP	Rent for Admin Bldg. for the month of October 2021	2,834.00
	Rent for 31526 Railroad Cyn. Rd. Ste. #4 October 2021	412.00
ANIMAL FRIENDS	Animal Control Services for July 2021	3,500.00
Bill Blankenship	Economic Development Consultant August 2021	2,500.00
BIO-TOX	Sheriff's Blood Draws, 7/15/2021	316.00
	Sheriff's Blood Draws, 7/8/21 & 7/22/21	488.00
Control Pump	Monthly Landscape Booster Station, August 2021	375.00
Corelogic	Database for Code Enforcement, August 2021	125.00
Dain	Auto Allowance for the month of September 2021 - Dain	100.00
DATA TICKET	Monthly EMS Response Fee (1241), July 2021	100.00
	Citation Processing (1035), Code Enforcement July 2021	100.00
	Parking Citations (0506) July 2021	100.00
Derotic	Deposit on SCBA Compressor for Fire Station, 9/7/2021	24,517.31
DOJ	Sheriff's Blood Analysis, July 2021	105.00
Fast Signs	Remove Vinyl on Door at City Hall, 7/28/2021	165.00
FRIDAY FLYER	Ordinance No. 209 - Emergency Medical Services 9/10/21	27.30
	Ordinance No. 210 - Organic Waste Disposal Reduction 9/10/21	29.40
	Ordinance No. 211-Obstruction of Right-Of-Way Solit. 9/10/21	29.40
	Ordinance No. 212 - Create A CL Fire Department 9/10/21	29.40
	Ordinance No. 213 - California Fire Code 9/10/21	30.45
	Ordinance No. 214 - Prohibiting Personal Fireworks 9/10/21	29.40
	Special Mtg. 9/13/21 Cannabis Advertisement	245.00
	Special Mtg. 9/3/21 Cannabis Advertisement	245.00
ICG	Building & Safety for May 2021	41,720.61
Inland Menifee	Drug Testing for Maggs, 8/30/21	145.00
Jeremy Smith	Auto Allowance for the month of September 2021 - Smith	100.00
Joe's	Velcro & Air Filters for Fire Station, 8/3/2021	23.71
	Fuel, Clorox Wipes, Exchange Tank for Fire Station, 8/2/2021	75.25
Johnson Controls	Pro-Rated Charges for Access Reader (July - September 2021)	181.44

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
	Admin Office Door Access Reader Balance, 7/22/2021	6,598.12
Kasey Castillo	Auto Allowance for the month of September 2021 - Castillo	100.00
Larry Greene	Auto Allowance for the month of September 2021 - Greene	100.00
LaTendresse	Monthly Contracted Services for Interim Fire Chief, Sept. 21	7,272.72
PETTY CASH	Reimburse Petty Cash September 2021	37.20
Pitney Bowes, Inc.	Red Ink for Postage Machine, 8/23/2021	87.00
PVM	Maintenance and Removed Items at City Hall, August 2021	517.36
PZL, Inc.	Planning Services for July 2021	3,100.00
RAMS	Accounting services for the month of July 2021	5,643.30
Riv Co Sheriff Dept Lake Elsinore	Sheriff's Contract Law, 7/1/21 to 7/28/21	149,518.48
The Gas Co	Gas Charges for 31520 Railroad Cyn. Rd. 7/29/21 to 8/27/21	16.48
Time Warner	Digital Converter for City Hall, 8/22/21 to 9/21/21	5.52
Toshiba	Monthly Copier Lease for Admin & City Hall, 9/10/21	799.32
Toshiba Business Solutions, USA	Color & Black/White Monthly Copy Costs 7/26/21 to 8/25/21	458.45
Welty	Auto Allowance for the month of September 2021 - Welty	100.00
Report Total		253,222.62

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

<u>Vendor ID</u>	<u>Invoice Description</u>	<u>Cash Required</u>
Jolly Jumps	Deposit for 2021 Winter Wonderland Event Package	9,397.50
Report Total		9,397.50

City of Canyon Lake
Check/Voucher Register - Checks Prior Month
From 9/9/2021 Through 9/9/2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Effective Date</u>	<u>Check Amount</u>
26980	Berg Print & Mail	9/9/2021	6,713.46
26981	FRIDAY FLYER	9/9/2021	<u>48.30</u>
Report Total			<u><u>6,761.76</u></u>

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
ABILA	Monthly Accounting Software Subscription, 9/9/21	181.39
Albert A. Webb Associates	Professional Services for State SB2 Planning, 8/21/21	22,145.75
Atlas	Safety Element Update Services August 2021	6,920.00
California State Fire Protection	5lb. Extinguisher Inspection - 31542 RRCR, 8/30/21	107.50
CL PEST	Quarterly Pest Control City Hall, 8/24/21	100.00
CR&R	Trash Services for Rental Bldg. September 2021	167.96
	Refuse FY 20-21 PY SEC SP2	10,271.58
	Refuse FY 20-21 CY Sec SS3	46,477.44
CTAI	Install Plants & Repair Drip Tubing on RRCR, 9/16/21	3,325.00
DOJ	Fingerprints for August 2021	64.00
Fast Signs	Deposit for Fire Station Sign, 9/13/2021	2,550.26
GREENHALGH	Retiree Health Insurance for October 2021	168.56
HINDERLITER	Audit Services - Sales Tax for Quarter 1 2021	1,209.50
KCL Group Benefits	Life Insurance for Employee's 9/15/21 to 10/14/21	185.46
Pitney Bowes - Purchase Power	Postage for 8/31/2021	400.00
PZL, Inc.	Planning Services for August 2021	4,400.00
SDRMA	Dental & Vision Insurance for October 2021	455.87
STAPLES	General Office Supplies, 8/25/21	187.53
STATE FUND	Workers Comp Insurance for September 2021	919.25
Teleflex	Medical Supplies IV's (Driver) for Fire Station, 9/7/2021	288.38
	Medical Supplies IV's (Needles) for Fire Station, 9/7/2021	1,251.73
Ur Wire Guy	Added New Data Lines to Building Department, 9/13/21	975.00
VerizonW	Cell Phones, 8/4/21 to 9/3/21	151.53
	Ipads & SIM Card Device, 8/4/21 to 9/3/21	136.57
Report Total		103,040.26

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Albert A. Webb Associates	Professional Services for State SB2 Planning, 5/22/2021	26,875.48
ECS Gonzales	Scanning Services for City Records in FY 20/21 Refund of Developer Deposit 23742 Continental Drive	7,509.17 1,250.00
Riv Co Fire	Fire Protection Services for 4th Qtr. (April - June) FY20-21	390,746.78
Riv Co TLMA	SLF Costs for June 2021	1,098.04
Report Total		427,479.47

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Aflac	Supplemental Insurance for September 2021	461.18
Bill Blankenship	Economic Development Consulting September 2021	2,500.00
CTAI	Median Repairs at Sorrel Lane on RRCR, 9/15/21	1,267.00
	Median Repairs at Black Horse St. on RRCR, 9/15/2021	540.00
	Monthly Landscape Maintenance for Fire Station 60 Sept. 2021	250.00
	Landscape Maintenance for Median & Parkways September 2021	4,500.00
Curtis	Wildland Helmets Ear/Neck Protectors for Fire Dept. 9/8/2021	679.99
	Wildland Helmets & Ear/Neck Protectors for Fire Dept. 9/10/21	808.78
	Swift Water Rescue Equipment for Fire Dept. 9/8/2021	1,178.02
	Wildland Helmet & Ear/Neck Protectors for Fire Dept. 9/10/21	222.29
Delgado	Janitorial Services for the Month of September 2021	1,124.50
	Janitorial Services for the Month of September 2021	106.00
DIRECTV	Satellite Service for Fire Station, 9/12/21 to 10/11/21	116.54
Embroidery	City Logo Shirts for LaTendresse, M 9/28/21	72.32
Frontier	Phones for Fire Station, 9/13/21 to 10/12/21	388.68
	Internet for City Hall, 9/10/21 to 10/9/21	202.53
Inland	Drug Testing for Harnden, 8/3/2021	40.00
Johnson Controls	Security System for Admin Office Ste. 5 10/1/21 to 12/31/21	462.05
	Security System for City Hall, October - December 2021	143.75
Johnson Equipment	Remove Strip Decal on Highlander for Building Dept. 9/20/21	323.25
MR. WINDOW	Window Cleaning Inside & Out - City Hall & Admin (9/16/21)	170.00
	Window Cleaning Inside & Out - City Hall & Admin (9/16/21)	160.00
Nate Volk	Video Broadcasting Mtg. for 10/7/21	575.00
	Video Broadcasting Mtg. for 9/30/21	500.00
Ritchie	Two Week Ad for Special Mtg. on Cannabis, 9/13/21	150.00
Riv Co TLMA	SLF Costs for July 2021	1,920.71
SCE	New Meter and Service for Veterans Day Park (31572 RRCR)9/28	2,245.02
Steno	Report Requested for Month of March 2021	67.41
Time Warner	Digital Converter for City Hall 9/22/21 to 10/21/21	5.52
	Internet for Fire Station, 9/10/21 to 10/9/21	114.98
TIP	Annual Trauma Intervention Program FY 2021-22	1,500.00

Date: 9/29/21

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10/06/2021 City Council Agenda

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City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Toshiba	Monthly Copier Lease for Admin & City Hall, 10/10/21	799.32
Toshiba Business Solutions, USA	Color & Black/White Monthly Copy Costs 8/26/21 to 9/25/21	706.05
TRI LAKE	Engineering Srvcs for July 2021 (Discussion RRCR & Payment)	2,209.12
	Engineering Srvcs for July 2021 (Gas Tax & General)	70.00
	Engineering Srvcs for July 2021 (Gas Tax & General)	345.00
US Bank	See Credit Card Review	1,881.73
Report Total		28,806.74

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 08/31/2021
Process: 2021083101
Period: 08/16/2021 to 08/31/2021

Department: (20)City Employees

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Taxable	Code	Tax	Amount	Taxable	Amount
125CO	125 Cash		472.54	PTAXI Pre-Tax P.	CA	California SI	315.97	4670.40	CAETT	CA Edu & T	200.79	0.00	0.00
102	Reg Regular		4513.83		CASDJ	CA SDI - Err		4986.37	CASUI	California SI	59.84	0.00	0.00
4513.83	Sick	10.50	0.00		FITW	Federal Incon		4670.40	MED-R	Medicare - E	561.36	4986.37	72.31
					MED	Medicare		4986.37					72.31
	Total Earnings	10.50	4986.37	Total Deductions			315.97		Total Employer Taxes		894.30		72.31
125CO	125 Cash		169.75	PTXPE Pre-Tax P.	CA	California SI	154.60	2305.57	CAETT	CA Edu & T	83.67	0.00	0.00
115	Reg Regular		2290.42		CASDJ	CA SDI - Err		2460.17	CASUI	California SI	29.52	0.00	0.00
2290.42	Vac	0.75	0.00		FITW	Federal Incon		2305.57	MED-R	Medicare - E	215.04	2460.17	35.67
					MED	Medicare		2460.17					35.67
	Total Earnings	0.75	2460.17	Total Deductions			154.60		Total Employer Taxes		363.90		35.67
125CO	125 Cash		162.50	PTXPE Pre-Tax P.	CA	California SI	196.78	2880.97	CAETT	CA Edu & T	143.51	0.00	0.00
117	Reg Regular		2915.25		CASDJ	CA SDI - Err		3077.75	CASUI	California SI	36.93	0.00	0.00
2915.25	Sick	4.00	0.00		FITW	Federal Incon		2880.97	MED-R	Medicare - E	341.63	3077.75	44.63
	Vac	1.50	0.00		MED	Medicare		3077.75					44.63
	Total Earnings	5.50	3077.75	Total Deductions			196.78		Total Employer Taxes		566.70		44.63
125CO	125 Cash		157.02	457B EE	CA	California SI	361.11	6970.35	CAETT	CA Edu & T	556.17	0.00	0.00
111	ADML Admin Le		0.00	PTXPE Pre-Tax P.	CASDJ	CA SDI - Err	492.19	4953.77	CASUI	California SI	59.45	0.00	0.00
7291.63	Auto	3.00	300.00		FITW	Federal Incon		6970.35	MED-R	Medicare - E	1341.26	7823.65	113.44
	Reimburs		75.00		MED	Medicare		7823.65					113.44
	MEM4 457B ER		722.22										
	Reg Regular		7291.63										
	Sick	9.50	0.00										
	Total Earnings	12.50	7823.65	Total Deductions			853.30		Total Employer Taxes		2070.32		113.44
125CO	125 Cash		526.83	457B EE	CA	California SI	66.00	3789.07	CAETT	CA Edu & T	99.44	0.00	0.00
108	ADML Admin Le		0.00	PTAXI Pre-Tax P.	CASDJ	CA SDI - Err	250.51	4105.58	CASUI	California SI	49.27	0.00	0.00
3578.75	Reg Regular	19.00	3578.75		FITW	Federal Incon		3789.07	MED-R	Medicare - E	312.61	4105.58	59.53
					MED	Medicare		4105.58					59.53
	Total Earnings	19.00	4105.58	Total Deductions			316.51		Total Employer Taxes		520.85		59.53
125CO	125 Cash		553.15	457B EE	CA	California SI	126.11	2108.54	CAETT	CA Edu & T	66.69	0.00	0.00
119	Reg Regular		1513.35		CASDJ	CA SDI - Err		2234.65	CASUI	California SI	26.81	0.00	0.00
177000	Sick	85.50	168.15		FITW	Federal Incon		2108.54	MED-R	Medicare - E	178.46	2234.65	32.40
					MED	Medicare		2234.65					32.40
	Total Earnings	95.00	2234.65	Total Deductions			126.11		Total Employer Taxes		304.36		32.40

Department: (20)City Employees Total

Employees	Code	Earning	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Taxable	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt
Female	3	125CO 125 Cash	22.00	2041.79	457B 457B EE	553.22	CA	California SI	CA	1150.27	CAETT	CA Edu & T	0.00	0.00	0.00	0.00	0.00	0.00	24688.17		
Male	3	ADML Admin Le		0.00	PTAXE Pre-Tax P	566.48	CASDJ	CA SDI - Err	CA	261.82	CASUI	California SI	0.00	0.00	0.00	0.00	0.00	0.00	25046.15		
		Auto Auto Allo'		300.00	PTXPE Pre-Tax P	843.57	FITW	Federal Incon	MED-R	2950.36	MED-R	Medicare - E	24688.17	357.98	24688.17	357.98	357.98	357.98	18004.47		
		ELECT Reimburs		75.00			MED	Medicare		357.98											
		MEM4 457B ER		722.22																	
		Reg Regular	85.50	22103.23																	
		Sick Sick	33.50	168.15																	
		Vac Vacation	2.25	0.00																	
		Total Earnings	143.25	24688.17	Total Deductions	1963.27	Total Employee Taxes	4720.43	Total Employer Taxes	357.98											

0/0/2021 City Council Agenda

Department: (30)Code Enforcement Team

Code	Earning	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Taxable	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt
Reg Regular	85.50	2480.36	457B 457B EE	50.00	CA	California SI	CA	California SI	CA	93.96	CAETT	CA Edu & T	0.00	0.00	0.00	0.00	0.00	2755.96		
Vac Vacation	9.50	275.60	MEDI: Health Ins	161.99	CASDJ	CA SDI - Err	CASDJ	California SI	CA	31.12	CASUI	California SI	0.00	0.00	0.00	0.00	0.00	2793.57		
		PTXPE Pre-Tax P	186.03	FITW	Federal Incon	205.37	MED-R	Medicare - E	MED	2593.97			2593.97	37.61	2593.97	37.61	37.61	1989.88		
		Total Earnings	95.00	2755.96	Total Deductions	398.02	Total Employee Taxes	368.06	Total Employer Taxes	37.61										
Reg Regular	9.50	145.12	CS Child Sup	120.50	CA	California SI	CA	California SI	CA	110.97	CAETT	CA Edu & T	0.00	0.00	0.00	0.00	0.00	2794.68		
Hol Holiday	9.50	264.96	PTXPE Pre-Tax P	178.84	CASDJ	CA SDI - Err	CASDJ	California SI	CA	33.54	CASUI	California SI	0.00	0.00	0.00	0.00	0.00	2835.20		
Reg Regular	85.50	2384.60			FITW	Federal Incon	FITW	Medicare - E	MED	2615.84			2794.68	40.52	2794.68	40.52	40.52	2027.01		
		Total Earnings	95.00	2794.68	Total Deductions	299.34	Total Employee Taxes	468.33	Total Employer Taxes	40.52										
Reg Regular	15.50	467.79			CA	California SI	CA	California SI	CA	0.00	CAETT	CA Edu & T	0.00	0.00	0.00	0.00	0.00	467.79		
		PTXPE Pre-Tax P	499.38	PTXPE Pre-Tax P	226.36	CASDJ	CA SDI - Err	CASDJ	California SI	5.62	CASUI	California SI	0.00	0.00	0.00	0.00	0.00	467.79		
Reg Regular	95.00	3353.50			FITW	Federal Incon	FITW	Medicare - E	MED	30.32	MED-R	Medicare - E	467.79	6.78	467.79	6.78	6.78	474.57		
		Total Earnings	15.50	467.79	Total Deductions	0.00	Total Employee Taxes	42.72	Total Employer Taxes	6.78										
Reg Regular	95.00	499.38			CA	California SI	CA	California SI	CA	118.43	CAETT	CA Edu & T	0.00	0.00	0.00	0.00	0.00	3853.08		
Reg Regular	95.00	3353.50			CASDJ	CA SDI - Err	CASDJ	California SI	CA	46.24	CASUI	California SI	0.00	0.00	0.00	0.00	0.00	3908.95		
		Total Earnings	95.00	3853.08	Total Deductions	226.36	Total Employee Taxes	578.16	Total Employer Taxes	55.87										
		Total Earnings	95.00	3853.08	Total Deductions	226.36	Total Employee Taxes	578.16	Total Employer Taxes	55.87										

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 08/31/2021
Process: 2021083101
Period: 08/16/2021 to 08/31/2021

Department: (30)Code Enforcement Team Total

Employees	Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Femite	2	125CO	125	Cash	644.70	457B	457B	EE!	50.00	CA	California SI	9068.29	323.36	CAEIT	CA Edu & T	0.00	0.00	
Malg	2	Hol	9.50	Holiday	264.96	CS	Child Sup		120.50	CASDI	CA SDI - Err	9709.52	116.52	CASUI	California SI	0.00	0.00	Gross
		Reg	281.50	Regular	8686.25	MED1	Health Ins		161.99	FITW	Federal Incoi	9068.29	876.61	MED-R	Medicare - E	9709.52	140.78	Tot Liab
		Vac	9.50	Vacation	275.60	PTXPE	Pre-Tax P.		591.23	MED	Medicare	9709.52	140.78					Net Amt
		Total Earnings	300.50		9871.51	Total Deductions		923.72	Total Employee Taxes				1457.27	Total Employer Taxes				140.78

Department: (50)Council Members

Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Castillo, Kasey A	Reg	Regular	300.00	CA	California SI		CA	California SI	300.00	CAEIT	CA Edu & T	0.30	0.00	CAEIT	CA Edu & T	0.30	
Emp Id	110			FITW	Federal Incoi		FITW	Federal Incoi	300.00	CASUI	California SI	12.00	0.00	CASUI	California SI	12.00	Gross
Salary	300.00			MED	Medicare		MED	Medicare	300.00	MED-R	Medicare - E	4.36	4.35	MED-R	Medicare - E	4.36	Tot Liab
																	Net Amt
																	295.65

Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Dain, Jennifer A	Reg	Regular	300.00	CA	California SI		CA	California SI	300.00	CAEIT	CA Edu & T	0.30	0.00	CAEIT	CA Edu & T	0.30	
Emp Id	121			FITW	Federal Incoi		FITW	Federal Incoi	300.00	CASUI	California SI	12.00	0.00	CASUI	California SI	12.00	Gross
Salary	300.00			MED	Medicare		MED	Medicare	300.00	MED-R	Medicare - E	4.35	4.35	MED-R	Medicare - E	4.35	Tot Liab
																	Net Amt
																	295.65

Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Greene, Larry B	Reg	Regular	300.00	CA	California SI		CA	California SI	300.00	CAEIT	CA Edu & T	0.30	0.00	CAEIT	CA Edu & T	0.30	
Emp Id	103			FITW	Federal Incoi		FITW	Federal Incoi	300.00	CASUI	California SI	12.00	0.00	CASUI	California SI	12.00	Gross
Salary	300.00			MED	Medicare		MED	Medicare	300.00	MED-R	Medicare - E	4.35	4.35	MED-R	Medicare - E	4.35	Tot Liab
																	Net Amt
																	295.65

Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Smith, Jeremy A	Reg	Regular	300.00	CA	California SI		CA	California SI	300.00	CAEIT	CA Edu & T	0.30	0.00	CAEIT	CA Edu & T	0.30	
Emp Id	109			FITW	Federal Incoi		FITW	Federal Incoi	300.00	CASUI	California SI	12.00	0.00	CASUI	California SI	12.00	Gross
Salary	300.00			MED	Medicare		MED	Medicare	300.00	MED-R	Medicare - E	4.35	4.35	MED-R	Medicare - E	4.35	Tot Liab
																	Net Amt
																	295.65

Code	Earnings	Hours	Amount	Code	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	
Welty, Dale M	Reg	Regular	300.00	CA	California SI		CA	California SI	300.00	CAEIT	CA Edu & T	0.30	0.00	CAEIT	CA Edu & T	0.30	
Emp Id	118			FITW	Federal Incoi		FITW	Federal Incoi	300.00	CASUI	California SI	12.00	0.00	CASUI	California SI	12.00	Gross
Salary	300.00			MED	Medicare		MED	Medicare	300.00	MED-R	Medicare - E	4.35	4.35	MED-R	Medicare - E	4.35	Tot Liab
																	Net Amt
																	265.65

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 09/15/2021
Process: 2021091501
Period: 09/01/2021 to 09/15/2021

Department: (20)City Employees

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
Borja, Miguel A	125CO	125 Cash		472.54	PTAXF Pre-Tax P.	CA	315.97	CA	California SI	CA	200.79	4670.40	CA Edu & Ti	CA	0.00	0.00	0.00
Emp Id	102	ADML Admin Le	22.00	0.00				CASDI	CA SDI - Err	CASUI	59.84	4986.37	California SI		0.00	0.00	Gross
Salary	4513.83	Hol Holiday	9.50	0.00				FITW	Federal Incoi	MED-R	561.36	4670.40	Medicare - E		4986.37	72.31	Tot Liab
		Reg Regular		4513.83				MED	Medicare		72.30	4986.37					Net Amt
		Total Earnings	31.50	4986.37	Total Deductions		315.97	Total Employer Taxes			894.29						72.31

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
Ferrari, Tyler J	125CO	125 Cash		169.75	PTXPE Pre-Tax P.	CA	154.60	CA	California SI	CA	83.67	2305.57	CA Edu & Ti	CA	0.00	0.00	0.00
Emp Id	115	Hol Holiday	9.50	0.00				CASDI	CA SDI - Err	CASUI	29.52	2460.17	California SI		0.00	0.00	Gross
Salary	2290.42	Reg Regular		2290.42				FITW	Federal Incoi	MED-R	215.04	2305.57	Medicare - E		2460.17	35.67	Tot Liab
		Total Earnings	9.50	2460.17	Total Deductions		154.60	Total Employer Taxes			363.91						35.67

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
Harnden, David	125CO	125 Cash		3541.67	MEDI: Health Ins	CA	69.73	CA	California SI	CA	179.51	3232.88	CA Edu & Ti	CA	3471.94	3471.94	3.47
Emp Id	122	Reg Regular	9.50	3541.67	PTXPE Pre-Tax P.	CASDI	239.06	CASDI	CA SDI - Err	CASUI	41.66	3471.94	California SI		3471.94	138.88	Gross
Salary	3541.67							FITW	Federal Incoi	MED-R	419.05	3232.88	Medicare - E		3471.94	50.34	Tot Liab
		Total Earnings	9.50	3541.67	Total Deductions		308.79	Total Employer Taxes			690.56						192.69

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
LaTendresse, Mindy A	125CO	125 Cash		125.00	PTXPE Pre-Tax P.	CA	111.38	CA	California SI	CA	37.32	1663.62	CA Edu & Ti	CA	1775.00	1775.00	1.78
Emp Id	123	Reg Regular	57.00	1650.00				CASDI	CA SDI - Err	CASUI	21.30	1775.00	California SI		1775.00	71.00	Gross
Salary	2383.33							FITW	Federal Incoi	MED-R	61.78	1663.62	Medicare - E		1775.00	25.74	Tot Liab
		Total Earnings	9.50	3541.67	Total Deductions		308.79	Total Employer Taxes			690.56						192.69

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
Lozano, Kayla R	125CO	125 Cash		162.50	PTXPE Pre-Tax P.	CA	196.78	CA	California SI	CA	143.51	2880.97	CA Edu & Ti	CA	0.00	0.00	0.00
Emp Id	117	Hol Holiday	9.50	0.00				CASDI	CA SDI - Err	CASUI	36.94	3077.75	California SI		0.00	0.00	Gross
Salary	2915.25	Reg Regular		2915.25				FITW	Federal Incoi	MED-R	341.63	2880.97	Medicare - E		3077.75	44.63	Tot Liab
		Sick Sick	8.50	0.00				MED	Medicare	SS-R	25.74	3077.75	OASDI - Em		1775.00	0.00	Net Amt
		Total Earnings	18.00	3077.75	Total Deductions		196.78	Total Employer Taxes			566.71						44.63

Emp Id	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
Mann, Christopher F	125CO	125 Cash		157.02	457B EE	CA	361.11	CA	California SI	CA	556.17	6970.35	CA Edu & Ti	CA	0.00	0.00	0.00
Emp Id	111	Auto Auto Allo		300.00	PTXPE Pre-Tax P.	CASDI	492.19	CASDI	CA SDI - Err	CASUI	0.00	0.00	California SI		0.00	0.00	Gross
Salary	7291.63	ELECT Reimburs		75.00				FITW	Federal Incoi	MED-R	1341.26	6970.35	Medicare - E		7823.65	113.44	Tot Liab
		Hol Holiday	9.50	0.00				MED	Medicare		113.45	7823.65					Net Amt
		MEM4 457B ER		722.22				Total Earnings			2010.88						113.44
		Reg Regular		7291.63				Total Deductions			853.30						Total Employer Taxes

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 09/15/2021 Page 3
Process: 2021091501
Period: 09/01/2021 to 09/15/2021

Manzano, Ruben	Code	Earning	Hours	Amount	Deduction	Code	Code	Amount	Taxable	Code	Tax	Amount	Taxable	Amount
	125CO	125 Cash		499.58	PTXPE Pre-Tax P.	CA	California SI	203.73	3314.00	CAETT CA Edu & T	CA	97.79	0.00	0.00
	98	Hol Holiday	9.50	335.35		CASDI CA SDI - Err			3517.73	CASUI California SI	CA	42.21	0.00	0.00
	35.3000	Reg Regular	62.00	2188.60		FITW Federal Inco			3314.00	MED-R Medicare - E	CA	320.10	3517.73	51.01
		Sick Sick	14.00	494.20		MED Medicare			3517.73			51.01		2802.89
		Total Earnings	85.50	3517.73	Total Deductions			203.73		Total Employer Taxes		511.11		51.01

Department: (30)Code Enforcement Team Total

Employees	Code	Earning	Hours	Amount	Deduction	Code	Code	Amount	Taxable	Code	Tax	Amount	Taxable	Amount
Female	2	125CO 125 Cash		644.70	457B EE	CA	California SI	50.00	8281.69	CAETT CA Edu & T	CA	258.89	0.00	0.00
Male	2	Hol Holiday	28.50	875.91	CS Child Sup	CASDI CA SDI - Err			8863.80	CASUI California SI	CA	106.36	0.00	0.00
		Reg Regular	211.00	6433.58	MED1 Health Ins	FITW Federal Inco			8281.69	MED-R Medicare - E	CA	756.91	8863.80	128.53
		Sick Sick	24.00	796.00	PTXPE Pre-Tax P.	MED Medicare			8863.80			128.53		6910.50
		Vac Vacation	9.50	275.60										
		Total Earnings	273.00	9025.79	Total Deductions			864.60		Total Employer Taxes		1250.69		128.53

Report Total

Employees	Code	Earning	Hours	Amount	Deduction	Code	Code	Amount	Taxable	Code	Tax	Amount	Taxable	Amount
Female	7	125CO 125 Cash		2811.49	457B EE	CA	California SI	578.00	35760.16	CAETT CA Edu & T	CA	1616.55	5246.94	5.25
Male	5	ADML Admin Le	22.00	0.00	CS Child Sup	CASDI CA SDI - Err			30807.11	CASUI California SI	CA	369.69	5246.94	209.88
		Auto Auto Allo		300.00	MED1 Health Ins	FITW Federal Inco			35760.16	MED-R Medicare - E	CA	4170.95	38630.76	560.15
		ELEC1 Reimburs		75.00	PTAXI Pre-Tax P.	MED Medicare			38630.76	SS-R OASDI - Em	CA	560.16	1775.00	0.00
		Hol Holiday	95.00	1044.06	PTXPE Pre-Tax P.	OASDI			1775.00			0.00		28922.31
		MEM4 457B ER		722.22										
		Reg Regular	334.50	33392.18										
		Sick Sick	32.50	796.00										
		Vac Vacation	19.00	443.75										
		Total Earnings	503.00	38862.48	Total Deductions			3222.82		Total Employer Taxes		6717.35		775.28

Chris Mann, City Manager
9-15-21
Date

Credit Card Review

Reporting

Manage Reports | Financial Statements | Payroll Schedule | Out-of-Class Validation | Member Requests | Health Reconciliation | Retirement Appoint

Name: City of Canyon Lake CaIPERS ID: 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- To generate the employer payment report, please click the print button.
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCaIPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$4,451.41

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001937784	09/07/2021	100000016488693	Employer Contribution, PEPRA, 26189, CaIPERS, 08/16/2021 - 08/31/2021	EFT - Debit	Citizens Business Bank -5402	\$3,048.16
1001937785	09/07/2021	100000016488655	Employer Contribution, Classic, 1684, CaIPERS, 08/16/2021 - 08/31/2021	EFT - Debit	Citizens Business Bank -5402	\$1,403.25

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Build: v9.6.1 Baseline: 210824_121745_v9.6.1_int.6163 UID: 318

CM

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Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$5,070.29

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001944519	09/15/2021	100000016522673	Employer Contribution, PEPR, 26189, CalPERS, 09/01/2021 - 09/15/2021	EFT - Debit	Citizens Business Bank -5402	\$3,667.04
1001944520	09/15/2021	100000016522629	Employer Contribution, Classic, 1684, CalPERS, 09/01/2021 - 09/15/2021	EFT - Debit	Citizens Business Bank -5402	\$1,403.25

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Build: v9.6.1 Baseline: 210824_121745_v9.6.1_Int.6163 **UID: 318**

Reporting Manage Reports Payroll Schedule Out-of-Class Validation Member Requests Health Reconciliation Retirement Appointr

Name: City of Canyon Lake CaIPERS ID: 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- To generate the employer payment report, please click the print button.
If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
Your payment may take longer to post, depending upon your Financial Institution.

Payment Detail Total

Total Payment Amount: \$4,101.54

Payment Summary

Table with 7 columns: Payment Confirmation Number, Payment Authorization Date, Receivable ID, Receivable Description, Payment Method, Payment Account Nickname, Selected Payment Amount. Row 1: 1001935512, 09/02/2021, 100000016528090, Health PA Billing - PERS, EFT - Debit, Citizens Business Bank -5402, \$4,101.54

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Build: v9.6.1 Baseline: 210824_121745_v9.6.1_int.6163 UID: 318

Handwritten initials 'CM'

CITY OF CANYON LAKE
PLAN SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.

You can print this acknowledgment for your records.

Plan Name: **CITY OF CANYON LAKE 457**

Plan Number: **0035273001**

Payroll Center: **CITY OF CANYON LAKE**

Payroll Center Number: **001**

Payroll Received for Salary Reduction

Submission date: **09/07/2021**

Submission time: **05:23 PM**

Pay period end date: **08/31/2021**

Payment method: **Debit ACH**

Bank routing number: **122234149**

Bank account number: **245125402**

Contributions payment amount: **\$2,398.66**

Contributions count: **3**

Draft date: **09/09/2021**

CM

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the State of California, the State of New York, the State of Florida, the State of Texas, the State of Virginia, and the State of Washington.

Nationwide may receive payments from mutual funds or their affiliates in connection with certain investment options.

Retirement Specialists provide information for educational purposes only. This information is not meant to be used as investment advice. Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

CITY OF CANYON LAKE
PLAN SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.

You can print this acknowledgment for your records.

Plan Name: **CITY OF CANYON LAKE 457 OBRA-PST**

Plan Number: **0035273002**

Payroll Center: **CITY OF CANYON LAKE OBRA**

Payroll Center Number: **002**

Payroll Received for Salary Reduction

Submission date: **09/07/2021**

Submission time: **05:24 PM**

Pay period end date: **08/31/2021**

Payment method: **Debit ACH**

Bank routing number: **122234149**

Bank account number: **245125402**

Contributions payment amount: **\$227.00**

Contributions count: **1**

Draft date: **09/09/2021**

CM

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the State of California, the State of Texas, the State of Florida, the State of New York, and the State of Illinois. Nationwide is a member of the National Automated Clearing House Association (NACHA).

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Investment Reports

CITIZENSTRUST™

PO Box 2549

Rancho Cucamonga, CA 91729-2549

Return Service Requested

RECEIVED

SEP 14 2021

000000035 MCB1000090221256145 01 000000 35 004

BY: _____



CITY OF CANYON LAKE
31516 RAILROAD CANYON RD
CANYON LAKE CA 92587

STATEMENT FOR THE PERIOD FROM 08/01/2021 TO 08/31/2021
ACCOUNT 1035003119

THIS IS YOUR REPORT OF INVESTMENTS AND TRANSACTIONS FOR THE PERIOD. INCLUDED
IN THE REPORT ARE

* PORTFOLIO: SUMMARY GRAPHICAL DISPLAY WITH MARKET VALUE & PERCENT

* ACTIVITY SUMMARY: MARKET VALUE WITH TRANSACTION SUMMARY

* PORTFOLIO STATEMENT: A LISTING OF COST AND MARKET VALUE OF ASSETS
HELD IN THE PORTFOLIO

COST BASIS APPLICABLE FOR CALCULATING CAPITAL GAINS AND LOSSES.
MARKET VALUE IS THE CURRENT VALUE OF EACH ASSET FOR MOST STOCKS AND BONDS.
MARKETS ARE THE CLOSING PRICES ON THE LAST TRADING DAY OF THE PERIOD.

* TRANSACTION STATEMENT: A COMPLETE LISTING FOR THE PERIOD GROUPED BY
TRANSACTION TYPE.

* DISCLOSURES: CITIZENS BUSINESS BANK MAY RECEIVE RESEARCH AND OTHER BENEFITS
FROM BROKER DEALERS WHICH MAY BE CONSIDERED COMPENSATION TO US. UPON REQUEST
WE WILL DISCLOSE DETAILS OF ANY COMPENSATION RECEIVED.

* TO TRUST BENEFICIARIES: UNDER SECTION 17200 OF CALIFORNIA PROBATE CODE,
YOU MAY PETITION THE COURT TO OBTAIN A COURT REVIEW OF THE ACCOUNT AND
THE ACTS OF THE TRUSTEE. CLAIMS AGAINST THE TRUSTEE FOR BREACH OF TRUST
MUST BE MADE WITHIN THREE YEARS FROM THE DATE OF RECEIPT OF AN ACCOUNTING
OR OTHER REPORT DISCLOSING FACTS GIVING RISE TO THE CLAIM.






Account Statement

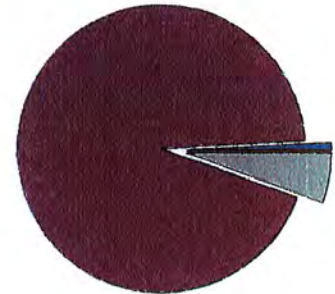
Account Number: 1035003119
 August 01, 2021 To August 31, 2021

CITY OF CANYON LAKE
 31516 RAILROAD CANYON RD
 CANYON LAKE, CA 92587

Account Name:	CITY OF CANYON LAKE CITIZENS BUSINESS BANK
Account Number:	1035003119
Your Relationship Manager Is:	MIKE GARDNER
Phone:	909-483-4390

Investment Portfolio Summary

Market Value As Of	08/01/2021	08/31/2021	% Of Account
 CASH & CASH EQUIVALENTS	370,574.00	22,123.50	0.8%
 FIXED INCOME	2,260,240.60	2,607,958.43	93.6%
 MISCELLANEOUS	155,677.50	154,968.76	5.6%
Total	2,786,492.10	2,785,050.69	100.0%



Activity Summary

	This Period	Year To Date	Realized Capital Gains / Losses	
			This Period	Year To Date
Beginning Market Value	2,786,492.10	2,848,656.23		
Income	1,567.45	44,613.20-	Short Term	0.00
Asset Activity	349,925.00-	33,991.47-	Total Gains / Losses	0.00
Fees	473.19-	3,703.00-		256.00
Cash Management	348,450.50	81,927.43		
Change In Market Value	1,061.17-	63,225.30-		
Ending Market Value	2,785,050.69	2,785,050.69		



Account Statement

Account Number: **1035003119**

August 01, 2021 To August 31, 2021

Portfolio Statement

Quantity	Description	Market Value	Cost Basis
Cash & Cash Equivalents			
Cash Equivalents			
Unclassified			
22,123.500	09248U700 BLACKROCK BLF LIQUIDITY FEDFUND	22,123.50	22,123.50
	Total Unclassified	22,123.50	22,123.50
Total	Cash Equivalents	22,123.50	22,123.50
Total	Cash & Cash Equivalents	22,123.50	22,123.50
Fixed Income			
Taxable			
34,722.220	3130AJRE1 FEDERAL HOME LOAN BANK DTD 6/24/2020 CALL .75% 06/24/2025-2020	34,702.78	34,722.22
100,000.000	3130AKMR4 FEDERAL HOME LOAN BANK DTD 01/15/21 CALL .33% 01/15/2025-2021	99,564.00	99,910.00
150,000.000	3130AL5X8 FEDERAL HOME LOAN DTD 2/24/2021 CALL .65% 02/24/2026-2021	149,311.50	150,000.00
150,000.000	3130ALEK6 FEDERAL HOME LOAN BANK DTD 02/26/21 CALL .78% 02/26/2026-2021	149,691.00	150,000.00
100,000.000	3130AMT85 FEDERAL HOME LOAN BANK DTD 6/28/2021 CALL .4% 06/28/2024-2021	99,942.00	100,000.00
100,000.000	3130AN3L2 FEDERAL HOME LOAN BANK DTD 6/30/2021 CALL 1.05% 06/30/2026-2021	99,984.00	100,000.00
100,000.000	3130ANCF5 FEDERAL HOME LOAN BANK DTD 8/12/2021 CALL 1% 05/12/2026-2021	100,043.00	100,000.00
100,000.000	3130ANJT8 FEDERAL HOME LOAN BANK DTD 8/26/2021 CALL .9% 08/26/2026-2021	100,058.00	99,925.00
150,000.000	3130ANND8 FEDERAL HOME LOAN BANK DTD 8/26/2021 CALL 1.05% 08/26/2026-2021	150,181.50	150,000.00
105,000.000	3133EEG79 FEDERAL FARM CREDIT BANK DTD 05/07/2015 2.15% 09/07/2023	109,003.65	109,678.70

Account Statement

Account Number: **1035003119**

August 01, 2021 To August 31, 2021

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Miscellaneous Sundry Assets			
Documents			
1.000	DOC199647 INVESTMENT MANAGEMENT AGREEMENT CITY OF CANYON LAKE A/C# 1035003119	0.00	0.00
Total Documents		0.00	0.00
Total	Miscellaneous Sundry Assets	0.00	0.00
	CASH	380.24-	380.24-
Total	Miscellaneous	154,968.76	158,088.76
Grand Total Assets		2,785,050.69	2,786,687.31

Account Activity Summary

	Total Cash	Cost Basis Excluding Cash	Market Value Including Cash
Balances Beginning Of Period	0.00	2,785,593.05	2,794,549.04
Prior Accruals			8,056.94-
Unrealized Depreciation This Period			1,061.17-
Current Accruals			8,761.87
Asset Activity	349,925.00-	349,925.00	349,925.00-
Cash Management	348,450.50	348,450.50-	348,450.50
Fees	473.19-	0.00	473.19-
Income	1,567.45	0.00	1,567.45
Realized Gain/loss			0.00
Non Cash Asset Changes			
Balances End Of Period	380.24-	2,787,067.55	2,793,812.56

Transaction Statement

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
08/01/21		Beginning Balance		0.00	2,785,593.05
Income					
Interest					
08/02/21		09248U700 BLACKROCK BLF LIQUIDITY FEDFUND 3134GWMY9	INTEREST RCVD	0.81	
08/19/21		FREDDIE MAC DTD 08/19/2020 CALL .625% 08/19/2025-2021	INTEREST RCVD	312.50	
08/24/21		3130AL5X8 FEDERAL HOME LOAN DTD 2/24/2021 CALL .65% 02/24/2026-2021 3138L34N2	INTEREST RCVD	487.50	
08/25/21		FANNIE MAE POOL FN AM3528 2.69% 10/01/2023	INTEREST RCVD	231.64	

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
08/26/21		3130ALEK6 FEDERAL HOME LOAN BANK DTD 02/26/21 CALL .78% 02/26/2026-2021	INTEREST RCVD	585.00	
08/30/21		3130ANCF5 FEDERAL HOME LOAN BANK DTD 8/12/2021 CALL 1% 05/12/2026-2021	ACCRUED INT	50.00-	
Total Interest				1,567.45	0.00
Total Income				1,567.45	0.00
Asset Activity					
Assets Purchased					
08/26/21	150,000.000	3130ANND8 FEDERAL HOME LOAN BANK DTD 8/26/2021 CALL 1.05% 08/26/2026-2021	BUY	150,000.00-	150,000.00
08/26/21	100,000.000	3130ANJT8 FEDERAL HOME LOAN BANK DTD 8/26/2021 CALL .9% 08/26/2026-2021	BUY	99,925.00-	99,925.00
08/30/21	100,000.000	3130ANCF5 FEDERAL HOME LOAN BANK DTD 8/12/2021 CALL 1% 05/12/2026-2021	BUY	100,000.00-	100,000.00
Total Assets Purchased				349,925.00-	349,925.00
Maturities					
08/06/21	100,000.000	24422ERE1 REVERSAL TO TRANSACTION # 4 OF 07/12/2021 TRANSACTION WAS: MATURED 100,000 UNITS JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	MATURITY	100,000.00-	100,000.00
08/06/21	100,000.000-	24422ERE1 JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	MATURITY	100,000.00	100,000.00-
Total Maturities				0.00	0.00
Total Asset Activity				349,925.00-	349,925.00
Fees					
08/27/21		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 08/20/2021	DISBURSEMENT	473.19-	
Total Fees				473.19-	0.00
Cash Management					
08/31/21	348,450.500-	09248U700 NET CASH MANAGEMENT	NET CASH MGMT	348,450.50	348,450.50-
Total Cash Management				348,450.50	348,450.50-
08/31/21		Ending Balance		380.24-	2,787,067.55



Account Number: 1035003119

August 01, 2021 To August 31, 2021

Disclosure

CitizensTrust may receive research and other benefits from Brokers/Dealers which may be considered compensation. Upon request, we will disclose details of any compensation received. We have added an additional benchmark to your performance insert. Call for details.

Market Perspective

WE HOPE THAT YOU AND YOURS ARE SAFE/HEALTHY DURING THESE CHALLENGING TIMES. PLEASE READ OUR QUARTERLY MARKET PERSPECTIVES AT WWW.CBBANK.COM UNDER RECENT DOCUMENTS. BE ASSURED WE ARE WATCHING THE MARKETS CLOSELY, AND IF YOU HAVE ANY QUESTIONS OR CONCERNS WE ENCOURAGE YOU TO CONTACT YOUR RELATIONSHIP MANAGER.

**MINUTES
REGULAR MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, September 1, 2021**

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 regular 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 closed to the public. 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.

In a further effort to allow for social distancing, members of the public may comment electronically by sending an email with their comment to PublicComment@canyonlakeca.gov. The City Clerk will read these public comment submissions into the record during the "Public Comments" portion of the agenda.

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.

**Closed Session – 5:00 p.m.
City Hall Administration Building
31526 Railroad Canyon Road, Suite 5
Canyon Lake, CA 92587**

CALL TO ORDER

Mayor Castillo called the meeting to order at 5:00 p.m.

CITY COUNCIL ROLL CALL

Present: Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo

Absent:

PUBLIC COMMENTS

There were no public comments.

CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – Pursuant to paragraph (4) of subdivision (d) of Section 54956.9 – 1 case

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Section 54956.8
Property: APN 349-290-008
Agency Negotiator: City Manager
Negotiating Parties: Jim Kipp
Under Negotiation: Price and Terms of Payment

- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to paragraph (1) of subdivision (d) of Section 54956.9
Richard Beck v. City of Canyon Lake, Riverside Superior Court Case No.: RIC2003025

- D. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 - 1 case

- E. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to paragraph (1) of subdivision (d) of Section 54956.9 City of Canyon Lake, et al. v. Jensen, Riverside Superior Court Case No. CVRI2100821

- F. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to paragraph (1) of subdivision (d) of Section 54956.9 National Prescription Opiate Litigation (U.S.D.C. Case No. 1:17-CV-2804)

The City Council entered Closed Session at 5:02 p.m.

**Open Session – 6:30 p.m.
City Hall Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587**

CALL OPEN SESSION TO ORDER

Mayor Castillo called the meeting to order at 6:31 p.m.

INVOCATION

Invocation was led by Mayor Pro Tem Smith.

FLAG SALUTE

Flag Salute was led by Ilyssa Edgar.

ROLL CALL

Present: Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo

Absent:

Councilmember Dain and Councilmember Welty both joined via telephone.

CLOSED SESSION REPORT

Attorney Steven Graham stated that there was no reportable action on Closed Session agenda items A, B, C, & D. For agenda items E & F, settlement direction was given by consensus.

APPROVAL OF THE CITY COUNCIL AGENDA

Motion and second by Mayor Pro Tem Smith/Councilmember Greene to approve the agenda.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

- Citizen of the Month – Cops for Kids

Mayor Castillo asked Lieutenant Rayls to help with the presentation to the members of the community who participated with Cops for Kids.

Mayor presented a proclamation commemorating the 20th Anniversary of the September 11th terror attacks.

COMMUNITY REPORTS

- Elsinore Valley Municipal Water District Update

Vice President Darcy Burke gave an update on behalf of the Elsinore Valley Municipal Water District.

- Canyon Lake Property Owners Association Update from President Joe Kamashian
President Joe Kamashian gave an update on behalf of the Canyon Lake Property Owners Association.

- Chamber of Commerce Update by President Jeanne O'Dell
President O'Dell gave an update on behalf of the Chamber of Commerce.

PUBLIC SAFETY UPDATE

❖ Sheriff

Lieutenant James Rayls gave an update on the statistics and answered questions from the Council.

❖ Fire

City Clerk Sauseda announced that CalFire was out on an emergency call however, statistics were provided to the Council and were made available to the public.

❖ Code Enforcement

Ruby Manzano, Senior Code Enforcement Officer, gave an update on the statistics and answered questions from the Council.

PUBLIC COMMENT

There were no comments.

CONSENT CALENDAR

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Resolution - Adoption of Resolution No. 2021-35 & Resolution No. 2021-36 Approving Claims and Demands of the City
- (3) Minutes - Approval of City Council Minutes
 - June 23, 2021 – Special City Council Meeting
 - July 7, 2021 – Regular City Council Meeting
 - August 4, 2021 – Cancelled City Council Meeting
- (4) Second Reading of Ordinance No. 209 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Chapter 3.44 of the Canyon Lake Municipal Code Related to the Emergency Medical Services Subscription Program and Emergency Medical Services Response Fee
- (5) Resolution – Adoption of Resolution No. 2021-37, Authorizing the City Manager to Execute the Purchase Agreement with L. N. Curtis and Sons of La Mirada, California, for Equipment for the Fire Department

Motion and second by Councilmember Greene/ Mayor Pro Tem Smith to approve the Consent Calendar.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

PULLED CONSENT CALENDAR ITEMS

No items were pulled.

PUBLIC HEARING

- (6) Housing Element – Review of the Draft Housing Element, General Plan Amendment (GPA 21-1), Proposing to Amend the City of Canyon Lake Housing Element for the 6th Cycle, Years 2021 to 2029 and Direct Staff to Forward This Material to State Housing and Community Development for Their Review and Comment

- Public Hearing Opened

Mayor Castillo opened the Public Hearing at 7:09 p.m.

- Staff Presentation

City Planner Jim Morrissey presented the item.

- Questions to Staff by City Council

City Planner Morrissey answered questions from the Council.

- Testimony by Proponents

There were none.

- Testimony by Opponents

There were none.

- Response by Proponents

There were none.

- Public Hearing Closed

Mayor Castillo closed the Public Hearing at 7:17 p.m.

- Discussion by City Council

No further discussion.

- Action by City Council

Motion and second by Mayor Pro Tem Smith/ Councilmember Greene to approve Item 6.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

BUSINESS ITEM

- (7) Resolution – Adoption of Resolution No. 2021-38, Approving a Budget Adjustment for Preparation of City’s General Plan Safety Element

Presentation by City Planner Jim Morrissey.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to adopt Resolution No. 2021-38.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (8) Discussion – Possible Amendments to Section 9.25.030(a) of the Canyon Lake Municipal Code, Pertaining to Commercial Window Signage

Presentation by Senior Code Enforcement Officer Ruby Manzano.

There were no public comments.

Motion and second by Mayor Pro Tem Smith/ Councilmember Greene to bring back an Ordinance that does away with the percentage requirement and allows for 100% coverage.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (9) Agreement – Adoption of Resolution No. 2021-39, Authorizing Execution of an Agreement with the Public Agency Retirement Services (PARS) to Provide a Defined Contribution Retirement Plan for Eligible Employees

Presentation by Finance Director Terry Shea.

There were no public comments.

Motion and second by Councilmember Greene/ Mayor Pro Tem Smith to adopt Resolution No. 2021-39.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (10) Ordinance – Introduction and First Reading of Ordinance No. 210, An Ordinance of the City Council of the City of Canyon Lake, Adding Chapter 6.02 to the Canyon Lake Municipal Code Regarding Organic Waste Disposal Reduction

Presentation by City Attorney Steven Graham.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to approve the Introduction and First Reading of Ordinance No. 210.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (11) Ordinance – Introduction and First Reading of Ordinance No. 211, An Ordinance of the City Council of the City of Canyon Lake, Adding Chapter 14.40 Related to Obstruction of Right-of-Way and 14.50 Related to Solicitation

Presentation by City Attorney Steven Graham.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to approve the Introduction and First Reading of Ordinance No. 211.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (12) Resolutions – Introduction and First Reading of Ordinance No. 211, An Ordinance of the City Council of the City of Canyon Lake, Adding Chapter 14.40 Related to Obstruction of Right-of-Way and 14.50 Related to Solicitation

- Resolution No. 2021-40, Approving the Salary and Wage Schedule for the Canyon Lake Building & Safety Department for Fiscal Year 2021-22
- Resolution No. 2021-41, Approving a Budget Adjustment Reflecting the New Building Department Staffing Model
- Resolution No. 2021-42, Authorizing the City Manager to Enter into a Professional Services Agreement with VCA Code for Plan Review and Staff Support Services for the City's New In-House Building Department
- Resolution No. 2021-43, Approving the Form of And Authorizing the Execution of a Memorandum of Understanding with the City of Wildomar

Presentation by Administrative Services Manager Mike Borja.

There were no public comments.

Motion and second by Mayor Pro Tem Smith/ Councilmember Greene to adopt Resolution No. 2021-40, Resolution No. 2021-41, Resolution No. 2021-42, & Resolution No. 2021-43.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

Councilmember Greene stepped away at 8:20 p.m. and returned at 8:23 p.m.

- (13) Resolution – Adoption of Resolution 2021-44, Approving a Partnership Agreement with the County of Riverside Emergency Management Department for Emergency Management Services

Presentation by Administrative Services Manager Mike Borja.

There were no public comments.

Motion and second by Mayor Pro Tem Smith/ Councilmember Greene to adopt Resolution No. 2021-44.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (14) Discussion – Additional Traffic Enforcement Measures on Railroad Canyon Road

Mayor Pro Tem Smith stepped away from the dais at 8:30 p.m. and returned at 8:31 p.m.

Presentation by City Manager Chris Mann.

The following members of the public submitted public comment electronically:

- John Zaitz

Direction from the Council for the Sheriff's Department to bring back additional information at a later date.

- (15) Ordinance – Introduction and First Reading of Ordinance No. 212, An Ordinance of the City Council of the City of Canyon Lake, California, Amending Chapter 2.34 of the Canyon Lake Municipal Code to Create a Canyon Lake Fire Department

Presentation by Consultant/Interim Fire Chief Jeff LaTendresse.

There were no public comments.

Motion and second by Mayor Pro Tem Smith/ Councilmember Greene to approve the Introduction and First Reading of Ordinance No. 212 including the amendment to Section 234.060 to include subsection (b).

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (16) Ordinance – Introduction and First Reading of Ordinance No. 213, An Ordinance of the City Council of the City of Canyon Lake, California, Readopting the 2019 California Fire Code amending Chapter 8.12 of the Canyon Lake Municipal Code

Presentation by Consultant/Interim Fire Chief Jeff LaTendresse.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to approve the Introduction and First Reading of Ordinance No. 213.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (17) Ordinance – Introduction and First Reading of Ordinance No. 214, An Ordinance of the City Council of the City of Canyon Lake, Amending Chapter 11.03 of the Canyon Lake Municipal Code Prohibiting Personal Fireworks

Presentation by Consultant/Interim Fire Chief Jeff LaTendresse.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to approve the Introduction and First Reading of Ordinance No. 214.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

- (18) Resolution – Adoption of Resolution No. 2021-45, Authorizing the City Manager to Enter into a Professional Services Agreement with Zeke Foster, M. D., to Serve as Medical Director for the City's Fire Department

Presentation by Consultant/Interim Fire Chief Jeff LaTendresse.

There were no public comments.

Motion and second by Councilmember Greene/Mayor Pro Tem Smith to adopt Resolution No. 2021-45.

Motion carried 5-0, with Councilmember Dain, Councilmember Greene, Mayor Pro Tem Smith, Councilmember Welty, and Mayor Castillo voting aye.

(19) Fire Department Startup Update –

Presentation by Fire Consultant/Interim Fire Chief LaTendresse.

There were no public comments.

CITY MANAGER COMMENTS

City Manager Mann announced that a Special City Council meeting was scheduled for Monday, September 13, 2021, at 5:00 p.m. to discuss cannabis.

COMMITTEE AND COUNCIL REPORTS/COMMENTS

- **COUNCILMEMBER DAIN**

Councilmember Dain discussed the events she attended.

- **COUNCILMEMBER GREENE**

Councilmember Greene stated that his committees were dark for the month of August. He announced the next meeting for the RCA would take place on September 13, 2021.

- **MAYOR PRO TEM SMITH**

Mayor Pro Tem Smith stated that his committees were dark for the month of August, but he gave a real estate update from Adam, Government Affairs Director for Southwest Riverside County.

- **COUNCILMEMBER WELTY**

Councilmember Welty thanked staff and expressed his appreciation.

- **MAYOR CASTILLO**

Mayor Castillo wished Councilmember Dain a happy birthday. She announced the first meeting of the Veterans Day Committee would take place on September 20, 2021.

ANNOUNCEMENTS

Mayor Castillo announced that the next City Council meeting would take place on Monday, September 13th at 5:00 p.m. for open session.

ADJOURNMENT

The Mayor adjourned the meeting in remembrance and thanks to the fallen military in Afghanistan at 9:44 p.m.

Respectfully submitted,

Ana V. Sauseda, CMC
City Clerk

ORDINANCE NO. 210

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 6.02 OF THE CANYON LAKE MUNICIPAL CODE REGARDING ORGANIC WASTE DISPOSAL REDUCTION

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

SECTION 1. MUNICIPAL CODE AMENDMENT.

Chapter 6.02 of the Canyon Lake Municipal Code is hereby added to read as follows:

“CHAPTER 6.02 - MANDATORY ORGANIC WASTE DISPOSAL REDUCTION”

SECTION 1. PURPOSE AND FINDINGS

The City Council finds and declares:

(a) State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) Solid Waste generated in their Jurisdictions to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment.

(b) State recycling law, Assembly Bill 341 of 2011 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires Jurisdictions to implement a Mandatory Commercial Recycling program.

(c) State organics recycling law, Assembly Bill 1826 of 2014 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires Jurisdictions to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires Jurisdictions to to implement a Mandatory Commercial Organics Recycling program.

(d) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The regulations place requirements on multiple entities including Jurisdictions, residential

households, Commercial Businesses and business owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets.

(e) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires Jurisdictions to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of SB 1383 Regulations. This ordinance will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.

SECTION 2. TITLE OF ORDINANCE

This chapter shall be entitled “Mandatory Organic Waste Disposal Reduction Ordinance”.

SECTION 3. DEFINITIONS

(a) “Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.

(b) “CalRecycle” means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on Jurisdictions (and others).

(c) “California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

(d) “Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling, or as otherwise defined in 14 CCR Section 18982(a)(6). A Multi-Family Residential Dwelling that consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this ordinance.

(e) “Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in Sections 3(rrr) and 3(sss) of this ordinance or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

(f) “Compliance Review” means a review of records by a Jurisdiction to determine compliance with this ordinance.

(g) “Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).

(h) “Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the effective date of this ordinance, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.

(i) “Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

(j) “Container Contamination” or “Contaminated Container” means a container, regardless of color, that contains Prohibited Container Contaminants, or as otherwise defined in 14 CCR Section 18982(a)(55).

(k) “C&D” means construction and demolition debris.

(l) “Designated Source Separated Organic Waste Facility”, as defined in 14 CCR Section 18982(14.5), means a Solid Waste facility that accepts a Source Separated Organic Waste collection stream as defined in 14 CCR Section 17402(a)(26.6) and complies with one of the following:

(1) The facility is a “transfer/processor,” as defined in 14 CCR Section 18815.2(a)(62), that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d), and meets or exceeds an annual average Source Separated organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024 and 75 percent on and after January 1, 2025 as calculated pursuant to 14 CCR Section 18815.5(f) for Organic Waste received from the Source Separated Organic Waste collection stream.

(A) If a transfer/processor has an annual average Source Separated organic content Recovery rate lower than the rate required in Paragraph 1 of this definition for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility”.

(2) The facility is a “composting operation” or “composting facility” as defined in 14 CCR Section 18815.2(a)(13), that pursuant to the reports submitted under 14 CCR Section 18815.7 demonstrates that the percent of the material removed for landfill disposal that is Organic Waste is less than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), whichever is applicable, and, if applicable, complies with the digestate handling requirements specified in 14 CCR Section 17896.5.

(A) If the percent of the material removed for landfill disposal that is Organic Waste is more than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility.” For the purposes of this ordinance, the reporting periods shall be consistent with those defined in 14 CCR Section 18815.2(a)(49).

(m) “Designee” means an entity that a Jurisdiction contracts with or otherwise arranges to carry out any of the Jurisdiction’s responsibilities of this ordinance as authorized in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities.

(n) “Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

(o) “Enforcement Action” means an action of the Jurisdiction to address non-compliance with this ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

(p) “Excluded Waste” means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the Jurisdiction and its generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in Jurisdictions, or its Designee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Jurisdiction, or its Designee, to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

(q) “Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).

(r) “Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.

(s) “Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

(t) “Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

(1) A food bank as defined in Section 113783 of the Health and Safety Code;

(2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

(3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this ordinance.

(u) “Food Recovery Service” means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

(v) “Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

(w) “Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).

(x) “Food-Soiled Paper” is compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

(y) “Food Waste” means Food Scraps, Food-Soiled Paper, and Compostable Plastics.

(z) “Gray Container” has the same meaning as in 14 CCR Section 18982.2(a)(28) and shall be used for the purpose of storage and collection of Gray Container Waste.

(aa) “Gray Container Waste” means Solid Waste that is collected in a Gray Container that is part of a three-container Organic Waste collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section 17402(a)(6.5).

(bb) “Green Container” has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste.

(cc) “Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).

(dd) “Hauler Route” means the designated itinerary or sequence of stops for each segment of the Jurisdiction’s collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

(ee) “High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed waste organic collection stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).

(ff) “Inspection” means a site visit where a Jurisdiction reviews records, containers, and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).

(gg) “Jurisdiction” means the City of Canyon Lake.

(hh) “Jurisdiction Enforcement Official” means the City Manager or their designee.

(ii) “Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this ordinance.

(jj) “Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control

that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this ordinance.

(kk) “Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).

(ll) “Mixed Waste Organic Collection Stream” or “Mixed Waste” means Organic Waste collected in a container that is required by 14 CCR Sections 18984.1, 18984.2 or 18984.3 to be taken to a High Diversion Organic Waste Processing Facility or as otherwise defined in 14 CCR Section 17402(a)(11.5).

(mm) “Multi-Family Residential Dwelling” or “Multi-Family” means of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

(nn) “MWELO” refers to the Model Water Efficient Landscape Ordinance (MWELO), 23 CCR, Division 2, Chapter 2.7.

(oo) “Non-Compostable Paper” includes but is not limited to paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

(pp) “Non-Local Entity” means entities that are not subject to the Jurisdiction’s enforcement authority, or as otherwise defined in 14 CCR Section 18982(a)(42).

(qq) “Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including but not limited to bottles, cans, metals, plastics and glass, or as otherwise defined in 14 CCR Section 18982(a)(43).

(rr) “Notice of Violation (NOV)” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

(ss) “Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).

(tt) “Organic Waste Generator” means a person or entity that is responsible for the initial creation of Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(48).

(uu) “Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling, or as otherwise defined in 14 CCR Section 18982(a)(51).

(vv) “Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications, or as otherwise defined in 14 CCR Section 18982(a)(54).

(ww) “Prohibited Container Contaminants” means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Jurisdiction’s Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Jurisdiction’s Green Container; (iii) discarded materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes to be placed in Jurisdiction’s Green Container and/or Blue Container; and, (iv) Excluded Waste placed in any container.

(xx) “Recovered Organic Waste Products” means products made from California, landfill-diverted recovered Organic Waste processed in a permitted or otherwise authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).

(yy) “Recovery” means any activity or process described in 14 CCR Section 18983.1(b), or as otherwise defined in 14 CCR Section 18982(a)(49).

(zz) “Recycled-Content Paper” means Paper Products and Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber, or as otherwise defined in 14 CCR Section 18982(a)(61).

(aaa) “Regional Agency” means regional agency as defined in Public Resources Code Section 40181.

(bbb) “Regional or County Agency Enforcement Official” means a regional or county agency enforcement official, designated by the Jurisdiction with responsibility for enforcing the ordinance in conjunction or consultation with Jurisdiction Enforcement Official.

(ccc) “Remote Monitoring” means the use of the internet of things (IoT) and/or wireless electronic devices to visualize the contents of Blue Containers, Green Containers, and Gray Containers for purposes of identifying the quantity of materials in containers (level of fill) and/or presence of Prohibited Container Contaminants.

(ddd) “Renewable Gas” means gas derived from Organic Waste that has been diverted from a California landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recycle Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

(eee) “Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).

(fff) “Route Review” means a visual Inspection of containers along a Hauler Route for the purpose of determining Container Contamination, and may include mechanical Inspection methods such as the use of cameras, or as otherwise defined in 14 CCR Section 18982(a)(65).

(ggg) “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

(hhh) “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.

(iii) “Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or recyclable material he or she has generated to another person. Self-hauler also includes a person who back-hauls waste, or as otherwise defined in 14 CCR Section 18982(a)(66). Back-haul means generating and transporting Organic Waste to a destination owned and operated by the generator using the generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

(jjj) “Single-Family” means of, from, or pertaining to any residential premises with fewer than five (5) units.

(kkk) “Solid Waste” has the same meaning as defined in State Public Resources Code Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- (1) Hazardous waste, as defined in the State Public Resources Code Section 40141.
- (2) Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code).
- (3) Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to

be Solid Waste shall be regulated pursuant to Division 30 of the State Public Resources Code.

(lll) “Source Separated” means materials, including commingled recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the ordinance, Source Separated shall include separation of materials by the generator, property owner, property owner’s employee, property manager, or property manager’s employee into different containers for the purpose of collection such that Source Separated materials are separated from Gray Container Waste/Mixed Waste or other Solid Waste for the purposes of collection and processing.

(mmm) “Source Separated Blue Container Organic Waste” means Source Separated Organic Wastes that can be placed in a Blue Container that is limited to the collection of those Organic Wastes and Non-Organic Recyclables as defined in Section 18982(a)(43), or as otherwise defined by Section 17402(a)(18.7).

(nnn) “Source Separated Green Container Organic Waste” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate collection of Organic Waste by the generator, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles. Guidance: This definition should only be included for Jurisdictions using a three-, three-plus, or two-container (green/gray) system. This definition is not included in the SB 1383 Regulations. It is provided as a term for materials collected in a Green Container.

(ooo) “Source Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and Source Separated Blue Container Organic Waste.

(ppp) “State” means the State of California.

(qqq) “Supermarket” means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).

(rrr) “Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- (1) Supermarket.
- (2) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- (3) Food Service Provider.
- (4) Food Distributor.

- (5) Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this ordinance.

(sss) “Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- (1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- (2) Hotel with an on-site Food Facility and 200 or more rooms.
- (3) Health facility with an on-site Food Facility and 100 or more beds.
- (4) Large Venue.
- (5) Large Event.
- (6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- (7) A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this ordinance.

(ttt) “Uncontainerized Green Waste and Yard Waste Collection Service” or “Uncontainerized Service” means a collection service that collects green waste and yard waste that is placed in a pile or bagged for collection on the street in front of a generator’s house or place of business for collection and transport to a facility that recovers Source Separated Organic Waste, or as otherwise defined in 14 CCR Section 189852(a)(75).

(uuu) “Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

SECTION 4. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS (STANDARD COMPLIANCE APPROACH)

Single-Family Organic Waste Generators shall subscribe to Jurisdiction’s Organic Waste collection services for all Organic Waste generated as described in this Section. Jurisdiction shall have the right to review the number and size of a generator’s containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and

containment of materials; and, Single-Family generators shall adjust its service level for its collection services as requested by the Jurisdiction. Generators may additionally manage their Organic Waste by preventing or reducing their Organic Waste, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

Single-Family Organic Waste Generators shall participate in the Jurisdiction's Organic Waste collection service(s) by placing designated materials in designated containers as described below, and shall not place Prohibited Container Contaminants in collection containers. A three- and three-plus-container collection service (Blue Container, Green Container, and Gray Container) Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generators shall not place materials designated for the Gray Container into the Green Container or Blue Container.

SECTION 5. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS (PERFORMANCE-BASED COMPLIANCE APPROACH)

Single-Family Organic Waste Generators:

(a) Shall be automatically enrolled in the Jurisdiction's three-container Organic Waste collection services with a minimum Source Separated Recyclable Materials service, and with a minimum Source Separated Green Container Organic Waste service level as approved by the City Manager. The City Manager shall have the authority to change this minimum required levels of service over time. Jurisdiction shall have the right to review the number, size, and location of a generator's containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, generator shall adjust its service level for its collection services as requested by the Jurisdiction.

(b) Shall participate in the Jurisdiction's three-container system for Source Separated Recyclable Materials, Source Separated Green Container organic materials, and Gray Container Waste collection services. Generator participation in the collection programs requires that generators place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generators shall not place materials designated for the Gray Container into the Green Container or Blue Container.

(c) Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

SECTION 6. REQUIREMENTS FOR COMMERCIAL BUSINESSES (STANDARD-COMPLIANCE APPROACH)

Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall:

(a) Subscribe to Jurisdiction's three-, three-plus, two-, or one-container collection services and comply with requirements of those services as described below in Section

6(b). Jurisdiction shall have the right to review the number and size of a generator's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Commercial Businesses shall adjust their service level for their collection services as requested by the Jurisdiction.

(b) Participate in the Jurisdiction's Organic Waste collection service(s) by placing designated materials in designated containers as described below.

A three- and three-plus-container collection service (Blue Container, Green Container, and Gray Container). Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generator shall not place materials designated for the Gray Container into the Green Container or Blue Container.

(c) Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors (conforming with Sections 6(d)(1) and 6(d)(2) below) for employees, contractors, tenants, and customers, consistent with Jurisdiction's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 12.

(d) Excluding Multi-Family Residential Dwellings, provide containers for the collection of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:

(1) A body or lid that conforms with the container colors provided through the collection service provided by Jurisdiction, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. A Commercial Business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

(2) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.

(e) Multi-Family Residential Dwellings are not required to comply with container placement requirements or labeling requirement in Section 6(d) pursuant to 14 CCR Section 18984.9(b).

(f) To the extent practical through education, training, Inspection, and/or other measures, excluding Multi-Family Residential Dwellings, prohibit employees from placing materials in a container not designated for those materials per the Jurisdiction's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 12.

(g) Excluding Multi-Family Residential Dwellings, periodically inspect Blue Containers, Green Containers, and Gray Containers for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).

(h) Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials.

(i) Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep Source Separated Green Container Organic Waste and Source Separated Recyclable Materials separate from Gray Container Waste (when applicable) and the location of containers and the rules governing their use at each property.

(j) Provide or arrange access for Jurisdiction or its agent to their properties during all Inspections conducted in accordance with Section 16 of this ordinance to confirm compliance with the requirements of this ordinance.

(k) Accommodate and cooperate with Jurisdiction's Remote Monitoring program for Inspection of the contents of containers for Prohibited Container Contaminants, which may be implemented at a later date, to evaluate generator's compliance with Section 6(b). The Remote Monitoring program shall involve installation of Remote Monitoring equipment on or in the Blue Containers, Green Containers, and Gray Containers.

(l) At Commercial Business's option and subject to any approval required from the Jurisdiction, implement a Remote Monitoring program for Inspection of the contents of its Blue Containers, Green Containers, and Gray Containers for the purpose of monitoring the contents of containers to determine appropriate levels of service and to identify Prohibited Container Contaminants. Generators may install Remote Monitoring devices on or in the Blue Containers, Green Containers, and Gray Containers subject to written notification to or approval by the Jurisdiction or its Designee.

(m) If a Commercial Business wants to self haul, meet the Self-Hauler requirements in Section 12 of this ordinance.

(n) Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

(o) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to Section 9.

SECTION 7. REQUIREMENTS FOR COMMERCIAL BUSINESSES (PERFORMANCE-BASED COMPLIANCE APPROACH)

Commercial Businesses, which includes Multi-Family Residential Dwellings, shall:

(a) Except Commercial Businesses that meet the Self-Hauler requirements in Section 12 of this ordinance, be automatically enrolled in the Jurisdiction's three-container Organic Waste collection services with a Source Separated Recyclable Materials, and with a Source Separated Green Container Organic Waste, approved by the City Manager. Jurisdiction shall have the authority to change the minimum required service levels over time. The Commercial Business' Source Separated Recyclable Materials service level and Source Separated Green Container Organic Waste service level must be sufficient for the amount of Source Separated Recyclable Materials and Source Separated Green Container Organic Waste generated by the Commercial Business. Jurisdiction shall have the right to review the number, size, and location of a generator's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Commercial Business shall adjust its service level for its collection services as requested by the Jurisdiction.

(b) Participate in and comply with the Jurisdiction's three-container (Blue Container, Green Container, and Gray Container) collection service by placing designated materials in designated containers as described below. Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generators shall not place materials designated for the Gray Container into the Green Container or Blue Container.

(c) Supply and allow access to adequate number, size, and location of collection containers with sufficient labels or colors (conforming with Section 7(d)(1) and 7(d)(2) below), for employees, contractors, tenants and customers, consistent with Jurisdiction's Blue Container, Green Container, and Gray Container collection service.

(d) Excluding Multi-Family Residential Dwellings, provide containers for the collection of Source Separated Green Container Organic Waste, and Source Separated Recyclable Materials in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:

(1) A body or lid that conforms with the container colors provided through the collection service provided by Jurisdiction, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. A Commercial Business is not required to replace functional containers, including

containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

(2) Container labels that include language or graphic images or both indicating the primary material accepted and the primary materials prohibited in that container or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labels are required on new containers commencing January 1, 2022.

(e) Excluding Multi-Family Residential Dwellings, prohibit employees from placing materials in a container not designated for those materials per the Jurisdiction's Organic Waste, Non-Organic Recyclables, and non-Organic Waste collection service to the extent practical through education, training, Inspection, and/or other measures.

(f) Excluding Multi-Family Residential Dwellings, periodically inspect Blue Container, Green Container, and Gray Containers for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).

(g) Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials.

(h) Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep Source Separated Green Container Organic Waste and Source Separated Recyclable Materials separate from Gray Container Waste (when applicable) and the location of containers and the rules governing their use at each property.

(i) Provide or arrange access for Jurisdiction or its agent to their properties during all Inspections conducted in accordance with Section 16 of this ordinance to confirm compliance with the requirements of this Ordinance.

(j) Accommodate and cooperate with Jurisdiction's Remote Monitoring program for Inspection of the contents of containers for Prohibited Container Contaminants, which may be implemented at a later date, to evaluate generator's compliance with Section 6(b). The Remote Monitoring program shall involve installation of Remote Monitoring equipment on or in the Blue Containers, Green Containers, and Gray Containers.

(k) At Commercial Business' option and subject to any approval required from the Jurisdiction, implement a Remote Monitoring program for Inspection of the contents of its Blue Containers, Green Containers, and Gray Containers for the purpose of monitoring the contents of containers to determine appropriate levels of service and to identify Prohibited Container Contaminants. Generators may install Remote Monitoring devices on or in the Blue Containers, Green Containers, and Gray Containers subject to written notification to or approval by the Jurisdiction or its Designee.

(l) If a Commercial Business wants to self haul, meet the Self-Hauler requirements in Section 12 of this ordinance.

(m) Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

(n) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to Section 9.

SECTION 8. WAIVERS FOR GENERATORS

(a) De Minimis Waivers. A Jurisdiction may waive a Commercial Business' obligation (including Multi-Family Residential Dwellings) to comply with some or all of the Organic Waste requirements of this ordinance if the Commercial Business provides documentation that the business generates below a certain amount of Organic Waste material as described in Section 8(a)(2) below. Commercial Businesses requesting a de minimis waiver shall:

(1) Submit an application specifying the services that they are requesting a waiver from and provide documentation as noted in Section 8(a)(2) below.

(2) Provide documentation that either:

(A) The Commercial Business' total Solid Waste collection service is two cubic yards or more per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 20 gallons per week per applicable container of the business' total waste; or,

(B) The Commercial Business' total Solid Waste collection service is less than two cubic yards per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 10 gallons per week per applicable container of the business' total waste.

(3) Notify Jurisdiction if circumstances change such that Commercial Business's Organic Waste exceeds threshold required for waiver, in which case waiver will be rescinded.

(4) Provide written verification of eligibility for de minimis waiver every 5 years, if Jurisdiction has approved de minimis waiver.

(b) Physical Space Waivers. Jurisdiction may waive a Commercial Business' or property owner's obligations (including Multi-Family Residential Dwellings) to comply with some or all of the recyclable materials and/or Organic Waste collection service requirements if the Jurisdiction has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the Organic Waste collection requirements of Section 6 or 7.

A Commercial Business or property owner may request a physical space waiver through the following process:

(1) Submit an application form specifying the type(s) of collection services for which they are requesting a compliance waiver.

(2) Provide documentation that the premises lacks adequate space for Blue Containers and/or Green Containers including documentation from its hauler, licensed architect, or licensed engineer.

(3) Provide written verification to Jurisdiction that it is still eligible for physical space waiver every five years, if Jurisdiction has approved application for a physical space waiver.

(c) Collection Frequency Waiver. Jurisdiction, at its discretion and in accordance with 14 CCR Section 18984.11(a)(3), may allow the owner or tenant of any residence, premises, business establishment or industry that subscribes to the Jurisdiction's three-, three-plus, or two-container Organic Waste collection service to arrange for the collection of their Blue Container, Gray Container, or both once every fourteen days, rather than once per week.

SECTION 9. REQUIREMENTS FOR COMMERCIAL EDIBLE FOOD GENERATORS

(a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section 9 commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.

(b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024.

(c) Commercial Edible Food Generators shall comply with the following requirements:

(1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.

(2) Contract with, or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.

(3) Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.

(4) Allow Jurisdiction's designated enforcement entity or designated third party enforcement entity to access the premises and review records pursuant to 14 CCR Section 18991.4.

(5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:

(A) A list of each Food Recovery Service or organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).

(B) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).

(C) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:

(i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.

(ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.

(iii) The established frequency that food will be collected or self-hauled.

(iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.

(d) Nothing in this ordinance shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

SECTION 10. REQUIREMENTS FOR FOOD RECOVERY ORGANIZATIONS AND SERVICES, JURISDICTIONS, AND REGIONAL AGENCIES

(a) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

(1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.

(2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.

(3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.

(4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.

(b) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):

(1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.

(2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.

(3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.

(c) Reserved.

(d) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the Jurisdiction and contract with or have written agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall report to the Jurisdiction it is located in the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than December 31, 2022.

(e) Food Recovery Capacity Planning

(1) Food Recovery Services and Food Recovery Organizations. In order to support Edible Food Recovery capacity planning assessments or other studies conducted by the County, City, special district that provides solid waste collection services, or its designated entity, Food Recovery Services and Food Recovery Organizations operating in the Jurisdiction shall provide information and consultation to the Jurisdiction, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the Jurisdiction and its Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the Jurisdiction shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the Jurisdiction.

SECTION 11. REQUIREMENTS FOR HAULERS AND FACILITY OPERATORS

(a) Requirements for Haulers (Standard Compliance Approach; Optional for Performance-Based Compliance Approach)

(1) Any franchise hauler providing residential, Commercial, or industrial Organic Waste collection services to generators within the Jurisdiction’s boundaries shall meet the following requirements and standards as a condition of approval of a contract, agreement, or other authorization with the Jurisdiction to collect Organic Waste:

(A) Through written notice to the Jurisdiction annually on or before December 31, 2022, identify the facilities to which they will transport Organic Waste including facilities for Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, and Mixed Waste.

(B) Transport Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, and Mixed Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

(C) Obtain approval from the Jurisdiction to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1, Section 13 of this ordinance, and Jurisdiction’s C&D ordinance.

(2) Any franchise hauler authorized to collect Organic Waste shall comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements contained within its franchise agreement, permit, license, or other agreement entered into with Jurisdiction.

(b) Requirements for Facility Operators and Community Composting Operations

(1) Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon Jurisdiction request, provide information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the Jurisdiction shall respond within 60 days.

(2) Community Composting operators, upon Jurisdiction request, shall provide information to the Jurisdiction to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the Jurisdiction shall respond within 60 days.

SECTION 12. SELF-HAULER REQUIREMENTS

(a) Self-Haulers shall source separate all recyclable materials and Organic Waste (materials that Jurisdiction otherwise requires generators to separate for collection in the Jurisdiction’s organics and recycling collection program) generated on-site from Solid Waste in a manner consistent with 14 CCR Sections 18984.1 and 18984.2, or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.

(b) Self-Haulers shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; and haul their Source Separated Green Container Organic Waste to a Solid Waste facility, operation, activity, or property that processes or recovers Source Separated Organic Waste. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility.

(c) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of the amount of Organic Waste delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste; this record shall be subject to Inspection by the Jurisdiction. The records shall include the following information:

(1) Delivery receipts and weight tickets from the entity accepting the waste.

(2) The amount of material in cubic yards or tons transported by the generator to each entity.

(3) If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.

(d) Reserved.

(e) A residential Organic Waste Generator that self hauls Organic Waste is not required to record or report information in Section 12(c).

SECTION 13. COMPLIANCE WITH CALGREEN RECYCLING REQUIREMENTS

(a) Persons applying for a permit from the Jurisdiction for new construction and building additions and alternations shall comply with the requirements of this Section and all required components of the California Green Building Standards Code, 24 CCR, Part 11, known as CALGreen, as amended, if its project is covered by the scope of CALGreen or more stringent requirements of the Jurisdiction. If the requirements of CALGreen are more stringent then the requirements of this Section, the CALGreen requirements shall apply.

Project applicants shall refer to Jurisdiction's building and/or planning code for complete CALGreen requirements.

(b) For projects covered by CALGreen or more stringent requirements of the Jurisdiction, the applicants must, as a condition of the Jurisdiction's permit approval, comply with the following:

(1) Where five (5) or more Multi-Family dwelling units are constructed on a building site, provide readily accessible areas that serve occupants of all buildings on the site and are identified for the storage and collection of Blue Container and Green Container materials, consistent with the three-, three-plus, or two-container collection program offered by the Jurisdiction, or comply with provision of adequate space for recycling for Multi-Family and

Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended provided amended requirements are more stringent than the CALGreen requirements for adequate recycling space effective January 1, 2020.

(2) New Commercial construction or additions resulting in more than 30% of the floor area shall provide readily accessible areas identified for the storage and collection of Blue Container and Green Container materials, consistent with the three-, three-plus, or two-container collection program offered by the Jurisdiction, or shall comply with provision of adequate space for recycling for Multi-Family and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended provided amended requirements are more stringent than the CALGreen requirements for adequate recycling space effective January 1, 2020.

(3) Comply with CALGreen requirements and applicable law related to management of C&D, including diversion of Organic Waste in C&D from disposal. Comply with Jurisdiction's C&D ordinance, Section ___ of Jurisdiction's municipal code, and all written and published Jurisdiction policies and/or administrative guidelines regarding the collection, recycling, diversion, tracking, and/or reporting of C&D.

SECTION 14. MODEL WATER EFFICIENT LANDSCAPING ORDINANCE REQUIREMENTS

(a) Property owners or their building or landscape designers, including anyone requiring a building or planning permit, plan check, or landscape design review from the Jurisdiction, who are constructing a new (Single-Family, Multi-Family, public, institutional, or Commercial) project with a landscape area greater than 500 square feet, or rehabilitating an existing landscape with a total landscape area greater than 2,500 square feet, shall comply with Sections 492.6(a)(3)(B) (C), (D), and (G) of the MWELO, including sections related to use of Compost and mulch as delineated in this Section 14.

(b) The following Compost and mulch use requirements that are part of the MWELO are now also included as requirements of this ordinance. Other requirements of the MWELO are in effect and can be found in 23 CCR, Division 2, Chapter 2.7.

(c) Property owners or their building or landscape designers that meet the threshold for MWELO compliance outlined in Section 14(a) above shall:

(1) Comply with Sections 492.6 (a)(3)(B)(C),(D) and (G) of the MWELO, which requires the submittal of a landscape design plan with a soil preparation, mulch, and amendments section to include the following:

(A) For landscape installations, Compost at a rate of a minimum of four cubic yards per 1,000 square feet of permeable area shall be incorporated to a depth of six (6) inches into the soil. Soils with greater than six percent (6%) organic matter in the top six (6) inches of soil are exempt from adding Compost and tilling.

(B) For landscape installations, a minimum three- (3-) inch layer of mulch shall be applied on all exposed soil surfaces of planting areas except in turf areas, creeping or rooting groundcovers, or direct seeding applications where mulch is contraindicated. To provide habitat for beneficial insects and other wildlife up to five percent (5%) of the landscape area may be left without mulch. Designated insect habitat must be included in the landscape design plan as such.

(C) Organic mulch materials made from recycled or post-consumer materials shall take precedence over inorganic materials or virgin forest products unless the recycled post-consumer organic products are not locally available. Organic mulches are not required where prohibited by local fuel modification plan guidelines or other applicable local ordinances.

(2) The MWELo compliance items listed in this Section are not an inclusive list of MWELo requirements; therefore, property owners or their building or landscape designers that meet the threshold for MWELo compliance outlined in Section 14(a) shall consult the full MWELo for all requirements.

(d) If, after the adoption of this ordinance, the California Department of Water Resources, or its successor agency, amends 23 CCR, Division 2, Chapter 2.7, Sections 492.6(a)(3)(B) (C), (D), and (G) of the MWELo September 15, 2015 requirements in a manner that requires Jurisdictions to incorporate the requirements of an updated MWELo in a local ordinance, and the amended requirements include provisions more stringent than those required in this Section, the revised requirements of 23 CCR, Division 2, Chapter 2.7 shall be enforced.

SECTION 15. PROCUREMENT REQUIREMENTS FOR JURISDICTION DEPARTMENTS, DIRECT SERVICE PROVIDERS, AND VENDORS

(a) Jurisdiction departments, and direct service providers to the Jurisdiction, as applicable, must comply with the Jurisdiction's Recovered Organic Waste Product procurement policy and Recycled-Content Paper procurement policy

(b) All vendors providing Paper Products and Printing and Writing Paper shall:

(1) If fitness and quality are equal, provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber instead of non-recycled products whenever recycled Paper Products and Printing and Writing Paper are available at the same or lesser total cost than non-recycled items or at a total cost of no more than ___% of the total cost for non-recycled items.

(2) Provide Paper Products and Printing and Writing Paper that meet Federal Trade Commission recyclability standard as defined in 16 Code of Federal Regulations (CFR) Section 260.12.

(3) Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the Jurisdiction. This certification requirement may be waived if the percentage of postconsumer

material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

(4) Certify in writing, on invoices or receipts provided, that the Paper Products and Printing and Writing Paper offered or sold to the Jurisdiction is eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations (CFR) Section 260.12 (2013).

(5) Provide records to the Jurisdiction's Recovered Organic Waste Product procurement recordkeeping Designee, in accordance with the Jurisdiction's Recycled-Content Paper procurement policy(ies) of all Paper Products and Printing and Writing Paper purchases within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by any division or department or employee of the Jurisdiction. Records shall include a copy (electronic or paper) of the invoice or other documentation of purchase, written certifications as required in Sections 15(b)(3) and 15(b)(4) of this ordinance for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-recycled content Paper Products or Printing and Writing Papers are provided, include a description of why Recycled-Content Paper Products or Printing and Writing Papers were not provided.

SECTION 16. INSPECTIONS AND INVESTIGATIONS BY JURISDICTION

(a) Jurisdiction representatives and/or its designated entity, including Designees are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from generators, or Source Separated materials to confirm compliance with this ordinance by Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow Jurisdiction to enter the interior of a private residential property for Inspection.

(b) Regulated entity shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the Jurisdiction's employee or its designated entity/Designee during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, Edible Food Recovery activities, records, or any other requirement of this ordinance described herein. Failure to provide or arrange for access to records for any Inspection or investigation is a violation of this ordinance and may result in penalties described.

(c) Any records obtained by a Jurisdiction during its Inspections and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.

(d) Jurisdiction representatives, its designated entity, and/or Designee are authorized to conduct any Inspections or other investigations as reasonably necessary to further the goals of this ordinance, subject to applicable laws.

(e) Jurisdiction shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints.

SECTION 17. ENFORCEMENT

(a) Violation of any provision of this ordinance shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by a Jurisdiction Enforcement Official or representative. Enforcement Actions under this ordinance are issuance of an administrative citation and assessment of a fine. The Jurisdiction's procedures on imposition of administrative fines are hereby incorporated in their entirety, as modified from time to time, and shall govern the imposition, enforcement, collection, and review of administrative citations issued to enforce this ordinance and any rule or regulation adopted pursuant to this ordinance, except as otherwise indicated in this ordinance.

(b) Other remedies allowed by law may be used, including civil action or prosecution as misdemeanor or infraction. Jurisdiction may pursue civil actions in the California courts to seek recovery of unpaid administrative citations. Jurisdiction may choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations exist such that court action is a reasonable use of Jurisdiction staff and resources.

(c) Responsible Entity for Enforcement

(1) Enforcement pursuant to this ordinance may be undertaken by the Jurisdiction Enforcement Official, which may be the city manager or their designated entity, legal counsel, or combination thereof.

(2) Enforcement may also be undertaken by a Regional or County Agency Enforcement Official, designated by the Jurisdiction, in consultation with Jurisdiction Enforcement Official.

(A) Jurisdiction Enforcement Official(s) (and Regional or County Agency Enforcement Official, if using) will interpret ordinance; determine the applicability of waivers, if violation(s) have occurred; implement Enforcement Actions; and, determine if compliance standards are met.

(B) Jurisdiction Enforcement Official(s) (and Regional or County Agency Enforcement Official, if using) may issue Notices of Violation(s).

(d) Process for Enforcement

(1) Jurisdiction Enforcement Officials or Regional or County Enforcement Officials and/or their Designee will monitor compliance with the ordinance randomly and through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program (that may include Remote Monitoring). Section 16 establishes Jurisdiction's right to conduct Inspections and investigations.

(2) Jurisdiction may issue an official notification to notify regulated entities of its obligations under the ordinance.

(3) For Jurisdictions assessing contamination processing fees/penalties. For incidences of Prohibited Container Contaminants found in containers, Jurisdiction will issue a Notice of Violation to any generator found to have Prohibited Container Contaminants in a container. Such notice will be provided via a cart tag or other communication immediately upon identification of the Prohibited Container Contaminants or within ___ days after determining that a violation has occurred. If the Jurisdiction observes Prohibited Container Contaminants in a generator's containers on more than three (3) consecutive occasion(s), the Jurisdiction may assess contamination processing fees or contamination penalties on the generator.

(4) With the exception of violations of generator contamination of container contents addressed under Section 17(d)(3), Jurisdiction shall issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.

(5) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, Jurisdiction shall commence an action to impose penalties, via an administrative citation and fine, pursuant to the general provisions of the Canyon Lake Municipal Code.

Notices shall be sent to "owner" at the official address of the owner maintained by the tax collector for the Jurisdiction or if no such address is available, to the owner at the address of the dwelling or Commercial property or to the party responsible for paying for the collection services, depending upon available information

(e) Penalty Amounts for Types of Violations

The penalty levels are as follows:

(1) For a first violation, the amount of the base penalty shall be \$50 to \$100 per violation.

(2) For a second violation, the amount of the base penalty shall be \$100 to \$200 per violation.

(3) For a third or subsequent violation, the amount of the base penalty shall be \$250 to \$500 per violation.

(f) Factors Considered in Determining Penalty Amount

The following factors shall be used to determine the amount of the penalty for each violation within the appropriate penalty amount range:

(1) The nature, circumstances, and severity of the violation(s).

(2) The violator's ability to pay.

- (3) The willfulness of the violator's misconduct.
- (4) Whether the violator took measures to avoid or mitigate violations of this chapter.
- (5) Evidence of any economic benefit resulting from the violation(s).
- (6) The deterrent effect of the penalty on the violator.
- (7) Whether the violation(s) were due to conditions outside the control of the violator.

(g) Compliance Deadline Extension Considerations

The Jurisdiction may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with Section 17 if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

- (1) Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
- (2) Delays in obtaining discretionary permits or other government agency approvals; or,
- (3) Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the Jurisdiction is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

(h) Appeals Process. Persons receiving an administrative citation containing a penalty for an uncorrected violation may request a hearing to appeal the citation. A hearing will be held only if it is requested within the time prescribed and consistent with Jurisdiction's procedures in the Jurisdiction's codes for appeals of administrative citations. Evidence may be presented at the hearing. The Jurisdiction will appoint a hearing officer who shall conduct the hearing and issue a final written order.

(i) Education Period for Non-Compliance. Beginning January 1, 2022 and through December 31, 2023, Jurisdiction will conduct Inspections, Remote Monitoring, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if Jurisdiction determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2024. Guidance: Jurisdictions may initiate the education period prior to January 1, 2022, but no later than that date pursuant to SB 1383 Regulations (14 CCR Section 18995.1(a)(4)).

(j) Civil Penalties for Non-Compliance. Beginning January 1, 2024, if the Jurisdiction determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier

Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this ordinance, it shall document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to Section 17, as needed.

(k) Reserved.

SECTION 2. 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 3. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 4. 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.

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

ORDINANCE NO. 211

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 14.40 RELATED TO OBSTRUCTION OF RIGHT-OF-WAY AND 14.50 RELATED TO SOLICITATION

WHEREAS, it is the obligation of the City to keep its public rights of way clean and available for public use, and to protect the public health, safety, and access by City constituents.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 14.40 of the Canyon Lake Municipal Code shall be added to read as follows:

“CHAPTER 14.40 OBSTRUCTING THE RIGHT-OF-WAY

Section 14.40.010 Sitting, Lying, or Sleeping, or Storing, Using, Maintaining, or Placing Personal Property in the Public Right-of-Way

- (a) No person shall obstruct a street, sidewalk, or other public right-of-way:
 - (1) by sitting, lying, or sleeping, or by storing, using, maintaining, or placing personal property, in a manner that impedes passage by reducing the width of a sidewalk to fewer than forty-eight (48) inches, as provided by the Americans with Disabilities Act of 1990, Pub. L, No. 101-336, 104 Stat. 328 (1990), as amended from time to time;
 - (2) by sitting, lying, or sleeping, or by storing, using, maintaining, or placing personal property, within twenty feet of any:
 - (i) operational or utilizable driveway or loading dock;
 - (ii) operational or utilizable building entrance or exit;
 - (iii) any fire hydrant, fire plug, or other fire department connection;
 - (3) by sitting, lying, or sleeping, or by storing, using, maintaining, or placing personal property, within the public right-of-way in a manner that obstructs or unreasonably interferes with the use of the right-of-way for any activity for which the City has issued a permit.
- (b) No person shall obstruct any portion of any street or other public right-of-way open to use by motor vehicles, or any portion of a bike lane, bike path, or other public right-of-way open to use by bicycles, by sitting, lying, or sleeping, or by storing, using, maintaining, or placing personal property, anywhere within the street, bike lane, bike path, or other public right-of-way, as specified.

- (c) Except as limited by Subsection (d), no person shall:
 - (1) sit, lie, sleep, or store, use, maintain, or place personal property, in or upon any street, sidewalk, or other public right-of-way within five hundred (500) feet of a sensitive use. As used in this Chapter, "sensitive use" means a property used as a School, Day Care Center, Public Park, or Public Library, as those terms are defined in Section 105.01 of this Code;
 - (2) sit, lie, sleep, or store, use, maintain, or place personal property, in or upon any street, sidewalk, or other public right-of-way within five hundred (500) feet of a tunnel, bridge, pedestrian bridge, wash, reservoir, or spreading ground;
 - (3) sit, lie, sleep, or store, use, maintain, or place personal property, in or upon any street, sidewalk, or other public right-of-way, within five hundred (500) feet of a facility that provides shelter, safe sleeping, or safe parking to homeless persons, or that serves as a homeless services navigation center;
 - (4) sit, lie, sleep, or store, use, maintain, or place personal property, in or upon any street, sidewalk, or other public right-of-way that has been posted with signage prohibiting sitting, lying, sleeping, or storing, using, maintaining, or placing personal property. In order to designate a section of street, sidewalk, or other public right-of-way as prohibited under this subdivision, the City Manager shall determine, based on specific documentation, that the circumstances of continued sitting, sleeping, lying, storing personal property, or otherwise obstructing the public right-of-way at that location poses a particular and ongoing threat to public health or safety.
 - (5) sit, lie, sleep, or store, use, maintain, or place personal property, in or upon any public parking area that has been posted with signage prohibiting sitting, lying, sleeping, or storing, using, maintaining, or placing personal property and referencing this Chapter.
- (d) No person shall be found to be in violation of any prohibition set forth in Subsection (c), unless and until either: (i) signage is posted at the designated area indicating that sitting, lying, sleeping, or storing, using, maintaining, or placing personal property is prohibited, or (ii) the person has been provided with a warning that sitting, lying, sleeping, or storing, using, maintaining, or placing personal property is prohibited in the designated area.
- (e) Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this Code including, but not limited to, the following:
 - (1) Civil Enforcement
 - (i) Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

- (ii) As a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, and any permit issued pursuant to this Chapter deemed null and void.
 - (iii) Any monies unlawfully obtained as a result of violation of this Chapter shall be disgorged and paid to the City.
- (2) Administrative Citations and Civil Penalties
- (i) Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be subject to administrative citation and to a fine subject to the provisions of Chapter 11.26 of this Code.
 - (ii) The City Attorney may, in his or her sound discretion, utilize all processes or remedies legally available to collect amounts owing hereunder.
- (3) Criminal Enforcement
- (i) Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be guilty of a misdemeanor, and may, in the discretion of the 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 city or county jail for a period of not more than six (6) months, or by both such fine and imprisonment.
 - (ii) The City Attorney, in his or her sound discretion, may prosecute a violation of this Chapter as an infraction, rather than a misdemeanor, or reduce or agree to the reduction of a previously filed misdemeanor to an infraction. Any person convicted of an infraction under this provisions of this Chapter shall be punished by a fine not exceeding one hundred dollars (\$100) for the first violation, a fine not exceeding two hundred dollars (\$200) for a second violation within one year, and a fine not exceeding five hundred dollars (\$500) for a third violation within one year. A fourth violation of this Chapter within one year shall be charged as a misdemeanor and may not be reduced to an infraction.
 - (iii) Each day a violation is committed or permitted to continue shall constitute a separate offense.
- (4) 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. The penalties herein are in addition to any other remedies provided by law and the payment of any penalty herein shall not relieve a person of the obligation to correct the violation.
- (5) The prevailing party in any judicial action, administrative proceeding, or special proceeding to enforce this Chapter may recover its reasonable attorneys' fees, provided that the City elected, at the initiation of such individual action or

proceeding, to recover its own attorneys' fees. In no judicial action or administrative or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding. A "judicial action" includes, but is not limited to, any civil or criminal action, inspection or abatement warrant or appeal. An "administrative proceeding" includes, but is not limited to, any public nuisance hearing, administrative citation or appeal(s) therefrom, revocation of permits by the City, or cost recovery hearing. Any recovery of attorneys' fees for abatement of a nuisance shall be in accordance with this section."

Section 2. Chapter 14.50 of the Canyon Lake Municipal Code shall be added to read as follows:

"CHAPTER 14.50 SOLICITATION

14.50.010 Findings.

The City Council hereby finds, determines and declares that:

- (a) Solicitations made in an aggressive manner are unsafe and disruptive to persons in the City of Canyon Lake and are a threat to public health, safety, and general welfare. Aggressive solicitations typically include approaching or following pedestrians, the use of abusive language, unwanted physical contact, or the intentional blocking of pedestrian and vehicular traffic.
- (b) An increase in aggressive solicitation throughout the city has become extremely disturbing and disruptive to residents and businesses, and has contributed not only to the loss of access to and enjoyment of public places, but also to an enhanced sense of fear, intimidation and disorder.
- (c) Aggressive solicitation from people in places where they are a "captive audience" in which it is impossible or difficult for them to exercise their own right to decline to listen to or to avoid solicitation from others, is problematic, detracts from the rights of persons in the city to quietly enjoy public facilities and presents a risk to the health, safety and welfare of the public.
- (d) The presence of individuals who solicit money from persons at or near banks or automated teller machines is especially threatening and dangerous. Such activity often carries with it an implicit threat to both person and property. Restricting solicitation in such places will provide a balance between the rights of solicitors and the rights of persons who wish to decline or avoid such solicitations, and will help avoid or diminish the threat of violence in such unwarranted and unavoidable confrontations.
- (e) Aggressive solicitation on roadway median strips, at traffic intersections, in public parking lots and in the public roadway and lingering and loitering on a median are unsafe and hazardous for solicitors, drivers, pedestrians, and the general public. Aggressive soliciting on roadway median strips, at traffic intersections, in public parking lots and in the public roadway increases the risk of drivers becoming distracted from their primary

duty to watch traffic, which may result in automobile accidents, congestion and blockage of streets, and delay and obstruction of the free flow of travel, all of which constitute substantial traffic safety problems.

- (f) The council's intent in enacting this chapter is not to interfere with the exercise of First Amendment rights of those engaged in solicitation on roadway median strips, at traffic intersections, in public parking lots and in the public roadway and lingering and loitering on the medians, but only to minimize the safety hazards of those in such areas as well as the drivers and passengers in vehicles near these areas and in a manner to minimize those safety hazards.
- (g) The practice of aggressive solicitation near driveways accessing shopping centers, retail, and business establishments is unsafe and hazardous for solicitors, drivers, pedestrians and the general public. The location of the solicitor near the driveway compromises the solicitor's safety, impedes visibility, and impairs a driver's ability to safely enter and exit. Drivers also become distracted from their duty to watch traffic, which may result in automobile accidents, congestion and blockage of streets, and delay and obstruction of the free flow of travel, all of which constitute substantial traffic safety problems.
- (h) The restrictions of this chapter are content neutral and are narrowly tailored to serve a significant governmental interest, but still provide alternative avenues of communication.
- (i) The reasonable time, place, manner restrictions in this chapter avoid the negative effects of aggressive solicitation and solicitation in unsafe places and will not unreasonably restrict free speech of people engaged in solicitation.

14.50.020 Authority and purpose.

- (a) This chapter is adopted pursuant to the authority granted to the City of Canyon Lake in Article XI, Section 7 of the California Constitution.
- (b) The purpose and intent of this chapter is to protect public health, safety and the general welfare of people in the City of Canyon Lake and improve the quality of life and economic vitality of the City of Canyon Lake by imposing reasonable time, place, manner, restrictions on certain forms of solicitation while respecting the constitutional rights of free speech for all citizens as further described in the findings set forth in Section 14.50.010.

14.50.030 Applicability.

The provisions of this chapter shall apply generally to all property throughout the city wherein any of the conditions specified in this chapter are found to exist; provided, however, that any condition that constitutes a violation of this chapter, but which is permitted or authorized under any local, state or federal law, shall not be deemed to violate this chapter.

14.50.040 Definitions.

As used in this chapter, the following words, terms and phrases shall have the following meanings, unless a different meaning is apparent from the context or is specified elsewhere in this chapter:

“After dark” means any time from one-half hour after sunset to one-half hour before sunrise.

“Aggressive manner” means any of the following:

1. Conduct intended or likely to cause a reasonable person to fear bodily harm to oneself or to another, damage to or loss of property, or otherwise be intimidated into giving money or other thing of value;
2. Intentionally touching or causing physical contact with another person or an occupied vehicle without that person’s consent;
3. Intentionally blocking or interfering with the safe or free passage of a pedestrian or vehicle by any means, including unreasonably causing a pedestrian or vehicle operator to take evasive action to avoid physical contact;
4. Using violent or threatening gestures toward a person; or
5. Persisting in closely following or approaching a person, after the person has informed a solicitor that such person does not want to be solicited or does not want to give money or any other thing of value to the solicitor.

“Automated teller machine” or “ATM” means any electronic information processing device that accepts or dispenses cash in connection with a credit, deposit, or convenience account.

“Automated teller machine facility” means the area comprised of one or more automated teller machines, and any adjacent space that is made available to banking customers after regular banking hours.

“Bank” means any member bank of the Federal Reserve System, and any bank, banking association, trust company, savings bank, or other banking institution organized or operated under the laws of the United States, and any bank the deposits of which are insured by the Federal Deposit Insurance Corporation.

“Check cashing business” means any person duly licensed as a check seller, bill payer, or prorater pursuant to California Financial Code Section 12000 et seq., as may be amended.

“Credit union” means any federal credit union and any state-chartered credit union the accounts of which are insured by the Administrator of the National Credit Union Administration.

“Donation” shall mean a gift of money or other item of value.

“Financial institution” includes a bank, savings and loan association, credit unions and check cashing business.

“Linger on a median” means remaining in a median longer than two traffic signals cycles, except in an emergency or except where the median is specifically designated for pedestrians or equestrians.

“Loiter on a median” means standing or lingering in a median for any purpose other than to safely and lawfully cross the street, except in an emergency or except where the median is specifically designated for pedestrians or equestrians.

“Median” shall mean a paved or planted area of public right-of-way that divides a street or highway according to the direction of travel.

“Motor vehicle” means any propelled vehicle or vehicle drawn by a power other than muscular power, other than a motorized wheelchair.

“Public place” means a place to which the public or a substantial group of persons has access, and includes, without limitation, any street, highway, sidewalk, median, parking lot, plaza, transportation facility, school, place of amusement, park, playground and any doorway, entrance, hallway, lobby and other portion of any business establishment, an apartment house or hotel not constituting a room or apartment designed for actual residence.

“Public transportation vehicle” means any vehicle, including a trailer bus, or train, designed, used or maintained for carrying ten or more persons, including the driver; or a passenger vehicle designed for carrying fewer than ten persons, including the driver, and used to carry passengers for hire.

“Savings and loan association” means any federal savings and loan association and any “insured institution” as defined in Section 401 of the National Housing Act, as amended, and any federal credit union as defined in Section 1752 of the Federal Credit Union Act, as amended.

“Solicit” shall mean to ask, beg, request or panhandle using spoken, written, or printed word, or bodily gestures, signs or other means with the purpose of obtaining an immediate donation of money or other thing of value or soliciting the sale of goods or services.

“Solicitor” means one who solicits as defined in this section.

14.50.050 Aggressive solicitations prohibited.

No person shall solicit in an aggressive manner in any public place.

14.50.060 All solicitations prohibited at specified locations.

- (a) Financial Institutions and Automated Teller Machines (ATMs). No person shall solicit within twenty-five feet of any entrance or exit of any financial institution during its business hours or within twenty-five feet of any automated teller machine during the time it is available for customers’ use. When an automated teller machine is located within an

automated teller machine facility, such distance shall be measured from the entrance or exit of the automated teller machine facility. No person shall solicit within an automated teller machine facility where a reasonable person would or should know that he or she does not have the permission to do so from the owner or other person lawfully in possession of such facility.

- (b) **Parking Lots.** No person shall solicit in any public parking lot or structure any time after dark.
- (c) **Public Transportation Vehicles and Stops.** No person shall solicit in any public transportation vehicle or within fifty feet of any designated or posted public transportation vehicle stop.
- (d) **Gasoline Stations, Fuel Pumps, and Electric Vehicle Charger.** No person shall solicit from an operator or occupant of a motor vehicle while such vehicle is stopped in a gasoline station, at a fuel pump, or at an electric vehicle charger.
- (e) **Driveways Accessing Shopping Center, Retail and Business Establishments.** No person shall solicit from an operator or occupant traveling in a motor vehicle while such vehicle is located within twenty-five feet of a driveway providing vehicular access to a shopping center, retail or business establishment.
- (f) **Medians.**
 - (1) No person shall linger on a median.
 - (2) No person shall loiter on a median.
 - (3) No person shall solicit upon any median.
- (g) **Dining Establishments.** No person shall solicit in any restaurant or other dining establishment serving food for immediate consumption.
- (h) No person shall solicit in any restroom open to the public.

14.50.070 Exemptions.

The provisions of Section 14.50.060 shall not be construed to prohibit:

- (a) The right to exercise protected free speech;
- (b) The lawful vending of goods and services;
- (c) Solicitations related to business authorized by or conducted by the property owner, business owner, or employees thereof on the premises;
- (d) Solicitations related to the lawful towing of a vehicle; or

- (e) Solicitations related to emergency repairs requested by the operator or other occupant of a motor vehicle.

14.50.080 Penalty.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this Code including, but not limited to, the following:

(a) Civil Enforcement

- (1) Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.
- (2) As a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, and any permit issued pursuant to this Chapter deemed null and void.
- (3) Any monies unlawfully obtained as a result of violation of this Chapter shall be disgorged and paid to the City.

(b) Administrative Citations and Civil Penalties

- (1) Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be subject to administrative citation and to a fine subject to the provisions of Chapter 11.26 of this Code.
- (2) The City Attorney may, in his or her sound discretion, utilize all processes or remedies legally available to collect amounts owing hereunder.

(c) Criminal Enforcement

- (1) Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be guilty of a misdemeanor, and may, in the discretion of the 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 city or county jail for a period of not more than six (6) months, or by both such fine and imprisonment.
- (2) The City Attorney, in his or her sound discretion, may prosecute a violation of this Chapter as an infraction, rather than a misdemeanor, or reduce or agree to the reduction of a previously filed misdemeanor to an infraction. Any person convicted of an infraction under this provisions of this Chapter shall be punished by a fine not exceeding one hundred dollars (\$100) for the first violation, a fine not exceeding two hundred dollars (\$200) for a second violation within one year, and a fine not exceeding five hundred dollars (\$500) for a third violation within one year. A fourth violation of this Chapter within one year shall be charged as a misdemeanor and may not be reduced to an infraction.

- (3) Each day a violation is committed or permitted to continue shall constitute a separate offense.
- (d) 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. The penalties herein are in addition to any other remedies provided by law and the payment of any penalty herein shall not relieve a person of the obligation to correct the violation.
- (e) The prevailing party in any judicial action, administrative proceeding, or special proceeding to enforce this Chapter may recover its reasonable attorneys' fees, provided that the City elected, at the initiation of such individual action or proceeding, to recover its own attorneys' fees. In no judicial action or administrative or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding. A "judicial action" includes, but is not limited to, any civil or criminal action, inspection or abatement warrant or appeal. An "administrative proceeding" includes, but is not limited to, any public nuisance hearing, administrative citation or appeal(s) therefrom, revocation of permits by the City, or cost recovery hearing. Any recovery of attorneys' fees for abatement of a nuisance shall be in accordance with this section."

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 4. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after its final passage.

PASSED APPROVED AND ADOPTED this 1st day of September, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana Sauseda, CMC
City Clerk

Steven Graham, City Attorney

ORDINANCE NO. 212

AN ORDINANCE OF THE CITY OF CANYON LAKE, CALIFORNIA, AMENDING CHAPTER 2.34 OF THE CANYON LAKE MUNICIPAL CODE TO CREATE A CANYON LAKE FIRE DEPARTMENT

The City Council of the City of Canyon Lake, California, does ordain as follows:

Section 1. Municipal Fire Department

Chapter 2.34 of the Canyon Lake Municipal Code is deleted in its entirety and replaced with the following:

CHAPTER 2.34

CANYON LAKE FIRE DEPARTMENT

- 2.34.010 Declaration of Purpose and Intent.
- 2.34.020 Definitions and Qualifications.
- 2.34.030 Establishment, Duties, and Organization.
- 2.34.040 Organization.
- 2.34.050 Appointment, Supervision of the Fire Chief.
- 2.34.060 Duties and Responsibilities of Firefighters.
- 2.34.070 Privileges and Immunities, Term of Fire Chief.

2.34.010 Declaration of Purpose and Intent

The City has struggled with structural budget deficits for many years due primarily to sharply rising costs associated with its contracts with the County of Riverside for police and fire services. Revenue generated by property taxes, sales tax, and the utility users' tax have become insufficient to cover skyrocketing public safety costs. The City Council and City staff have explored numerous alternatives for providing quality public safety services at a cost that is sustainable for the City, including contracting with another agency other than the County, forming a fire department under a joint powers authority (JPA) with neighboring cities, closing Station 60 and paying a reduced fee to be serviced by fire stations located in surrounding jurisdictions, and starting a municipal fire department.

After receiving a Feasibility Analysis from Emergency Services Consulting International (ESCI) for the start-up and ongoing operation of a City of Canyon Lake Fire Department, the City Council determined it would be in the public's best interest to establish a municipal fire department, owned

and operated by the City of Canyon Lake. On November 4, 2020, the City Council further directed the City Manager to establish a municipal fire department that would take over services from the County of Riverside on January 1, 2022.

The purposes and intent of this Chapter are to establish in the manner provided by State law a municipal fire department, to outline the organizations of ranking and non-ranking position within the fire department, and to clarify the powers and duties of the Fire Chief.

The further purpose of this ordinance is to best protect the health, safety, and welfare of those who live, visit, work, and invest in the City and to provide the maximum legal protection available to the Fire Chief and firefighters

This Chapter is enacted pursuant to California Government Code Sections 38600-38611

Section 2.34.020 Definitions and Qualifications

- (a) Fire Chief: The Fire Chief shall be the department head of the Fire Department and shall solely be responsible for the supervision and maintenance of the Department. The Fire Chief shall make such rules and regulations and issue such orders as are consistent with State laws, ordinances of the City, as necessary for the best interests of the Department and the City.
- (b) Municipal Fire Department: A municipal fire department means that organized firefighting unit established pursuant to this Chapter and supported by the annual municipal budget. The Municipal Fire Department also may be called the City of Canyon Lake Fire Department or the Canyon Lake Fire Department.
- (c) Municipal Chief Officers: A municipal Chief Officer shall mean an active ranking member of the Fire Department, not younger than 18 years of age, whether full-time, part-time, or paid-call, who receives compensation or reimbursement stipend from the municipality for providing fire service for the municipality. This person may also serve as “Acting Fire Chief” and may also be called a “member of the Fire Department.”
- (d) Municipal Firefighters: A municipal firefighter shall mean an active non-ranking member, not younger than 18 years of age, whether full-time, part-time, reserve, or paid-call, who receives compensation or reimbursement stipend from the municipality for providing fire service for the municipality. A municipal firefighter also may be called a “member of the Fire Department.”

Section 2.34.030 Establishment, Duties, and Organization of the Canyon Lake Fire Department

- (a) Establishment. There hereby is established and shall be a municipal Fire Department for the City as established by this Chapter, which is officially referred to as the “Canyon Lake Fire Department.”

(b) Duties – The duties of the Canyon Lake Fire Department shall be to:

1. Extinguish fire and save life and property therefrom.
2. Inspect for potential fire hazards, order the removal or remedying of dangerous fire conditions in the community and otherwise enforce local and state fire laws.
3. Demolish or pull down any building which may be on fire, or which may be deemed necessary to remove in order to prevent the spread of fire or the increase of danger to life and property.
4. Maintain and operate the department's property and equipment.
5. Upon due consideration of the public safety needs of the City, the Fire Chief may give approval for the Canyon Lake Fire Department to render mutual aid to any community within the State of California that is in a fire emergency or declaration of disaster. The Fire Chief shall notify the City Manager of the details of such action.
6. Issue burning and other operational permits to residents and workers of the City as safety and weather conditions permit.
7. Conduct fire inspections and provide plan reviews.
8. Coordinate emergency medical services for the City.
9. Coordinate the City's Emergency Operations Plan and training as necessary.

2.34.040 Organization

The organization of the Canyon Lake Fire Department is defined in this Chapter and in the annual budget of the City.

2.34.050 Fire Chief

- (a) Appointment/Term. The Fire Chief is appointed and supervised by the City Manager pursuant to Section 2.04.060(b) of this Code and serves at the pleasure of the City Manager. The term of the appointment shall be determined based upon the needs of the City.
- (b) Supervision. As the administrative department head of the Canyon Lake Fire Department, the Fire Chief shall be supervised by and report to the City Manager.
- (c) Compensation: The compensation for the Fire Chief and any firefighting positions shall be established by the City Council and included in the annual budget of the City.

- (d) Powers: The Fire Chief shall have the powers and duties established by Government Code Section 38600-38611 and within this Code.
- (e) Duties: The Fire Chief, or his/her designee (Acting Fire Chief), is responsible for directing the activities of the Canyon Lake Fire Department and is the sole authority and command at the scene of a fire or other incident. The Fire Chief is responsible for directing all firefighters and ensuring that firefighters have adequate training. The Fire Chief is responsible for ensuring that firefighting equipment is monitored on a regular basis and is in good working order. The Fire Chief will develop all policies and procedures concerning firefighting in accordance with municipal ordinances, state laws and regulations, and federal laws and regulations.

2.34.060 Duties and Responsibilities, Appointment and Removal, and Compensation of Municipal Firefighters

- (a) Duties and Responsibilities. Municipal Firefighters shall have the powers and duties as set forth in rules, regulations, and standard operating procedures as recommended by the Fire Chief and approved by the City Council.
- (b) The Fire Chief, consistent with any personnel rules, regulations, or policies adopted by the City Council and the Firefighters Procedural Bill of Rights Act (Government Code Section 6250-3262), as such may be amended from time to time, shall have the authority to appoint, assign, promote, evaluate the performance of, dismiss, demote, suspend, reduce in salary, reprimand, or transfer any member of the Canyon Lake Fire Department. The Fire Chief shall report such changes in the membership to the City Manager in writing within (10) working days of action.
- (c) Compensation. Compensation for all Municipal Firefighter positions shall be recommended by the City Manager and thereafter established by the City Council and included in the annual municipal budget.

2.34.070 Privileges and Immunities

The Fire Chief and all members of the Canyon Lake Fire Department shall enjoy the privileges and immunities provided by the California Good Samaritan Law (Health and Safety Code Section 1799.102).

Section 3. Severability

The invalidity of any portion of this ordinance shall not invalidate any other part thereof.

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Section 4. Effective Date.

This Ordinance shall be effective thirty (30) days from the date of its adoption.

PASSED, APPROVED, AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana Sauseda, CMC
City Clerk

Steven Graham, City Attorney

ORDINANCE NO. 214

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AMENDING CHAPTER 11.03 OF THE CANYON LAKE MUNICIPAL CODE PROHIBITING PERSONAL FIREWORKS

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

SECTION 1. STATEMENT OF PURPOSE AND INTENT

The City Council finds as follows:

(A) While Canyon Lake and Riverside County have long prohibited the personal use and sale of fireworks there continues to be violations of this policy. It has now become evident that the sale, purchase, use, storage, and disposal of fireworks have reached critical proportions in Riverside County, thereby endangering the public safety of the citizens such that stronger penalties are imperative;

(B) That, the personal use and sale of illegal fireworks in Riverside County are an immediate public peace, health and safety concern;

(C) That, in the past six (6) years, the number of fireworks calls for service responded to by the Riverside County Sheriff's Department has doubled while the number of pounds of fireworks confiscated has nearly tripled;

(D) That, on the Fourth of July 2005, the Riverside County Sheriff's Department Hazardous Device Team increased enforcement in unincorporated, residential neighborhoods where the use of illegal fireworks was known to occur. They confiscated over four hundred fifty (450) pounds of illegal fireworks before law enforcement the area due to officer safety issues;

(E) That, according to the U.S. Fire Administration, every year about 10,000 people are treated for injuries in hospital emergency department due to the mishandling of live and/or misfired fireworks. In addition, fires resulting from fireworks cause over \$100 million in direct property damage;

(F) That fireworks are often stored without safety precautions in residential neighborhoods;

(G) That fireworks can be disassembled for the explosive powder they contain to make bombs and other explosive devices;

(H) That fireworks often come from countries where safety regulations for making fireworks are not as stringent as those for fireworks manufactured in the United States;

(I) That Riverside County, including Canyon Lake, is subject to fire hazards and long volatile fire season, and fireworks cause fires;

(J) That the current City Ordinance was adopted by reference from the County and law enforcement has advised that stiffer penalties are required as a deterrent;

(K) That the City wishes to adopt an ordinance similar to the County’s revised ordinance;

(L) That immediate action is needed to increase the penalties for the use, sale, transportation, and manufacturing of fireworks in the City to deter illegal activities and preserve the public peace, health, safety, and welfare; and

SECTION 2. Chapter 11.03 is amended to the Canyon Lake Municipal Code to read as follows:

11.03.010 Definitions. Whenever in this Chapter, or in any resolution or standard adopted by the City Council pursuant to this chapter, the following terms are used, they shall have the meaning ascribed to them in this Section, unless it is apparent from the context thereof that some other meaning is intended.

- (a) “Agricultural and Wildlife Fireworks” means fireworks designed and intended by the manufacturer to be used to prevent damage to crops or unwanted occupancy of areas by animals or birds through the employment of sound or light, or both.
- (b) “Code Enforcement Personnel” means those employed by the City as part of the Code Enforcement Department.
- (c) “Dangerous Fireworks” has the same meaning ascribed to it under § 12505 of the California Health and Safety Code and includes:
 - 1. Any fireworks which contain:
 - a) arsenic sulfide, arsenates, or arsenites;
 - b) boron;
 - c) chlorates, except:
 - i. in colored smoke mixture in which an equal or greater amount of sodium bicarbonate is included; or
 - ii. in caps and party poppers; or
 - iii. in those small items (such as ground spinners) wherein the total powder content does not exceed four (4) grams of which not greater than fifteen percent (15%) (or six hundred (600) milligrams) is potassium, sodium, or barium chlorate.

- d) gallates or Gallic acid;
 - e) magnesium (magnesium-aluminum alloys, called magnalium, are permitted);
 - f) mercury salts;
 - g) phosphorus (red or white, except that red phosphorus is permissible in caps and party poppers);
 - h) picrates or picric acid;
 - i) thiocyanates;
 - j) titanium, except in particular size greater than 100-mesh;
 - k) zirconium.
2. Firecrackers
 3. Skyrockets and rockets, including all devices which employ any combustible or explosive material and which rise in the air during discharge.
 4. Roman candles, including all devices which discharge balls of fire into the air.
 5. Chasers, including all devices which dart or travel about the surface of the ground during discharge.
 6. Sparklers more than ten (10) inches in length or one-fourth of one inch in diameter.
 7. All fireworks designed and intended by the manufacturer to create the element of surprise upon the user. These items include, but are not limited to, auto-foolers, cigarette loads, exploding golf balls, and trick matches.
 8. Fireworks known as devil-on-the-walk, or any other firework which explodes, through means of friction, unless otherwise classified by the State Fire Marshal pursuant to this part.
 9. Torpedoes of all kinds which explode on impact.
 10. Fireworks kits.

11. Such other fireworks examined and tested by the State Fire Marshal and determined by him/her, with the advice of the State Board of Fire Services, to possess characteristics of design or construction which make such fireworks unsafe for use by any person not specially qualified or trained in the use of fireworks.
- (d) “Exempt Fireworks” has the same meaning ascribed to it under § 12508 of the California Health and Safety Code and shall mean any special item containing pyrotechnic compositions which the State Fire Marshal, with the advice of the State Fire Advisory Board, has investigated and determined to be limited to industrial, commercial, agricultural use, or religious ceremonies when authorized by a permit granted by the authority having jurisdiction.
- (e) “Fire Chief” or “Chief” shall mean the Fire Chief of the Canyon Lake Fire Department or his/her authorized representative(s).
- (f) “Fireworks” has the same meaning ascribed to under § 12511 of the California Health and Safety Code and shall mean any device containing chemical elements and chemical compounds capable of burning independently of the oxygen of the atmosphere and producing audible, visual, mechanical, or thermal effects which are useful as pyrotechnic devices or for entertainment. The term “Fireworks” includes, but is not limited to, devices designed by the manufacturer as fireworks, torpedoes, skyrocket, roman candles, model rockets, rockets, Daygo bombs, sparklers, chasers, fountains, smoke sparks, aerial bombs, and fireworks kits.
- (g) “Fireworks Kits” has the same meaning ascribed to it under § 12512 of the California Health and Safety Code and means any assembly of metals or explosive substances, which is designed and intended by the seller to be assembled by the person receiving such material or explosive substance and when so assembled, would come within the definition of “Fireworks.”
- (h) “Public Display of Fireworks” means an entertainment feature where the public or a private group is admitted or permitted to view the display or discharge of Dangerous Fireworks.
- (i) “Pyrotechnic Operator” means any licensed pyrotechnic operator who, by examination, experience, and training, has demonstrated the required skill and ability in the use and discharge of fireworks as authorized by the license granted.
- (j) “Pyrotechnic Special Effects Material” means a low explosive material, other than detonating cord, commonly used in motion picture, television, theatrical, or group entertainment production for which a permit from the Fire Chief is required for use or storage.

- (k) “Safe and Sane Fireworks” has the same meaning ascribed to it under § 12529 of the California Health and Safety Code and shall mean any fireworks which do not come within the definition of “Dangerous Fireworks” or “Exempt Fireworks.”
- (l) “Police Chief” shall mean the Police Chief of the City or his/her authorized representatives,

11.03.02 Prohibition.

- (a) General. No person shall have in their possession, or keep, store, use, shoot, discharge, set-off, ignite, explode, manufacture, sell, offer to sell, give, or transport any Fireworks, Dangerous Fireworks, or Safe and Sane Fireworks, except for use as Wildlife Fireworks or for use in a Public Display of Fireworks pursuant to a permit obtained under the provisions of §§ 12640 – 12654 of the California Health and Safety Code, Chapter 8 of the Municipal Code (California Fire Code), and this Ordinance.
- (b) Manufacturing Prohibited. The manufacturing of Fireworks, Dangerous Fireworks, or Safe and Sane Fireworks is prohibited except under special permits as required by the Fire Chief and Police Chief.
- (c) Pyrotechnic Special Effect Material. A permit is required to manufacture, compound, store, or use pyrotechnic Special Effects material. Permit application shall be made to the Fire Chief and the Police Chief. A permit shall be granted only to a State Fire Marshal licensed Pyrotechnic Operator.
- (d) No property owner or person in control of property shall allow, cause, create, maintain, suffer, or permit a person to possess, keep, store, use, shoot, discharge, set off, ignite, explode, manufacture, sell, offer to sell, give, or transport any fireworks, dangerous fireworks, or safe and sane fireworks on the property owned by such a person or under such person’s control except for use as agricultural and wildlife fireworks, or for use in a public display of fireworks pursuant to a permit obtained under the provisions of Health and Safety Code §§ 12640—12654 and this Chapter. Any such person shall be in violation of this Chapter, regardless of such person’s intent, knowledge or negligence, such violation being hereby expressly declared a strict liability offense.

11.03.030 Displays.

- (a) General. Permits are required to conduct a Public Display of Fireworks. Permit application shall be made to the Fire Chief and the Police Chief not less than 30 days prior to the scheduled date of the display. The permit application shall include a diagram of the grounds on which the display is to be held showing the point at which the fireworks are to be discharged; the location of the buildings, highways, and other lines of communications, the lines behind which the audience will be restrained; and the location of nearby trees, telegraph or telephone lines, and other overhead

obstructions. At the time of the permit application, the Fire Chief shall be consulted regarding the requirements for standby fire apparatus.

- (b) Under Supervision of Pyrotechnic Operator. Public display of fireworks operations shall be under the direct supervision of a Pyrotechnic Operator. The Pyrotechnic Operator shall be responsible for all aspects of a display related to pyrotechnics.
- (c) Bond Required. The permittee shall furnish a bond or certificate of insurance in the amount deemed adequate by the Fire Chief and the Police Chief for the payment of damages which could be caused either to a person or persons or to property by reason of permitted display arising from acts of permittee, agents, employees, or subcontractors.

11.03.040 Exception.

Nothing in this Chapter shall be construed to prohibit the use of fireworks by railroads or other transportation agencies for signal purposes of illumination, or the sale or use of blank cartridges for a show or theater, or for signal or ceremonial purposes in athletics or sports, or for use by military organizations.

11.03.050 Seizure and Disposal.

- (a) It shall be the duty of the Fire Chief and his/her authorized representatives, the Police Chief and his/her authorized representative, and Code Enforcement personnel to enforce the provisions of this Chapter.
- (b) The Fire Chief and his/her authorized representative(s), the Police Chief and his/her authorized representative(s), and Code Enforcement personnel shall have the authority to seize, take, and remove any Fireworks, Dangerous Fireworks, and Safe and Sane Fireworks. The Fire Chief and his/her authorized representative(s), the Police Chief and his/her authorized representative(s) and Code Enforcement personnel may charge any person whose fireworks are seized pursuant to this Section, a reasonable amount which is sufficient to cover the cost of transporting, storing, handling, and disposing of the seized fireworks.

11.03.060 Penalties.

- (a) Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this Code.
- (b) Civil Enforcement
 - i. Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

ii. As a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, and any permit issued pursuant to this Chapter deemed null and void.

iii. Any monies unlawfully obtained as a result of violation of this Chapter shall be disgorged and paid to the City.

(c) Administrative Enforcement

i. Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be subject to administrative citation and to a fine not to exceed one thousand dollars (\$1,000) for the first offense, two thousand dollars (\$2,000) for the second offense within thirty-six (36) months, and five thousand dollars (\$5,000) for each subsequent offense within thirty-six (36) months.

ii. The City Attorney may, in his or her sound discretion, utilize all processes or remedies legally available to collect amounts owing hereunder.

(d) Criminal Enforcement

i. Any person causing, permitting, aiding, abetting, suffering or concealing a violation of this Chapter shall be guilty of a misdemeanor, and may, in the discretion of the 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 city or county jail for a period of not more than six (6) months, or by both such fine and imprisonment.

ii. The City Attorney, in his or her sound discretion, may prosecute a violation of this Chapter as an infraction, rather than a misdemeanor, or reduce or agree to the reduction of a previously filed misdemeanor to an infraction. Any person convicted of an infraction under the provisions of this Chapter shall be punished by a fine not exceeding one hundred dollars (\$100) for the first violation, a fine not exceeding two hundred dollars (\$200) for a second violation within one year, and a fine not exceeding five hundred dollars (\$500) for a third violation within one year. A fourth violation of this Chapter within one year shall be charged as a misdemeanor and may not be reduced to an infraction.

iii. Each day a violation is committed or permitted to continue shall constitute a separate offense.

iv. In the case of a prosecution for violation of Section 11.03.020(d) of this Chapter, each person the defendant allows, suffers, or permits to possess, keep, store, use, shoot, discharge, set off, ignite, explode, manufacture, sell, offer to sell, give, or transport any fireworks, dangerous fireworks, or safe and sane fireworks on the property owned or controlled by such defendant or under that defendant's control shall constitute a separate offense.

(e) 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. The penalties herein are in addition to any other remedies provided by law and the payment of any penalty herein shall not relieve a person of the obligation to correct the violation.

(f) Nothing in this section shall be intended to limit any of the penalties provided for under the California Health and Safety Code or Penal Code with regard to the sale, use, possession, delivery, and/or transportation of dangerous fireworks.

(g) The prevailing party in any judicial action, administrative proceeding, or special proceeding to enforce this Chapter may recover its reasonable attorneys' fees, provided that the City elected, at the initiation of such individual action or proceeding, to recover its own attorneys' fees. In no judicial action or administrative or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding. A "judicial action" includes, but is not limited to, any civil or criminal action, inspection or abatement warrant or appeal. An "administrative proceeding" includes, but is not limited to, any public nuisance hearing, administrative citation or appeal(s) therefrom, revocation of permits by the City, or cost recovery hearing. Any recovery of attorneys' fees for abatement of a nuisance shall be in accordance with this section."

11.03.070 Non-Exclusive Remedies and Penalties.

(a) All remedies and penalties for violations of the prohibition in this Ordinance shall be cumulative and not exclusive. Enforcement by use of any administrative, criminal, or civil action, citation or administrative proceeding or abatement remedy does not preclude the use of additional citations or other remedies as authorized by other ordinance or law. Enforcement remedies may be employed concurrently or consecutively. Conviction and punishment of or enforcement against any person hereunder shall not relieve such person from the responsibility of correcting, removing, or abating a violation, nor prevent the enforced correction, removal, or abatement thereof. Each and every day, or any portion thereof, during which any violation of this ordinance is committed, continued, or permitted by such person, shall be deemed a separate and distinct offense.

SECTION 3. SEVERABILITY

If any portion, provision, section, paragraph, sentence, or word of this Ordinance is rendered or declared to be invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining portions, provisions, sections, paragraphs, sentences, and words of this Ordinance shall remain in full force and effect and shall be interpreted by the court so as to give effect to such remaining portions of the Ordinance.

SECTION 4. EFFECTIVE

This Ordinance shall be effective on January 1, 2022.

SECTION 5. REPEAL OF OTHER ORDINANCES

This Ordinance repeals any and all Ordinances regarding the same subject (including any adopted by reference).

PASSED APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana Sauseda, CMC
City Clerk

Steven Graham, City Attorney

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 located within 50 feet of any of the following as measured by following a straight line without regard to intervening buildings from the nearest point of the parcel on which the proposed cannabis business is to be located to the nearest point of the parcel that contains the following uses:
 - 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.
 - D. A religious facility or public library.

(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. At least two (2) such personnel shall be on during all times when the retail facility is open to the public.
- (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 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana V. Sauseda, CMC
City Clerk

Steven Graham, City Attorney



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Jim Morrissey, City Planner

DATE: October 6, 2021

SUBJECT: Introduction and First Reading of Ordinance No. 216, An Ordinance of the City Council of the City of Canyon Lake, California, Approving an Amendment to the City of Canyon Lake Municipal Code, Sign Regulations, Section 9.25.030 (a) and (b), Related to Eliminating Window Signage Area Requirements

Recommendation

That the City Council:

1. Find the proposed Municipal Code Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Approve the Introduction and First Reading of Ordinance No. 216, Approving an Amendment to the City of Canyon Lake Municipal Code, Sign Regulations, Section 9.25.030 (a) and (b), Related to Eliminating Window Signage Area Requirements.

Background

At the City Council meeting of September 1, 2021, the City Council reviewed existing window signage in the City, particularly the Towne Center. Staff indicated window signage is permitted, however only 25 percent of window is allowed to be covered. Information presented to the Council indicated numerous businesses had exceeded this percentage and, in some cases, had covered the entire window area. The City Council indicated they wanted to be business friendly and the amount of window signage should be up to the business owner.

Discussion

Staff has prepared an amendment to the Municipal Code eliminating the percentage requirement for window signs and maintaining their exemption from sign permit requirements. The following section displays those portions of the existing Municipal Code to be removed (strikethrough) and a portion to be added (underlined) emphasizing there are no restrictions on the amount of window area that can be covered.

9.25.030 Exempt signs.

The following signs shall be exempt from the sign permit requirements and procedures of this Chapter:

(a) Window signs which are in keeping with the purpose and intent of this Chapter that are painted or similarly applied directly to the window with non-washable or washable material are permitted, ~~so long as the total sign area does not exceed 25% of the total frontage glass area~~ with no restriction as to the amount of window area covered.

(b) ~~Temporary holiday window signs/decorations so long as they do not exceed 25% of the total window area, and are removed within 20 days after the holiday.~~

Fiscal Impact

No impact

Attachments

1. Ordinance No. 216

ATTACHMENT 1

ORDINANCE NO. 216

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPROVING AN AMENDMENT TO THE CANYON LAKE MUNICIPAL CODE, TITLE 9: PLANNING AND ZONING, SECTION 9.25.030 (A) AND (B) RELATED TO ELIMINATING WINDOW SIGNAGE AREA REQUIREMENTS

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

SECTION 1. Environmental Determination and Findings. The proposed amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 2. Municipal Code Amendments.

Title 9, Planning and Zoning; Section 18.25 of the Canyon Lake Municipal Code is hereby amended as provided below, which is incorporated herein by this reference as though set forth in full.

9.25.030 Exempt signs.

The following signs shall be exempt from the sign permit requirements and procedures of this Chapter:

- (a) Window signs which are in keeping with the purpose and intent of this Chapter that are painted or similarly applied directly to the window with non-washable or washable material are permitted so long as the total sign area does not exceed 25% of the total frontage glass area with no restriction as to the amount of window area covered.
- ~~(b) Temporary holiday window signs/decorations so long as they do not exceed 25% of the total window area, and are removed within 20 days after the holiday.~~

SECTION 3. Concluding Facts and Reasons. Based on the substantial evidence presented to the City Council during the public hearing on the Ordinance, and the specific findings set forth in the Recitals, and Sections (a) and (b), above, the City Council hereby concludes that the proposed Amendment to the City of Canyon Lake Municipal Code is consistent with the goals, policies, plans, and exhibits of the General Plan. Staff has thoroughly reviewed the proposed Municipal Code Amendment and the conditions under which it will be implemented and determined the proposed Municipal Code provisions to be consistent with the applicable goals, policies, plans, and exhibits of the General Plan. Additionally the City Council finds that the proposed Amendment to the City of Canyon Lake Municipal Code would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.

SECTION 4. 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 5. Effective Date. This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 6. 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.

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

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana V. Sauseda, CMC
City Clerk

Steven Graham, City Attorney



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Jeff LaTendresse, Interim Fire Chief

DATE: October 6, 2021

SUBJECT: Second Reading and Adoption of Ordinance No. 213, An Ordinance of the City Council of the City of Canyon Lake, California, Readopting the 2019 California Fire Code amending Chapter 8.12 of the Canyon Lake Municipal Code

Recommendation

That the City Council conduct a public hearing for the second reading and adoption of Ordinance No. 213, an Ordinance of the City Council of the City of Canyon Lake, California, Readopting the 2019 California Fire Code amending Chapter 8.12 of the Canyon Lake Municipal Code.

Background

At the September 1st Regular City Council Meeting, the City Council approved the Introduction and First Reading of Ordinance No. 213, an Ordinance of the City Council of the City of Canyon Lake, California, Readopting the 2019 California Fire Code amending Chapter 8.12 of the Canyon Lake Municipal Code, and directed the City Clerk to notice and schedule a public hearing for second reading and adoption at the next regularly scheduled City Council Meeting.

The notice of public hearing was published in the Friday Flyer on September 17, 2021 & September 24, 2021.

Fiscal Impact

There is no fiscal impact.

Attachments

1. Ordinance No. 213
2. Notice of Public Hearing

ATTACHMENT 1

ORDINANCE NO. 213

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, READOPTING THE 2019 CALIFORNIA FIRE CODE AS AMENDED AS CHAPTER 8.12 OF THE CANYON LAKE MUNICIPAL CODE

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

SECTION 1. FINDINGS.

A. That the creation of the Canyon Lake Fire Department, which begins operations on January 1, 2022, requires amendments to the California Fire Code adopted by the City on January 15, 2020.

B. Every three years the State of California adopts a new California Fire Code, as part of the California Building Standards Code, which becomes effective 180 days after publication by the California Building Standards Commission.

C. That Code has been published and adopted, as amended, by the California Building Standards Commission into the California Code of Regulations as Title 24, Part 9, entitled the California Fire Code.

D. Under State law, the City of Canyon Lake may establish more restrictive standards reasonably necessary to provide fire protection for life and property because of local climatic, geological or topographical conditions.

E. The City of Canyon Lake may establish more restrictive standards reasonably necessary to provide fire protection for life and property because of local climatic, geological, or topographical conditions.

1. Climatic Conditions:

The City of Canyon Lake is located in Southern California and is subject to high temperatures, high velocity wind conditions, and extended periods with little to no precipitation. These dry climatic conditions and high winds cause drying of vegetation and building materials and contribute to rapid spread of fires leading to a need for increased levels of protection.

After many years of drought there are times when significant rainfall can affect the City. The runoff from this rainfall can cause flooding and mudslides putting lives and property at risk and cause emergency response delays.

2. Topographical Conditions:

Traffic and circulation congestion, along with limited access routes to the area, contribute to increased response times to emergencies. These conditions increase response times and makes it necessary to require additional life safety requirements to protect lives and property.

3. Geological Conditions:

The City of Canyon Lake is located in an area of substantial seismic activity. Several faults, including the San Andreas, San Jacinto, and Elsinore Fault, are located near the City. These faults are expected to have a major impact on the City of Canyon Lake and pose a threat to lives and property. Damage to building construction, bridges, gas lines, water, and sewer lines would have a catastrophic impact on the community and City resources would be taxed beyond capabilities.

California Health and Safety Code Sections 17958.7 and 18941.5 require that the modification or change be expressly marked and identified as to which each finding refers. Therefore, the City Council finds that the following table sets forth the 2019 California Fire Code sections that have been modified and the associated local climatic, geological, and/or topographical conditions described above supporting the modification.

2019 Code Section	Title/Subject	Findings
101.1	Title	Administrative
101.4	Severability	Administrative
102.5	Application of Residential Code	1, 2 & 3
103.2	Appointment	Administrative
103.3	Liability	Administrative
104.1.1	Authority of Fire Chief and Fire Department	Administrative
104.12	Authority to close hazardous fire areas	Administrative
105.6	Required operational permits	Administrative
105.6.4	Carnivals, fairs, and special events	1, 2 & 3
105.6.53	General use permit	Administrative
106.1	Fees	Administrative
106.6	Cost recovery	Administrative
108.7	Occupant count	Administrative
109.1	Board of Appeals established	Administrative
110.4	Violation penalties	Administrative
112.4	Failure to comply	Administrative
202	Definitions	Administrative
308.1.6.3	Sky lanterns	1, 2 & 3
503.2.1	Dimensions	Administrative
503.2.2	Authority	Administrative
503.6.1	Automatic Opener	Administrative
503.7	Loading areas and passenger drop-off areas	Administrative

507.5.7	Fire hydrants size and outlets	1 & 2
507.5.8	Fire hydrant marker	1 & 2
508.1	General	1, 2 & 3
508.1.1	Location and access	1, 2 & 3
508.1.3	Size	1, 2 & 3
508.1.6	Required features	1, 2 & 3
508.1.8	Fire command center identification	1, 2 & 3
509.2.1	Minimum clearances	1, 2 & 3
605.10.1.2	Manual operation	1 & 2
903.2	Where required	1 & 2
903.2.8	Group R	1, 2 & 3
903.3.5.3	Hydraulically calculated systems	1, 2 & 3
3204.2.1	Minimum requirements for client leased or occupant owned warehouse	Administrative
4904.3	High Fire Severity Zones maps	Administrative
5608.2	Firing	1
Appendix B	Fire-flow requirements for buildings	1, 2 & 3
Appendix C	Fire hydrant locations and distribution	1, 2 & 3

E. The additional requirements included herein are necessary to properly protect the health, safety, and welfare of the residents and workers of the City of Canyon Lake.

F. Revenue shortages make it difficult to locate additional fire stations and provide staffing sufficient to control fires in single and multi-story retail, commercial, and industrial buildings, making enhanced built in protection necessary.

G. The purpose of this ordinance is to adopt the 2019 California Fire Code, California Code of Regulations, Title 24, Part 9, as amended, to govern the safeguarding of life and property from fire, explosion hazards, and hazardous conditions and to regulate the issuance of permits and collection of fees.

H. This ordinance is adopted pursuant to Health and Safety Code Sections 17958 and 17958.7 which allow City adoption of modifications or changes to the California Fire Code that are reasonably necessary because of local climatic, geological, and topographical conditions.

I. The sections of the California Fire Code may be referred to by the same number used in said published compilation preceded by the words “City of Canyon Lake Fire Code Section” or “California Fire Code Section” or “Fire Code Section.”

J. Notwithstanding the provisions of this Ordinance, the City of Canyon Lake reserves the right to determine the extent and level of its fire services.

SECTION 2. PURPOSE AND AUTHORITY. The purpose of this Ordinance is to adopt, by reference the 2019 edition of the California Fire Code, Title 24, Part 9, of the California Code of Regulations subject to the definitions, clarifications, and the amendments set forth in this

Ordinance. The Purpose of this Ordinance is also to provide minimum requirements and standards for the protection of public safety, health, property, and welfare of the City of Canyon Lake. This Ordinance is adopted under the authority of Government Code subsection 50022.2 and Health and Safety Code Section 18941.5.

SECTION 3. CEQA. No further environmental review is required under the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed change repeals and replaces the California Fire Code in the Canyon Lake Municipal Code. Because this action does not have the potential to result in individually or cumulatively significant effects on the environment, this Municipal Code amendment is exempt from review under CEQA. Therefore, this change is not subject to CEQA review at this time under the General Rule and no further environmental review is necessary.

SECTION 4. Chapter 8.12 of the Canyon Lake Municipal Code is repealed in its entirety and readopted to read as follows:

Chapter 8.12

Adoption of California Fire Code, as amended

Section	
8.12.010	Adoption.
8.12.020	Title.
8.12.030	Severability.
8.12.040	Application of Residential Code.
8.12.050	Appointment.
8.12.060	Liability.
8.12.070	Authority of the Fire Chief and the Fire Department.
8.12.080	Authority of Fire Chief to close Hazardous Fire Areas.
8.12.090	Required Operational Permits.
8.12.100	Carnivals, Fairs, and Special Events.
8.12.110	General Use Permit.
8.12.120	Fees.
8.12.130	Cost Recovery.
8.12.140	Occupant Count.
8.12.150	Board of Appeals Established.
8.12.160	Violation Penalties.
8.12.170	Failure to Comply.
8.12.180	Definitions.
8.12.190	Sky Lanterns.
8.12.200	Dimensions.
8.12.210	Authority.
8.12.220	Automatic Opener.
8.12.230	Loading Areas and Passenger Drop-off Areas.
8.12.240	Fire Hydrant Size and Outlets.

8.12.250	Fire Hydrant Marker.
8.12.260	General.
8.12.270	Location and Access.
8.12.280	Size.
8.12.290	Required Features.
8.12.300	Fire Command Center Identification.
8.12.310	Minimum Clearances.
8.12.320	Manual Operation.
8.12.330	Where Required.
8.12.340	Group R.
8.12.350	Hydraulically Calculated Systems.
8.12.360	Minimum Requirements for Client Leased/Occupant Owned Warehouses.
8.12.370	Fire Hazard Severity Zone Maps.
8.12.380	Firing.
8.12.390	Appendix B.
8.12.400	Appendix C.

8.12.010 Adoption.

The City Council of the City of Canyon Lake does hereby adopt the California Fire Code, as amended. Except as stated in this Section or as amended below in this Ordinance, all of the provisions and appendices of the 2019 California Fire Code, inclusive of all of the inclusions and exclusions set for in each chapter’s matrix, are hereby adopted and shall apply to the City of Canyon Lake. In addition, the following provisions that are excluded in the 2019 California Fire Code are hereby adopted - Chapter 1, Division II of the California Fire Code is hereby adopted, except that Section 103.2 and 109.3 are not adopted, and Chapters 3, 25, and Sections 403.12, 503, 510.2, and 1103.2 are adopted. One copy of this Code has been and is now filed in the office of the Fire Chief of the City of Canyon Lake Fire Department and the same is hereby adopted and incorporated.

8.12.020 Title.

Section 101.1 of the California Fire Code is amended to read as follows:

101.1 Title. These regulations shall be known as the Fire Code of the City of Canyon Lake, hereinafter referred to as “this Code.”

8.12.030 Severability.

Section 101.4 of the California Fire Code is amended to read as following:

101.4 Severability. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

8.12.040 Application of Residential Code.

Section 102.5 of the California Fire Code is amended to read as follows:

102.5 Application of residential code. Where structures are designed and constructed in accordance with the California Residential Code, the provisions of this code shall apply as follows:

1. Construction and design provisions of this code pertaining to the exterior of the structure shall apply including, but not limited to, premises identification, fire apparatus access, and water supplies. Where interior or exterior systems or devices are installed, construction permits required by Section 105.7 of this code shall apply.
2. Administrative, operational, and maintenance provisions of this code shall apply.
3. Automatic fire sprinkler system requirements of this code shall apply to detached accessory buildings 3,600 square feet or greater in accordance with Section 903.2. The provisions contained in Section 903.2.18 of the California Fire Code or Section R309.6 of the California Residential Code may be used for the design of the automatic fire sprinkler system for detached private garages.

8.12.050 Appointment.

Section 103.2 of the California Fire Code is amended to read as follows:

103.2 Appointment. The fire code official shall be appointed by the chief appointing authority of the jurisdiction.

8.12.060 Liability.

Section 103.4 of the California Fire Code is amended to read as follows:

103.4 Liability. Any liability against the City of Canyon Lake or any officer or employee for damages resulting from the discharge of their duties shall be as provided by law.

8.12.070 Authority of the Fire Chief and Fire Department.

Section 104.1.1 is added to Section 104. of the California Fire Code to read as follows:

104.1.1 Authority of the Fire Chief and the Canyon Lake Fire Department.

1. The Fire Chief is authorized and directed to enforce all applicable State fire laws and provisions of this ordinance and to perform such duties as directed by the City Council.
2. The Fire Chief is authorized to administer, interpret, and enforce this ordinance. Under the Fire Chief's direction, the Canyon Lake Fire Department is authorized to enforce ordinances of the City of Canyon Lake pertaining to the following:

- 2.1. The prevention of fires.
- 2.2. The suppression or extinguishment of dangerous or hazardous fires.
- 2.3. The storage, use, and handling of hazardous materials.
- 2.4. The installation and maintenance of automatic, manual, and other private fire alarm systems and fire extinguishing equipment.
- 2.5. The maintenance and regulation of fire escapes.
- 2.6. The maintenance of fire protection and the elimination of fire hazards on land, in buildings, structures and other property, including those under construction.
- 2.7. The maintenance of means of egress.
- 2.8. The investigation of the cause, origin, and circumstances of fire, and unauthorized releases of hazardous materials.

3. The following persons are hereby authorized to interpret and enforce the provisions of this code and to make arrests and issue citations as authorized by law:

- 3.1. The Fire Chief, Fire Marshal, Battalion Chief, and all members of the Canyon Lake Fire Department.
- 3.2. The Riverside County Sheriff and any Deputy Sheriff.
- 3.3. The Police Chief and any police officer of any city in Riverside County.
- 3.4. Officers of the California Highway Patrol.
- 3.5. Code Enforcement Officers of the City of Canyon Lake Code Enforcement Department.
- 3.6. Peace Officers of the California Department of Parks and Recreation.
- 3.7. The law enforcement officers of the Federal Bureau of Land Management.

8.12.080 Authority of the Fire Chief to Close Hazardous Fire Areas.

Section 104.12 is added to Section 104 of the California Fire Code to read as follows:

104.12 Authority of the Fire Chief to close hazardous fire areas.

Except upon National Forest Land, the Fire Chief is authorized to determine and announce the closure of any hazardous fire area or portion thereof. Any closure by the Fire Chief for a period

of more than fifteen (15) calendar days must be approved by the Canyon Lake City Council within fifteen (15) calendar days of the Fire Chief's original order of closure. Upon such closure, no person shall go in or be upon any hazardous fire area, except upon the public roadways and inhabited areas. During such closure, the Fire Chief shall erect and maintain at all entrances to the closed area sufficient signs giving notice of closure. This section shall not prohibit residents or owners of private property within any closed area, or their invitees, from going in or being upon their lands. This section shall not apply to any entry, in the course of duty, by a peace officer, duly authorized public officer or fire department personnel. For the purpose of this section, "hazardous fire area" shall mean public or private land that is covered with grass, grain, brush, or forest and situated in a location that makes suppression difficult resulting in great damage. Such areas are designated on Hazardous Fire Area maps filed with the Canyon Lake Fire Department.

8.12.090 Required Operational Permits.

Section 105.6 of the California Fire Code is amended to read as follows:

105.6 Required operational permits.

The fire code official or authorized representative may issue operational permits for the operations set forth in Sections 105.6.1 through 105.6.53.

8.12.100 Carnivals, Fairs, and Special Events.

Section 105.6.4 of the California Fire Code is amended to read as follows:

105.6.4 Carnivals, fairs, and special events.

An operational permit is required to conduct a carnival, fair, or special event. A detailed plan must be submitted, and an operational permit issued, to conduct a carnival, fair, or special event.

8.12.110 General Use Permit.

Section 105.6.53 is added to Section 106 of the California Fire Code to read as follows:

105.6.53 General Use Permit.

A General Use Permit shall be required for any activity or operation not specifically described in this section, which in the judgement of the fire code official is likely to produce conditions hazardous to life or property.

8.12.120 Fees.

Section 106.1 of the California Fire Code is amended to read as follows:

106.1 Fees.

For each and every permit issued (or amended) pursuant to this code, there shall be paid to the City of Canyon Lake a fee in such amount as established by the agency issuing the permit or providing the service. Failure to pay such fees shall be cause for revocation of the permit.

8.12.130 Cost Recovery.

Section 106.6 is added to Section 106 of the California Fire Code to read as follows:

106.6 Cost Recovery.

Fire suppression, investigation, rescue, or emergency medical costs are recoverable in accordance with Health and Safety Code Sections 13009 and 13009.1, as may be amended from time to time. Additionally, any person who negligently, intentionally, or in violation of law causes an emergency response, including, but not limited to, a traffic accident, spill of toxic or flammable fluids, or chemicals is liable for the costs of securing such emergency, including those costs pursuant to Government Code Section 53150, et seq, as may be amended from time to time. Any expense incurred by the City of Canyon Lake or the Canyon Lake Fire Department for securing such emergency shall constitute a debt of such person and shall be collectable by the City of Canyon Lake in the same manner as in the case of an obligation under contract, express or implied.

8.12.140 Occupant Count.

Section 108.7 is added to Section 108 of the California Fire Code to read as follows:

108.7 Occupant Count.

The supervisor of each place of assembly shall have an effective system to maintain a count of the number of occupants present in order to keep the number at or below the allowable occupant load. If the fire code official determines at any time that an accurate count of occupants is not being maintained, the occupancy shall be cleared to obtain an accurate count.

8.12.150 Board of Appeals Established.

Section 109.1 of the California Fire Code is amended to read as following:

109.1 Board of appeals established.

The Board of Appeals shall be the City Manager. If he or she determines an outside board is needed, he or she shall designate an outside hearing officer to hear the appeal. The Fire Code Official shall be notified of any appeal and the Fire Code Official or designee shall be in attendance at the appeal hearing. Depending on the subject of the appeal, specialized expertise may be solicited, at the expense of the applicant, for the purpose of providing input to the Board of Appeals.

Section 109.2 Limitations on authority is hereby deleted in its entirety.

Section 109.3 Qualifications. Is deleted in its entirety.

8.12.160 Violation Penalties.

Section 110.4 of the California Fire Code is amended to read as follows:

110.4 Violation penalties.

It shall be unlawful for any person, firm, corporation or association of persons to violate any provision of this ordinance, or to violate the provisions of any permit granted pursuant to this code or ordinance. Punishments and penalties for violations shall be in accordance with the City of Canyon Lake ordinances, City fee schedule, and Health and Safety Code Sections 17995 through 17995.5.

8.12.170 Failure to Comply.

Section 112.4 of the California Fire Code is amended to read as follows:

112.4 Failure to comply.

Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be in violation of this Code and be subject to citations and penalties in amounts as determined by the Canyon Lake City Council as identified in the City's Fee Schedule.

8.12.180 Definitions.

The following definitions are amended/added to Section 202 of the California Fire Code and reads as follows:

'FIRE CHIEF' The Fire Chief of the Canyon Lake Fire Department or designee.

"FIRE HAZARD" Any condition, arrangement, or act which will increase, or may cause an increase of, the hazard or menace of fire to a greater degree than customarily recognized as normal by persons in the public service of preventing, suppressing or extinguishing fire; or which may obstruct, delay, or hinder, or may become the cause of obstruction, delay or hindrance to the prevention, suppression, or extinguishment of fire.

"HAZARDOUS FIRE AREA" Includes all areas identified within Section 4906.2 and other areas as determined by the Fire Code Official due to the presence of combustible vegetation or the proximity of property to an area that contains combustible vegetation.

8.12.190 Sky Lanterns.

Section 308.1.6.3 of the California Fire Code is amended to read as follows:

308.1.6.3 Sky lanterns or similar devices. A person shall not release or cause to be released a sky lantern or similar device.

8.12.200 Dimensions.

Section 503.2.1 of the California Fire Code is amended to read as follows:

503.2.1 Dimensions.

5.1. Fire apparatus access roads shall have an unobstructed width of not less than 24 feet (7315 mm), exclusive of shoulders, except for single-family residential driveways serving no more than two (2) single family dwellings, which shall have a minimum of 12 feet of unobstructed improved width. Any of the following, which have separated lanes of one-way traffic: gated entrances with card readers, guard stations or center medians, are allowed, provided that each lane is not less than 14 feet wide (4,267.2 mm).

5.2. All fire apparatus access roads shall have an unobstructed vertical clearance of not less than 13 feet 6 inches (4,115 mm).

5.3. Vertical clearances or road width may be reduced when the fire code official determines the reduction does not impair access by fire apparatus. In cases where the vertical clearance has been reduced, approved signs shall be installed and maintained indicating the amount of vertical clearance.

8.12.210 Authority.

Section 503.2.2 of the California Fire Code is amended to read as follows:

503.2.2 Authority.

The fire code official shall be the only authority authorized to designate fire apparatus access roads and fire lanes and to modify the minimum fire lane access widths for fire or rescue operations.

8.12.220 Automatic Opener.

Section 503.6.1 is added to Section 503 of the California Fire Code to read as follows:

503.6.1 Automatic Opener.

New motorized gates shall be provided with means to be automatically opened remotely by emergency vehicles in accordance with the requirements of the Canyon Lake Fire Department.

Exception: Gates serving individual one and two-family dwelling parcels do not need to have the automatic opener but are required to have a Canyon Lake Fire Department override key switch.

8.12.230 Loading Areas and Passenger Drop-Off Areas.

Section 503.7 is added to Section 503 of the California Fire Code to read as follows:

503.7 Loading areas and passenger drop-off areas.

On private properties, where fire apparatus access roads are utilized for loading or unloading, or utilized for passenger drop-off or pick-up, an additional eight (8) feet of width shall be added to the minimum required width for the fire apparatus access road.

8.12.240 Fire Hydrant Size and Outlets.

Section 507.5.7 is added to Section 507 of the California Fire Code to read as follows:

507.5.7 Fire Hydrant size and outlets.

As determined by the fire code official, fire hydrant sizes and outlets shall be based on the following:

1. Residential Standard – one (1) four (4) inch outlet and one (1) two and one-half (2 ½) inch outlet.
2. Super Hydrant Standard – one (1) four (4) inch outlet and two (2) two and one-half (2 ½) inch outlet.
3. Super Hydrant Enhanced – two (2) four (4) inch outlets and one (1) two and one-half (2 ½) inch outlet.

8.12.250 Fire Hydrant Marker.

Section 507.5.8 is added to Section 507 of the California Fire Code to read as follows:

507.5.8 Fire hydrant marker. Fire hydrant locations shall be visually indicated by the Canyon Lake fire code official. Any hydrant marker damaged or removed during the course of street construction or repair shall be immediately replaced by the contractor, developer, or person responsible for removal or damage.

8.12.260 General.

Section 508.1 of the California Fire Code is deleted in its entirety and replaced with the following:

508.1 General.

Where required by other sections of this code and in all buildings classified as high-rise buildings by the California Building Code, in buildings greater than 300,000 square feet in area, and in Group I-2 occupancies having occupied floors located more than 75 feet above the lowest level of fire department vehicle access a fire command center for fire department operations shall be provided and comply with Sections 508.1.1 through 508.1.8.

8.12.270 Location and Access.

Section 508.1.1 of the California Fire Code is deleted in its entirety and replaced with the following:

508.1.1 Location and access.

The fire command center shall be located adjacent to the main lobby and shall be accessible from fire department vehicular access or as approved by the fire code official or designee. The room shall have direct access from the building exterior at the lowest level of fire department access.

8.12.280 Size.

Section 508.1.3 of the California Fire Code is deleted in its entirety and replaced with the following:

508.1.3 Size. The fire command center shall be not less than 0.015 percent of the total building area of the facility served or 200 square feet (19 m²) in area, whichever is greater, with a minimum dimension of 0.7 times the square root of the room area or 10 feet (3048 mm), whichever is greater.

Exception: A fire command center solely required because a building is greater than 300,000 square feet in area shall be a minimum of 96 square feet (9m²) with a minimum dimension of 8 feet (2438mm).

8.12.290 Required Features.

Section 508.1.6 of the California Fire Code is amended to add the following exception:

508.1.6 Required features.

Exception: A fire command center solely required because a building is greater than 300,000 square feet in area shall comply with NFPA 72 and contain the features set forth in Subsection 508.1.6, subsection 5, 8, 10, 12, 13, and 14. The features set forth in Section 508.1.6 subsections 1, 2, 3, 4, 6, 9, 11, 15, 16, 17, 18, and 19 shall be required when such building contains systems or functions related to these features.

8.12.300 Fire Command Center Identification.

Section 508.1.8 is added to Section 508 of the California Fire Code to read as follows:

508.1.8 Fire command center identification. The fire command center shall be identified by a permanent easily visible sign stating "Fire Dept. Command Center," located on the door to the fire command center.

8.12.310 Minimum Clearances.

Section 509.2.1 is added to Section 509 of the California Fire Code to read as follows:

509.2.1 Minimum clearances.

A 3-foot (914 mm) clear space shall be maintained around the circumference of exterior fire protection system control valves, or any other exterior fire protection system component that may require immediate access, except as otherwise required or approved.

8.12.320 Manual Operation.

Section 605.10.1.2 of the California Fire Code is deleted in its entirety and replaced with the following:

605.10.1.2 Manual operation.

When required by the fire code official, automatic crossover valves shall be capable of manual operation. The manual valves shall be located in an approved location immediately outside of the machinery room in a secure metal box or equivalent and marked as Emergency Controls.

8.12.330 Where Required.

Section 903.2 of the California Fire Code is deleted in its entirety and replaced with the following:

903.2 Where required.

In all new buildings and structures which are 3,600 square feet or greater, an approved automatic sprinkler system shall be provided regardless of occupancy classification. Where the Sections 903.2.1 – 903.2.20 of the California Fire Code require more restrictive requirements than those listed below, the more restrictive requirement shall take precedence.

Exception: Unless required elsewhere in this Code or the California Building Code, automatic fire sprinkler systems shall not be required for the following:

1. Detached Group U occupancies used for agricultural purposes constructed in accordance with the California Building Code.
2. Detached non-combustible equestrian arena shade canopies that are open on all sides and used for riding only - no commercial, assembly, or storage uses.

3. Detached fabric or non-combustible shade structures that are open on all sides and used to shade playground equipment, temporary storage of vehicles, and dining areas with no cooking.
4. Where determined by the Fire Chief that no major life safety hazard exists, and the fuel load does not pose a significant threat to firefighter safety or to other structures or property, automatic fire sprinklers may be exempted.

One- and two-family dwellings shall have an automatic fire sprinkler system regardless of square footage in accordance with the California Residential Code. Fire sprinkler systems shall be installed in mobile homes, manufactured homes, and multifamily manufactured homes with two dwelling units in accordance with Title 25 of the California Code of Regulations.

In existing buildings:

- a. Additions are made to a building equipped with an automatic sprinkler system whether or not the building was required to have a sprinkler system.
- b. When an addition is 33% or more of the existing building area, and the resulting building area exceeds 5,000 square feet.
- c. When an addition exceeds 2,000 square feet and the resulting building area exceeds 5,000 square feet.
- d. An additional story is added above the second floor regardless of fire areas or allowable area.
- e. When additions, alterations or repairs are done where the building would be required to be sprinklered after the additions, alterations or repairs are completed and the additions, alterations, or repairs have a valuation of 50% or more of the building's valuation prior to the additional, alterations or repairs. The cumulative value of additions, alterations, and repairs done within any three year period is the valuation used to determine the 50% threshold compliance with this section. The valuation used for existing building and for the additions, alterations, and repairs is the valuations established in the City's resolution for computation of building permit fees.

The following exceptions in the California Fire Code shall not be allowed:

- a. Exception in Section 903.2.3
- b. Exception 2 in Section 903.2.11.3

8.12.340 Group R.

Section 903.2.8 of the California Fire Code is deleted in its entirety and replaced with the following:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area as follows:

1. New Buildings: An automatic sprinkler system shall be installed throughout.
2. Existing Buildings: An automatic sprinkler system shall be installed throughout when one of the following conditions exists:

- a. Additions are made to a building equipped with an automatic sprinkler system whether or not the building was required to have a sprinkler system.
- b. When the addition is 33% or more of the existing building area as defined in Section 202, and greater than 1,000 square feet within a two-year period.
- c. When an existing Group R occupancy is being substantially renovated, and where the scope of the renovation is such that the Building Code Official or Fire Code Official determines that the complexity of installing a sprinkler system would be similar as in a new building.
- d. Additions, alterations, or repairs are done where the additions, alterations, or repairs have a valuation of 50% or more of the buildings valuation prior to the additions, alterations, or repairs. The cumulative value of additions, alterations, and repairs done within any three-year period is the valuation used to determine the 50% threshold compliance with this section. The valuations used for existing building and for the additions, alterations, and repairs is the valuations established in the City's resolution for computation for building permit fees.

For the purposes of this section, firewalls, fire barriers, or fire partitions shall define separate buildings.

Exceptions:

1. Existing Group R-3 occupancies converted to R-3.1 occupancies not housing bedridden clients, not housing non-ambulatory clients above the fire floor, and not housing clients above the second floor.
2. Existing Group R-3 occupancies converted to Group R-3.1 occupancies housing only one bedridden client and complying with Section 435.8.3.3 of the California Building Code.
3. Pursuant to Health and Safety Code, Section 13113, occupancies housing ambulatory children only, none of whom are mentally ill children or children with intellectual disabilities, and the building or portions thereof in which such children are housed are not more than two stories in height, and building or portions thereof house such children have an automatic fire alarm system active by approved smoke detectors.
4. Pursuant to Health and Safety Code, Section 13143.6, occupancies licensed for protective social care which house ambulatory clients only, none of whom is a child (under the age of 18 years), or who is elderly (65 years of age or over).

8.12.350 Hydraulically Calculated Systems.

Section 903.3.5.3 is added to Section 903 of the California Fire Code to read as follows:

903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

8.12.360 Minimum Requirements for Client Leased or Occupant Owned Warehouses.

Section 3204.2.1 is added to Section 3204 of the California Fire Code to read as follows:

3204.2.1 Minimum requirements for client leased or occupant owned warehouses. Designs of an automatic sprinkler system for client leased or occupant owned buildings containing high pile storage shall be based on the requirements of NFPA 13. The responsible fire protection engineer shall perform a survey of the building to determine commodity classification, storage configuration, building height, and other information related to the development of an appropriate sprinkler system design. The fire protection engineer shall also make reasonable efforts to meet with the building owner or operator to understand seasonal or customer related fluctuations to the stored commodities, storage height, and configuration. The sprinkler design shall be based on the most demanding requirements determined through the onsite survey and discussions with the building owner or operator. The technical report shall describe the basis for determining the commodity and sprinkler design selection, how the commodities will be isolated or separated, and include references to the design document(s). If a specific fire test is used as the basis of design, a copy of the fire test report shall be provided at the time of plan review.

8.12.370 Fire Hazard Severity Zone Maps.

Section 4904.3 is added to Section 4904 of the California Fire Code to read as follows:

4904.3 High Fire Severity Zone Maps.

In accordance with Government Code Section 51175 through 51189, Very High Fire Hazard Severity Zones are designated as shown on a map titled Very High Fire Hazard Severity Zones, dated December 21, 2009 and retained on file at the office of the fire code official, which supersedes other maps previously adopted designating high fire hazard areas. Any updated maps which are adopted by the City of Canyon Lake will automatically replace the 2009 maps.

8.12.380 Firing.

Section 5608.2 is added to Section 5608 of the California Fire Code to read as follows:

5608.2 Firing.

All fireworks displays shall be electrically fired.

8.12.390 Appendix B.

Appendix B, Table 105.2 of the California Fire Code is amended to read as follows:

AUTOMATIC SPRINKLER SYSTEM (Design Standard)	MINIMUM FLOW (gallons per minute)	FIRE	FLOW DURATION (hours)
No automatic sprinkler system	Value in Table B105.1(2)		Duration in Table B105.1(2)
Section 903.3.1.1 California Fire Code	50% of the value in Table B105.1(2)a		Duration in Table B105.1(2) at the reduced flow rate

Section 903.3.1.2 of the California Fire Code	50% of the value in Table B105.1(2)b	Duration in Table B105.1(2) at the reduced flow rate
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For SI: 1 gallon per minute = 3.785 L/m.

- a. The reduced fire-flow shall be not less than 1,000 gallons per minute.
- b. The reduced fire-flow shall be not less than 1,500 gallons per minute.

8.12.400 Appendix C.

Section C103.1 of the California Fire Code is amended to read as follows:

C103.1 Hydrant spacing.

Fire apparatus access roads and public streets providing required access to buildings in accordance with Section 503 of the California Fire Code shall be provided with one or more fire hydrants, as determined by Section C102.1. Where more than one fire hydrant is required, the distance between required fire hydrants shall be in accordance with Sections C103.2 and C103.3. fire hydrants shall be provided at street intersections.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect on January 1, 2022.

PASSED APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana V. Sauseda, CMC
City Clerk

Steven Graham, City Attorney

ATTACHMENT 2



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Canyon Lake will hold a **PUBLIC HEARING** to consider a proposed ordinance adopting by reference the 2019 Edition of the California Fire Code.

- Ordinance No. 213 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, READOPTING THE 2019 CALIFORNIA FIRE CODE AMENDING CHAPTER 8.12 OF THE CANYON LAKE MUNICIPAL CODE

The proposed ordinance will readopt the 2019 Fire Code as Amended as Chapter 8.12 of the Canyon Lake Municipal Code. All interested persons are invited to appear and to be heard at the public hearing.

The **PUBLIC HEARING** will be held on Wednesday, October 6, 2021, beginning at 6:30 p.m., in the Council Chamber, located at 31516 Railroad Canyon Road, Canyon Lake, California.

A copy of the proposed ordinance and the supporting materials will be available for public review at the City Clerk's Office located at City Hall Administration, 31526 Railroad Canyon Road, Suite 5. Persons are invited to comment on the proposed ordinance by writing to City Clerk Ana V. Sauseda. For more information on the proposed ordinances, please call 951-244-8547 or send an email to asauseda@canyonlakeca.gov.

/s/

Ana V. Sauseda, CMC
City Clerk
City of Canyon Lake

Published 09/17/21 & 09/24/21



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Terry Shea, Finance Director

DATE: October 6, 2021

SUBJECT: Adoption of Resolution No. 2021-50, Authorizing the Execution of an Agreement with CPS HR Consulting to Provide Human Resources Services on an As-Needed Basis

Recommendation

That the City Council adopt Resolution No. 2021-50, authorizing the execution of an agreement with CPS HR Consulting to provide human resources services on an as-needed basis.

Background

The City's current Human Resources function is being performed by the Accountant/Human Resources Specialist. With the City Council approving the formation of the City's Municipal Fire Department, which will begin operations on January 1, 2022, and the hiring of Fire Department personnel set to begin working in December of 2021, the City is in need of additional human resources help.

Human resources laws are very complex with ever changing rules and regulations. As such, City Staff feels there is a need to have additional resources and that the hiring of an outside consultant on as-needed basis is the best approach. The firm selected can assist with the plans and help organize and direct the personnel programs of the City, including employee relations, recruitment and selection, classification, compensation, benefits administration, safety, payroll, employee health and rehabilitation, training and risk management.

City Staff contacted the following human resources consulting firms and solicited proposals for human resources services for the City on an as-needed basis:

Pinnacle Human Resources, LLC
SDHR Consulting
Regional Government Services
CPS HR Consulting

Discussion

City Staff met and reviewed all the proposals, comparing services to be provided, company staffing and hourly rates for those services, and Staff is recommending CPS HR Consulting. Staff contacted the references provided, City of Jurupa Valley, City of Cathedral City and the City of Turlock, and received positive responses from all three.

CPS HR is a Joint Powers Authority (Public Agency) and is governed by regulations and public sector concerns. CPS HR is an innovative, client centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. CPS HR has worked with more than 1,200 government/non-profit clients throughout the United States and Canada.

CPS HR works with government organizations to assist with day-to-day human resources activities which include recruitment and selection, employee relations, labor relations, maintenance of personnel records, classification/compensation and providing consultation on human related policies and procedures.

Please see the attached CPS HR Consulting Proposal.

Fiscal Impact

All services requested will be provided on as needed basis and the hourly rates are as follows:

Project Manager	\$135/Hour
Principle Consultant	\$130/Hour
Senior Consultant	\$125/Hour
Administrative Support	\$105/Hour

Staff is anticipating for Fiscal Year 2021-22 incurring costs of approximately \$15,000 in part due to the Fire Department startup and the new employees associated with that.

Attachments

1. Resolution No. 2021-50

ATTACHMENT 1

RESOLUTION NO. 2021-50

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH CPS HR CONSULTING TO PROVIDE HUMAN RESOURCES SERVICES ON AN AS-NEEDED BASIS

WHEREAS it is determined to be in the best interest of the City of Canyon Lake (“City”) and its employees to provide professional human resources consulting services; and

WHEREAS the new Fire Department project identifies new sworn and nonsworn positions that each require knowledge, skills, and abilities to be successful in their roles; and

WHEREAS CPS HR Consulting (CPS) has been identified to offer human resources consulting services on as needed basis including recruitment and selection process; and

WHEREAS CPS is a client-centered human resources and management consulting firm specializing in government and non-profit clients; and

WHEREAS as self-supporting public agency, CPS understands the unique needs of the public sector and have served as a trusted colleague to clients across North America for more than 30 years; and

WHEREAS CPS HR’s client list includes federal, state, county, city governments and special district working with all levels of positions in both safety and civilian classifications; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AS FOLLOWS:

Section 1. The City Council hereby approves the Consulting Services Agreement with CP HR Consulting attached hereto as Exhibit A.

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Section 2. The City Council hereby authorizes the City Manager to sign and execute the Consulting Services Agreement with CPS HR Consulting.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A



CONSULTING SERVICES AGREEMENT
City of Canyon Lake – HR Consulting Services

This Consulting Services Agreement (Agreement) is by and between Cooperative Personnel Services, dba CPS HR Consulting, a California Joint Powers Authority (CPS HR) and the Agency named in the signature block at the end of this Agreement (Agency, hereafter referred to as Client), and is effective as of September 15, 2021 (Effective Date). CPS HR and the Client shall be collectively referred to herein as the "Parties" and individually as a "Party."

- A. Purpose.** This Agreement defines CPS HR consulting services, policies and procedures.
- B. Services.** CPS HR will provide certain consulting services (Services) to Client as set forth in the Statements of Work (attached hereto as Exhibit ("A")). CPS HR shall perform only the Services requested by Client, at the times, dates, and locations specified by Client.
- C. Compensation.**
 - 1. Payment.** Client will compensate CPS HR for Services by paying certain fees as set forth in the Statement of Work. Client will reimburse CPS HR for business expenses as set forth in the Statement of Work. Client will pay all invoices within thirty (30) days from receipt of invoice.
 - 2. Funding.** Client certifies that funding for compensation payable to CPS HR under this Agreement has been approved by Client's governing body, either as a part of the general operating budget or as a specific item. Client further certifies that it anticipates sufficient cash will be available for payment of compensation as required above.
 - 3. Late Payment.** Any invoices not paid within thirty (30) days may incur a service charge of the lesser of two percent (2%) or the maximum allowable by law per month on any outstanding overdue balances. In addition, reasonable collection costs may be added to any invoice not paid within ninety (90) days.
- D. Taxes.** Except as expressly stated in the Statement of Work, the fees listed therein are in addition to, and not in lieu of, any additional fees, assessments, levies, taxes, etc. assessed against the transactions

contemplated herein (Taxes). With the exception of Taxes imposed on CPS HR' net income, all Taxes shall be Client's responsibility. Client shall pay any Taxes, which CPS HR may be required to collect and remit, upon invoice.

E. Term and Termination of Agreement.

1. Term. The term of this Agreement is from the Effective Date through June 30, 2022.

2. Immediate Termination upon Material Breach. Either Party may terminate this Agreement immediately upon any material breach by the other Party.

3. Termination without Cause. Either Party may terminate the Agreement without cause upon thirty days written notice to the other Party.

4. Payment on Termination. Upon termination without cause, Client shall pay CPS HR for all work performed through the effective date of termination. For termination upon material breach, Client shall pay CPS HR for all work performed which is in compliance with the terms of the Statement of Work.

F. Limited Warranty.

1. Warranty. CPS HR represents and warrants that: (i) it has the authority to enter into this Agreement; (ii) it will comply with applicable law; and (iii) it will provide Services in a workmanlike manner consistent with industry standards.

2. Warranty Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, CPS HR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SERVICES AND THE WORK PRODUCT INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR IN RESPECT OF ANY THIRD-PARTY PRODUCTS OR SERVICES AND ALL WARRANTIES IMPLIED FROM ANY COURSE OF DEALING AND NO REPRESENTATIVE OF CPS HR IS

AUTHORIZED TO GIVE ANY ADDITIONAL WARRANTY.

G. Work Product.

1. Ownership. Upon CPS HR' receipt of fees due under the Agreement, all studies, reports, documents and other writings prepared by CPS HR and its subcontractors, produced as a result of CPS HR' work, or delivered by CPS HR to Client in the course of performing services (collectively, "Work Product") shall become the property of Client and Client shall have the right to use the materials without further compensation to CPS HR or its subcontractors.

2. Retention of Rights. Notwithstanding Client's ownership of the Work Product, Client acknowledges and agrees that: (i) CPS HR has the right to re-use any of its know-how, ideas, concepts, methods, processes, or similar information, however characterized, whether in tangible or intangible form, and whether used by CPS HR in the performance of Services or not, at any time and without limitation, and (ii) CPS HR retains ownership of any and all of its intellectual property rights that existed prior to the Effective Date including, but not limited to, all methods, concepts, designs, reports, programs, and templates as well as all training materials, testing or assessment products, survey content, and copyrightable works.

H. Release of Information to Third Parties.

Each Party understands that information provided to government entities may be subject to disclosure under a public records or freedom of information act. Each Party hereto (each, a Recipient) shall protect and keep confidential all non-public information disclosed to Recipient by the other Party (each, a Discloser) and identified as confidential by Discloser, and shall not, except as may be authorized by Discloser in writing, use or disclose any such Confidential Information during and after the term of this Agreement. If CPS HR or Client receives a request for disclosure of Confidential Materials, such as a subpoena or a public records or freedom of information request, that Party shall immediately notify the other Party of the request. Upon request, Client or CPS HR shall maintain the confidentiality of the Confidential Materials pending the grant or denial of a protective order or the decision of a court or administrative body as to whether the requested materials must be disclosed under the applicable public records statute. Client and CPS HR shall cooperate with each other in seeking any relief necessary to maintain the confidentiality of

the Confidential Materials. Each Party shall defend, indemnify and hold the other harmless from any claim or administrative appeal, including costs, expenses, and any attorney fees, related to that Party pursuing protection of the Confidential Materials from disclosure.

I. Indemnification. CPS HR agrees to indemnify, defend, and hold Client, its agents, officers, employees and volunteers harmless from and against loss or damage (including reasonable attorney's fees) arising from or related to a claim of bodily injury or property damage resulting from CPS HR' willful misconduct or negligent performance of this Agreement; provided that, Client notifies CPS HR in a commercially reasonable time, in writing of any such claim and gives CPS HR (at CPS HR' expense) sole control of the defense of same and all negotiations for its settlement or compromise. CPS HR' liability to indemnify Client shall be reduced to the extent that such loss or damage was caused or contributed to by the act, omission, direction or negligence of Client, its agents, officers, employees and volunteers over which CPS HR does not have direct control.

J. Limitation of Liability.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY HERETO SHALL HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGES ARISING FROM LOSS OF PROFITS OR DATA), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CPS HR' LIABILITY FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE AMOUNT OF FEES PAID BY CLIENT TO CPS HR.

K. Miscellaneous.

1. Notices. Any notice to the parties required or permitted under this Agreement shall be given in writing and shall be sent to the persons listed in the Statement of Work.

2. Dispute Resolution; Remedies.

(a) In the event of a dispute, the parties may agree to pursue mediation or either binding or nonbinding arbitration to resolve their dispute, under such rules as the parties may agree.

(b) If either CPS HR or Client determines it appropriate to file a judicial action, then, in addition to any other remedies available at law or in equity, Client acknowledges that breach of this Agreement may result in irreparable harm to CPS HR for which

damages would be an inadequate remedy and, therefore, CPS HR shall be entitled to seek equitable relief, including injunction.

3. Attorneys Fees. If any legal action or arbitration or other proceeding is brought to enforce or construe the term of this Agreement or because of an alleged dispute, breach or default in connection with any provision of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys fees and other costs incurred in that action, arbitration or proceeding in addition to any other relief to which it may be entitled.

4. Governing Law. This Agreement will be governed by the laws of the State of California without regard to its rules concerning conflict of laws.

5. Force Majeure. Neither Party shall be liable for delays caused by fire, accident, labor dispute, war, insurrection, riot, act of government, superior force, or any other cause reasonably beyond its control.

6. Waiver. The failure of any Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its right to enforce that provision at a later time. Nor shall the waiver by either Party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself. No waiver shall be enforceable unless made in writing and signed by the Party granting the waiver.

7. Entire Agreement; Modifications. This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all other agreements, representations and warranties. All modifications and supplements to this Agreement must be in writing and signed by both parties.

8. Counterparts; Facsimile Signature; Electronic Signature. This Agreement may be executed in any number of counterparts. If this Agreement or any counterpart is signed and then faxed or e-mailed by PDF or otherwise, the faxed or e-mailed copy bearing the signature shall be as good as the original, wet-ink signed copy for all intents and purposes.

9. Authority to Sign. The person signing this Agreement on behalf of the Client (the Principal Signer) represents that he or she is the head of the agency or is otherwise duly authorized to sign this Agreement and to bind the Client.

10. Ambiguities. As this Agreement has been voluntarily and freely negotiated by both parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this Agreement.

**Cooperative Personnel Services dba
CPS HR Consulting**
2450 Del Paso Rd, Ste 220, Sacramento, CA 95834

City of Canyon Lake
31526 Railroad Canyon Rd., Canyon Lake, CA 92587

By: _____
Authorized Signature

By: _____
Authorized Signature

Name: _____

Name: _____

Title: _____

Title: _____

**Exhibit A
Statement of Work**

All changes to this SOW must be mutually agreed to and executed in writing by duly authorized representatives of both parties as an amendment to this SOW. Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

1. SERVICES: CPS HR will provide human resources outsourcing services for the City of Canyon Lake (City) on an as-needed basis as detailed in the CPS HR proposal dated August 13, 2021 and included herein as Attachment 1 to Exhibit A.

2. CLIENT RESPONSIBILITIES:

a. Client must timely perform all those Client roles and responsibilities set forth in this SOW. Successful completion of this project within the time specified depends largely upon an effective working relationship between Client and CPS HR project staff. For this reason, CPS HR requests that Client designate an individual to coordinate communication, meetings, interview schedules, and review of products with the project team. Client's Project Representative will be responsible for the following activities:

1. Coordinating all meeting schedules, conference calls, facilities and equipment needs
2. Coordinating interview schedules and facilities and distributing project update information

b. Any work products developed during the activities described above will be submitted to Client's Project Representative for review, comment and/or approval. This is a critical step to ensure accurate, reliable, and valid products.

3. CPS HR PROJECT MANAGER: Christina Batorski Peacock cbpeacock@cps hr.us

4. CLIENT PROJECT MANAGER: Terry Shea terry@ramscpa.net

5. BUSINESS EXPENSES:

6. SERVICE FEES: Not to Exceed \$85,000

a. All Services provided to Client by CPS HR hereunder are priced on a TIME AND MATERIALS basis. Any estimates provided by CPS HR to Client, whether written herein or given orally, shall not be binding on CPS HR or convert this SOW into a fixed price engagement with respect to such Services. Any such estimates are for informational purposes only, and the actual fees payable by Client may be higher or lower than such estimates.

b. Rates. Services will be invoiced on a monthly basis at the following rates.

Table 1 - Project Team Roles and Hourly Rate	
CPS HR Staff Classification	Hourly Rate
Project Manager	\$135/hour
Principal Consultant/Technical Expert	\$130/hour
Senior Consultant	\$125/hour
Administrative Support	\$105/hour

Invoices will be submitted for payment on a monthly basis. Client will pay CPS HR within thirty (30) days following receipt of consultant invoice.

7. In the event the project is terminated early, CPS HR will be paid such amount as is due for professional services performed and out-of-pocket expenses incurred up to and including the effective date of termination.

8. This SOW covers work requested and performed prior to the commencement of this SOW.



PROPOSAL

City of Canyon Lake

Human Resources Consulting Services (Ongoing)

RFQ

Friday, August 13, 2021

SUBMITTED BY:

MELISSA ASHER

*Senior Practice Leader, Products
and Services*

CPS HR Consulting
2450 Del Paso Rd, Suite 220
Sacramento, CA 95834
P: (916) 471-3358
masher@cpshr.us
Tax ID: 68-0067209

www.cpshr.us



Your Path to Performance

August 13, 2021

Terry Shea, Finance Director
City of Canyon Lake
31526 Railroad Canyon Rd
Canyon Lake, CA 92587

Subject: Human Resources Consulting Services (Ongoing)

Submitted via email to terry@ramscpa.net

CPS HR Consulting (CPS HR) is pleased to submit this proposal to the City of Canyon Lake (City) to provide human resources outsourcing services for the City on an as-needed basis. With a rich history of assisting government agencies with a full range of human resources services, we at CPS HR are confident that together we can provide expert solutions to meet your needs in a cost-effective manner.

We have a deep bench of experts in a broad array of human resources disciplines, long-term experience providing services within the public sector, and an emphasis on quality and value that can be confirmed by our current and past clients.

CPS HR also delivers personalized results-oriented service, utilizing best practice methods and strategies from our team of experts. You will find that:

- ***We are practiced at providing exemplary and responsive service for a variety of HR services.*** CPS HR has held many contracts with local government agencies, so we know how to be responsive to your unique needs. We have the staff, expertise and resources to provide top-notch professional audit and review services and we are also full-service HR practitioners.
- ***We bring in-depth understanding of all local government operations, programs, and services.*** CPS HR has been helping public agencies meet their human resource needs ***for 35 years.*** Our team of experts includes a variety of professionals with the credentials and direct public agency experience necessary to deliver technically accurate content in an innovative and engaging manner.
- ***We have local presence and commitment to maintaining open communications with the City.*** Our project team will focus on integrating with your team and maintaining open communication with your staff to ensure that every activity is completed in a quality manner and adheres to the timeline and budget.

We are committed to meeting the highest professional standards of quality, therefore team members have been selected for their relevant experience and expertise on policies and procedures.

At CPS HR, we pride ourselves in establishing and nurturing long-term relationships with the agencies we serve as we live out our mission of bringing excellence in Human Resources to the public sector. We look forward to the opportunity to work with the City on this important project and to partner with your organization into the future.

CONTACT INFORMATION	
Proposed Project Manager/RFP and Proposal Contact	Christina Batorski Peacock, Manager, Recruitment Solutions (916) 471-3426; CBPeacock@cps hr.us
Contract Authorized Representative	Melissa Asher, Senior Practice Leader, Products and Services Phone: (916) 471-3358; Email: masher@cps hr.us

Thank you for this opportunity. Should you have any questions, please do not hesitate to contact **Christina Batorski Peacock, at the contact information above.**

I am authorized to bind CPS HR to the terms of the proposal.

Sincerely,



Melissa Asher

Senior Practice Leader, Products and Services

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Experience and Background

About CPS HR Consulting

CPS HR is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients since 1985. ***Our mission is to promote human resource excellence in the public sector and our vision to enable people to realize the promise of public service.***

ORGANIZATION IDENTIFICATION INFORMATION	
Legal Name and DBA	Cooperative Personnel Services dba CPS HR Consulting
Main Office*	2450 Del Paso Road, Suite 220, Sacramento, CA 95834 Main: (800) 822-4277; FAX (916) 263-3613 <i>*Primary location from which services will be provided.</i>
Regional Offices	100 Congress Avenue, Suite 2000, Austin, TX 78701 4 West Dry Creek Circle, Suite 100, Littleton, CO 80120 1968 S. Coast Hwy # 961, Laguna Beach, CA 92651
Years in Business	Established 1985
Type of Organization	Joint Powers Authority (Public Agency)
State/County Registration #s	As a California JPA with federal income tax exemption under IRS Code Section 115, CPS HR is exempt from most Local and State taxes.
Federal Tax ID#/TIN/EIN	68-0067209
Website	www.cpshr.us

CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization's specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of organizational strategy, recruitment and selection, classification and compensation, training and development, and organization and workforce management.

CPS HR is a public agency governed by regulations and public sector concerns. We understand what it is to work with and within government. Unlike other public sector organizations, CPS HR is self-supporting. We employ the strategy, innovation, and flexibility found in the private sector to the client's advantage. CPS HR's unique position in the public arena attracts professionals from both public and private sectors who are driven to help the client reach its organization's vision and mission. We work collaboratively with the client to generate solutions that are creative yet practical, to meet the organization "where it is" while also moving it to the next level.

With more than 90 full-time employees as well as 200+ project consultants and technical experts nationwide, CPS HR delivers breakthrough solutions that help public sector organizations impact the communities they serve. CPS HR has worked with more than 1,200 government and public/non-profit clients throughout the United States and Canada.

Our headquarters are located in Sacramento, California. We have regional offices in Austin, TX; Littleton, CO; and Orange County, CA.

Human Resources Consulting Experience

CPS HR frequently works with government organizations to assist with day-to-day human resources activities which include but are not limited to recruitment and selection, employee relations, labor relations, maintain personnel records, classification/compensation and providing consultation on human resource related policies and procedures. Some examples include:

- State of California Dept of HR
- Marin Housing Auth., San Rafael, CA
- City of Novato, CA
- City of Union City, CA
- Douglas County, Castle Rock, CO
- City of Turlock, CA
- City of Sheridan, CO
- City of Oakland, CA
- City of San Jose, CA
- County of Monterey, CA
- County of Santa Clara, CA

Examples of Similar Work

State of California Department of Human Resources

Through a standard agreement with the *State of California Department of Human Resources (Cal HR)*, CPS HR has operated, for approximately 25 years, the Merit System Services program (MSS) which directly administers, or oversees compliance with, personnel programs for county social services and child support services programs. Cal HR and CPS HR work collaboratively and in close partnership to deliver services to our joint clients. MSS currently serves approximately 62,000 employees in county social services and 7,800 in county child support services departments throughout California's fifty-eight counties.

- Twenty-Five (25) counties are Interagency Merit System (IMS) agencies for whom MSS provides direct personnel services such as recruitment and selection, examination services, position classification, and consulting in compliance with LAPS, federal merit principles, and county specific rules.
- Over the last five years, the annual recruitment statistics for the program have varied widely based upon economic conditions and the supply/demand for labor; the low end of the annual recruitment range is approximately 400 and the high end of the range is approximately 1,000. CPS HR's ability to manage the financial and staffing resources of this program reflect the "scalability" of our approach to providing these services.

Within these county recruitments, CPS HR consultants work with departmental subject matter experts (SMEs) to develop recruitment and examination plans, and prepare and post job announcements, including customized brochures for specialized, hard-to-fill positions. Applications are filed on-line, and our consultants screen the applications, develop examinations, and assist the departments with exam administration. CPS HR then compiles candidate scores and presents the department with a list of eligible candidates. Our automated systems, and our internal procedures and processes are all compliant with the merit principles which serve as the foundation for sound and equitable human resource practices.

Similarly, we have provided ongoing human resources support and consultation both onsite and remote to *Marin Housing Authority in San Rafael, CA, City of Union City in CA, City of Santa Rosa in CA, and City of Manitou Springs in CO.*

City of Sheridan CO

In Sheridan, we have placed a consultant to work 30 hours a week both onsite and remote to handle all of the day-to-day human resources activities which include, but are not limited to, general human resources administration and records management; manage hiring, onboarding, promotion and separation of employees; handle employee relations and conflict resolution; review compensation and benefits package; administer leave policies; performance management; administer worker's compensation; ensure employee handbook is current; and administer and interpret personnel policies. This engagement is current and has been in place since 2018.

City of Turlock, CA

In Turlock, we have placed a senior consultant and administrative technician to work a combined 30 hours a week both remote and onsite to handle all recruitment and selection activities for the City. This engagement is current.

City of Union City, CA

In Union City, we placed a senior consultant/employment law expert to work 30 hours a week of which three days are onsite to handle all for the day-to-day human resources activities which include but are not limited to recruitment and selection, employee relations, labor relations, strategic planning, and providing consultation on human resource related policies and procedures.

City of Santa Rosa, CA

In Santa Rosa, we placed a principal consultant to work 20 hours a week onsite to handle specific human resources related activities which include but are not limited to general human resource administration, recruitment and selection efforts including public safety, classification and compensation studies, review and/or development of desk manuals related to recruitment and selection processes, review of City's current recruitment and selection processes to include recommendations of best practices.

Marin Housing Authority in San Rafael, CA

At Marin Housing Authority, we placed a principal consultant to work 25 hours a week of which one day is onsite to handle all of the day-to-day human resources activities which include, but are not limited to, hiring, onboarding, and separation of employees; administration of leave policies; evaluation of reasonable accommodation requests; handle and track counseling, performance issues/disciplinary actions and employee and manager complaints; provide general employment information and guidance; handle personnel investigations; train or coach managers on HR areas, as needed; and manage labor relations with Unions.

Distinguishing Characteristics

Depth of experience working in public agencies. CPS HR is a joint powers authority, and as such, our charter mandates that we provide services exclusively to public agencies and non-profits. CPS HR has been providing human resource consulting services for cities, counties, courts, special districts, water and utilities, and higher education institutions since 1985.

CPS HR staffing. CPS HR employs only the best staff members. Many of our staff have both public and private human resources and training experience, they are diligent in their work, listen to and understand the needs of our clients, and **possess advanced education and certifications such as SHRM, IPMA, etc.**

Use of best practices. CPS HR applies best practices and utilizes proven HR principles in all our engagements.

Quality and tailored services. CPS HR delivers quality and tailored human resources consulting services and training and development to better meet each client's unique goals and objectives.

Our commitment to maintaining open communication. Our CPS HR Project Team will focus on maintaining open communication with the City's staff to ensure that this project preserves its focus and adheres to the timeline and budget.

Customer Service. It is our goal to provide the best customer service possible to all our clients. To assist us in achieving this goal, we provide, at no additional cost to our clients, implementation and support assistance for each project. We will also make available a toll-free phone number and/or e-mail address for the use of claimants and the City.

CPS HR Project Team and Roles

CPS HR will have a designated team for to provide these services to the City. **Ms. Christina Batorski Peacock will serve as Project Manager.** Ms. Peacock will be joined by the following project team members: for HR consulting/recruiting services, **Debbie Gutman** will serve as Senior HR Consultant, **Maricarmen Peoples** as HR Consultant/Executive Recruiter, and **Jackie Frost** will provide support to the team as the Administrative Technician. **Kelly Gonzales** will serve as Client Liaison and Principal HR Consultant. Brief bios of our Team Members follow.

Team Biographies

Christina Batorski Peacock, MPA, PHR, Project Manager

Mrs. Peacock has over 19 years of professional and management experience in public sector Human Resources, including experience in the areas of employee recruitment and selection, compliance, labor relations, test administration, employee relations, and policy development. Specifically, Mrs. Peacock worked directly on recruitment efforts for entry-level Police Officer and entry-level Firefighter as well as sworn and uniform promotional recruitments with the City of Chicago for over 10 years.

Debbie Gutman, Senior HR Consultant

Ms. Gutman is a Senior HR Consultant with CPS HR and has over 20 years of comprehensive experience in Human Resources, including both public and private sector. She has a knowledge and understanding of federal and state labor laws, full-cycle recruiting, employee relations, compensation, training, budget administration, and policy development.

Maricarmen (Mari) Peoples, HR Consultant/Executive Recruiter

Ms. Peoples served in executive, management, and analytical positions in the private sector and in California state government at the California Department of Corrections and Rehabilitation (CDCR), California Emergency Management Agency (CalEMA) and California Health and Human Services Agency (CHHS). Ms. Peoples has extensive State government experience in the areas of human resources, budget policy, communications, program development and operations.

Jackie Frost, Administrative Technician

Ms. Frost has more than 15 years of office assistant experience working in various sectors from Banking to Food Service Distribution to Government and Non-profit entities. Ms. Frost has held key roles in organizing and creating efficiency for each of her employers, as well as learned how to use unfamiliar software quickly. She has worked both independently and as a team, and was often required to coordinate with different departments to accomplish their goals.

Kelly Gonzales, MA, IPMA_SCP, Client Liaison, Principal HR Consultant

Ms. Gonzales is a trusted partner and advisor to Southern California public sector agencies, skilled in establishing sound client relationships, identifying organizational needs, proposing innovative solutions, and ensuring project success. She is an accomplished, strategic, and results-oriented Human Resources professional with a broad range of experience in Human Resources management including recruitment and selection, labor relations, program development and implementation, employee engagement, organizational strategic planning, classification and compensation analysis, and performance management. As a previous Human Resources Manager for a full-service public agency, she understands the unique challenges and opportunities of the public sector.

Similar Work References

Reference #1

Agency:	City of Jurupa Valley
Type of Agency:	Public Sector - Local Government
Service Area:	City – Population of 108,393; 43.51 square miles
Size of Agency:	20+ employees
Contact Person/Info:	Tanya Bragg, Senior Human Resources Analyst; (951) 332-6464; tbragg@jurupavalley.org
Description of Services:	We have worked with the City of Jurupa Valley on two full recruitment and selection projects for the positions of Human Resource Specialist and IT Technician (March 2021 to July 2021)

Reference #2

Agency:	City of Cathedral City
Type of Agency:	Public Sector – Local Government
Service Area:	City – Population of 54,902; 21.76 square miles
Size of Agency:	173 employees including police and fire personnel
Contact Person/Info:	Eugenia Torres, HR Manager; (760) 770-0317; etorres@cathedralcity.gov
Description of Services:	We have a project team in place to handle human resources activities, as requested. These activities include, but are not limited to, recruitment and selection, classification and compensation, and providing consultation on human resource related policies and procedures. (2018 to present)

Reference #3

Agency:	City of Turlock, CA
Type of Agency:	Public Sector – Local Government
Service Area:	City – Population of 73,631; 16.93 square miles
Size of Agency:	530 employees
Contact Person/Info:	Jessie Dhami; (209) 668-5810; JDhami@Turlock.ca.us
Description of Services:	We have placed a senior human resource consultant and administrative technician for a combined 30 hours a week both onsite and remote to assist with the City's recruitment and selection needs. (March 2021 to present)

Statement of Methods and Procedures

CPS HR staff assigned to the project would work primarily remotely to provide ongoing human resources consulting services to include, but not limited to:

- General HR Administration and Consultation
- Recruitment and Selection
- Classification Studies
- Base Salary Studies
- Employee Relations/Conflict Resolution
- Labor Relations
- Workplace Investigations
- Leave Administration
- Personnel Policy Development, Administration, and Interpretation
- Records Management including hiring, onboarding, promotion and separation of employees

To accomplish the requested services as described, CPS HR staff assigned would work primarily remotely and onsite, as needed. We can assist with any of your Human Resources functions, whether for a specific project, like those already identified above, as well as providing strategic HR consultation to support the day-to-day HR function as needed and on-demand. We will comply with any confidentiality and system requirements the City has determined are necessary to maintain the integrity and confidentiality of its data.

Structure and Content of Work Product

Deliverables

We will partner with the City to provide sufficient documents, templates, resources, and reports for the various services requested. We will leverage our use of technology by creating a shared Teams™ site with the City in order to share and work on documents collaboratively. We will provide documents in a draft format and utilize track changes and comments until all questions have been addressed. Throughout all project requests and interactions, we will provide expert human resource consultation and best practice recommendations.

Project Management and Communication

We use a comprehensive approach for planning, organizing, directing, and controlling consulting engagements. Our approach is designed to ensure a focused and efficiently executed project. CPS HR is convinced that the key ingredient to a successful consulting assignment is an effective combination of sound project management procedures, high-quality project team members, and good customer service. Effective project management is required to provide for the orchestration and timely flow of activities, an ongoing feedback and adjustment mechanism, and the judicious use of time.

Our project management process includes three primary components.

- **Providing ongoing monitoring and control of project activities.** Unforeseen developments or changes in circumstances may warrant changes in emphasis, revisions to the approach in certain areas, or other modifications of planned work activities. Active project management provides greater assurance that such redirection will occur when warranted by circumstances.
- **Ensuring the optimum management of the time available to complete the project.** Effective time management is a skill required of experienced professionals. Sound project management can optimize the overall effectiveness of the project team's efforts and provide a greater assurance of meeting milestones and budgets.
- **Providing for the continuous reinforcement of the project's objectives.** A major role of project management is to ensure that the consulting team consistently adheres to the proper perspective in facilitating the project.

CPS HR is dedicated to the commitment of its full complement of resources for the success of all projects. The team members who will be working on this project will be readily accessible and are committed to meeting all deadlines and scheduled timeframes.

Our Communication Model

We recognize that the success of any project depends upon the ability of the consulting team to develop and maintain effective working relationships with the Client's Project Representative, management, employees, and other key stakeholders. Throughout the project, we envision collaborating with the Client's Project Representative to maintain open lines of project communications and to develop a shared understanding of project needs, goals, and objectives.

We understand that open and consistent communication with project stakeholders is a key element of project acceptance and success. For that reason, the work plans we present contain multiple communication points with the Client including:

- Initial project meetings
- Ad-hoc teleconference meetings with the Client Project Representative, and other designated stakeholders, as requested
- On-site meetings to present project deliverables, if requested.

Our goal, therefore, is to ensure that our CPS HR Project Team will meet or exceed your expectations for all phases of the project, and we will work diligently with your staff to meet fully the objectives of the project. We intend to accomplish this through our combination of sound project management procedures, good customer service, and solid communication strategies.

Cost Proposal/Fee Schedule

HR Consulting Services

CPS HR proposes a time and materials contract with a **not-to-exceed amount of \$85,000**. We recommend 20 hours a week for the first 90 days (September through November) to ramp up services and then 10 hours a week for the remaining months of the current fiscal year (December through June) ending June 30, 2022. We would invoice the City on a monthly basis for the hours expended.

Table 1 - Project Team Roles and Hourly Rate	
CPS HR Staff Classification	Hourly Rate
Project Manager	\$135/hour
Principal Consultant/Technical Expert	\$130/hour
Senior Consultant	\$125/hour
Administrative Support	\$105/hour



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CW*

BY: Terry Shea, Finance Director

DATE: October 6, 2021

SUBJECT: Adoption of Resolution No. 2021-51, Authorizing Execution of an Agreement with CBIZ Human Capital Management (CBIZ) to Provide Payroll Services for the City

Recommendation

That the City Council adopt Resolution No. 2021-51, authorizing and approving a services agreement with CBIZ for payroll services.

Background

The City currently uses CBIZ payroll services for all of our employees. The employees are paid semimonthly, which is twice a month. With the City Council approving the formation of the City's Municipal Fire Department, which will begin operations on January 1, 2022, and the hiring of Fire Department personnel which are set to begin working in December of 2021, City Staff reached out to several payroll companies for proposals due to the increased number of employees and the additional costs associated with it.

For Fire Department employees, Staff decided to go to a Biweekly payroll, which would have 26 pay periods per year. With a biweekly payroll, the timesheets are due four days before the pay date. This would give City Staff the required time to have the hours and other items input into the payroll module and be properly reviewed and approved.

City Staff contacted the following payroll service firms and solicited proposals for providing payroll services:

Paychex
ADP – Payroll & HD
Regional Government Services (RGS)
CBIZ HR and Employee Benefit Support Services

Discussion

City Staff met and reviewed the proposals, comparing services to be provided, payroll features offered, the ease of use and the costs of those services.

City Staff believes CBIZ provides the best product for the proposed prices. CBIZ is proposing payroll administration, tax pay services, wage garnishment processing, and employee online services. We currently use CBIZ which will help with the transition to the new CBIZ payroll program that they are proposing.

Please see the attached CBIZ Proposal.

The annual cost for payroll services for the payroll companies is as follows:

Paychex	\$7,698
CBIZ	\$7,236
ADP	\$6,605
RGS	\$11,490

The CBIZ proposal includes a one-time Setup Fee of \$1,000.

Fiscal Impact

For Fiscal Year 2020-21 the City paid \$4,221 in payroll service fees to CBIZ, the invoices are paid semimonthly with each payroll. Included in the Fiscal Year 2021-22 Budget is \$4,400 for payroll service fees in the Finance Department. We are estimating the additional costs for Fiscal Year 2021-22 will be \$2,654, which includes the \$1,000 one-time set up fee.

Therefore, a budget adjustment of \$2,700 is requested for Account 10-330-6610 Professional/Specialized Services.

Attachments

1. Resolution No. 2021-51
2. CBIZ Proposal

ATTACHMENT 1

RESOLUTION NO. 2021-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING AND APPROVING A SERVICES AGREEMENT WITH CBIZ FOR PAYROLL PROCESSING SERVICES

WHEREAS the City has evaluated the cost associated with employee payroll processing; and

WHEREAS in accordance with the City's purchasing procedures, City staff solicited proposals and received four (4) proposals, CBIZ, ADP, Paychex and RGS; and

WHEREAS City staff have evaluated the proposals and feel CBIZ has the best product even though they are not the lowest price; and

WHEREAS the City is currently using CBIZ to process City payrolls, and staff feels it will be a smoother transition.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AS FOLLOWS:

Section 1. The City Council authorizes a budget adjustment in the amount of \$2,700 to account 10-330-6610.

Section 2. The City Council hereby approves the Services Agreement with CBIZ attached hereto as exhibit A.

Section 3. The City Council hereby authorizes the City Manager to sign and execute the Services Agreement with CBIZ.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A



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SERVICES AGREEMENT

Revised: 4/2019

This Agreement is made by and between Prospect Name ("Employer") and CBIZ Benefits & Insurance Services, Inc. ("CBIZ"), who will provide for Employer one or more of the services more fully described herein and as indicated below.

WHEREAS, in accordance with the terms set forth below, CBIZ will perform the services described herein in accordance with the provisions of the Internal Revenue Code, as amended ("IRC") and the Public Health Services Act, as amended ("PHS"), without assuming any responsibility as a plan administrator or plan sponsor under the Plan, and without assuming any responsibility for continuation or extension of coverage laws unless specifically agreed to elsewhere in this Agreement.

The Terms of Agreement and all applicable scopes of services are attached hereto. Employer and CBIZ have read the Terms of Agreement and all attachments and agree to be bound by their terms.

TERMS OF AGREEMENT

1. Services Provided.

- CBIZ will perform the services selected by Employer and pursuant to the Scope of Services attached hereto and made a part hereof. Employer agrees to be responsible for the items outlined on the Scope of Services attached that are selected by Employer. Employer agrees to pay CBIZ the fees for the services performed hereunder as outlined on the Billing Terms and Conditions and defined in the Services Proposal, each attached hereto and made a part of the Agreement.. CBIZ reserves the right to modify the fees for the future services by notifying Employer in writing at least thirty (30) days prior to the effective date of any such fee modification.

2. Relationship of the Parties.

- It is understood and agreed that this Agreement does not create any employer/employee, partner or joint venture relationship between the parties. The parties agree that the relationship between CBIZ and Employer shall be that of independent contractors. As an independent contractor, CBIZ shall have the right to determine the means and methods to be used in accomplishing and providing the services to be rendered hereunder, including but not limited to outsourcing one or more services contemplated herein. Each party shall be responsible for all expenses involved in the execution of any services to be performed hereunder and shall also be responsible for all federal, state and local taxes that may be required to be paid by either party. The parties shall not have any express or implied rights or authority to assume or create any obligation or responsibility on behalf of or in the name of the other, except as may otherwise be set forth in this Agreement.
- From time to time in the course of providing the services hereunder, CBIZ has and will continue to provide Employer with independent industry data and information for Employer and its management to materially utilize in making decisions related to Employer's payroll and related services. Employer will be responsible for management decisions and functions, and for designating an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management, to oversee any services CBIZ may provide. Employer is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services, provided, however, the aforesaid shall in no way waive, release, obviate or mitigate the obligations, covenants, responsibilities and liabilities of CBIZ under this Agreement.

3. Employer Provided Information.

- Employer acknowledges the importance of providing complete and accurate information to CBIZ prior to the effective date of any and all services provided hereunder. CBIZ, from time to time, will request certain information from the Employer, which is necessary to enable CBIZ to adequately perform its duties hereunder. The Employer shall, within thirty (30) days of the receipt of such request, or within such other time as may be outlined on the applicable service description, furnish CBIZ with all information requested in writing or in such electronic media as is acceptable to the parties and such information shall be true and correct to the best of the Employer's knowledge and belief. CBIZ may rely on any such information furnished by authorized individual(s) of the Employer and shall have no responsibility to inquire into its correctness or accuracy. CBIZ, its officers, employees and agents shall not be liable for any damages, taxes, interest, penalties or fines incurred by Employer if all the requested information is not furnished within the time period set forth in this paragraph. CBIZ shall incur no liability for reliance on the information provided. If the information supplied proves to be incorrect, the Employer will, if applicable, pay CBIZ based upon then current hourly rates for the costs of all work to correct such information. The Employer shall use reasonable efforts to retain duplicate copies of information or material sent to CBIZ and for taking other precautions as it deems necessary in case such information or materials are lost or destroyed, regardless of cause, or in case information reprocessing is needed for any reason.

4. Transfer of Information.

- Both parties agree that any confidential data or information, as defined below in Section 9, that is provided electronically or by any other means to the other party or a designated third party shall be protected in such a manner as to prevent theft or loss of the data. The sending party will have no liability to the receiving party if upon receipt of the data the receiving party provides the data to a third party and that third party takes any action that could result in the loss or theft of the data.

5. Plan Administration and Fiduciary Responsibilities.



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- Employer sponsors a group employee benefits plan (the "Plan"). For services related to the Plan, Employer is the Plan's fiduciary, whether named or otherwise, and plan administrator, not CBIZ. Nothing contained in this Agreement shall be deemed to make CBIZ a fiduciary to the Plan. The Employer is solely responsible for all administrative duties incidental to the maintenance of the aforementioned Plan, including general compliance with the IRC, PHS, Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99-272 ("COBRA") or any other federal, state or local laws or regulations that may have bearing on this Plan.
- CBIZ, its officers, employees and agents are not Plan fiduciaries and shall not perform any functions which might, in the opinion of CBIZ, result in the classification of CBIZ, or any of its officers, employees or agents as a "fiduciary". The Employer acknowledges that CBIZ has no discretionary authority, control or responsibility over the Plan or over the administration of Plan assets. CBIZ will execute requested transactions involving the Plan only after receiving the appropriate authority from the Employer, named representative(s) or other properly identified fiduciary (ies).

6. Limitation of Liability.

- CBIZ's services under this Agreement shall be limited to the services outlined on each service description attached hereto. Neither CBIZ, nor its officers, employees and agents shall have any liability whatsoever for the payment of any damages, interest, taxes, fines or penalties which arise out of or are in connection with any acts or omissions of a Plan trustee, sponsor, fiduciary, administrator or party-in-interest to the Plan.
- CBIZ's liability regarding processing and recordkeeping errors shall be limited only to substantiated and proven direct damages and the correction of such errors that are reported to CBIZ within sixty (60) days of receipt of said erroneous reports, records or information by the Employer. CBIZ shall not be liable for indirect, special or consequential damages arising out of any breach of this Agreement.
- CBIZ, its officers, employees and agents will not furnish any legal, tax, or accounting advice for which its officers, employees or agents are not licensed to furnish, but will direct such questions either directly to, or through the Employer. The Employer bears responsibility to direct such questions to its legal counsel and accountant.

7. Prior Acts or Omissions.

- CBIZ shall not be liable for any acts or omissions with respect to the services provided hereunder which were committed before the effective date of this Agreement by another third party provider. CBIZ shall also not be liable for any acts or omissions with respect to the services provided hereunder for the Plan which occur after this Agreement's termination, except for acts or omissions in connection with the transfer of records upon termination of this Agreement as provided in Section 13 of this Agreement.

8. Indemnification.

- Subject to the limitations stated in Section 6 above and notwithstanding any other provision to the contrary, each party to this Agreement (the "Indemnifying Party") agrees to indemnify and hold harmless the other party (the "Indemnified Party") and its officers, directors, employees, agents and affiliates from and against any and all loss, liabilities, demands, claims, actions and expenses (including, without limitation, any attorneys' fees and taxes) arising out of, or in connection with, any breach of the Indemnifying Party's responsibilities under this Agreement which are found to constitute gross negligence or willful misconduct. The provisions of this Section shall survive termination of this Agreement for a period not to exceed three (3) years from the date of termination of this Agreement, and shall be binding on the parties' successors and assigns.

9. Confidentiality.

- CBIZ agrees not to disclose or use during or subsequent to termination of this Agreement, any confidential information relating to Employer's business unless such use is required in the performance of this Agreement. The parties agree and understand that confidential information is any information that is treated as confidential by either party and/or has not been made generally available to the public. Such information shall include, but not be limited to, employee information, client and customer lists, data, records, computer programs, manuals, processes and methods that each party may have become privileged to during the course of this Agreement. The parties acknowledge that Employer may disclose confidential and important Protected Health Information ("PHI") to CBIZ as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). If applicable, execution of this Agreement indicates each party's acceptance to the terms of the Business Associate Agreement, attached hereto and made a part hereof. All records and other materials related in any way to each party's business shall be and remain the respective party's property during and after the termination of this Agreement. The parties further agree and acknowledge that they will disclose the confidential information only to those directors, officers or employees that have an absolute need to know for the purposes of the Agreement. The provisions of this Section 9 shall survive the termination of this Agreement.

10. Authorized to Disclose Employer Information.

- Employer authorizes CBIZ to share Employer information with other CBIZ affiliated companies for the limited purpose of proposing other services for Employer by a CBIZ affiliated company. Employer further authorizes CBIZ to provide Employer information to approved third party vendors who are providing services for Employer; however CBIZ will not disseminate any information to any third party unrelated to CBIZ without Employer's written authorization. Employer agrees to indemnify and hold harmless CBIZ, its officers, directors, employees and agents against any loss, liabilities, demands, claims, actions and expenses arising out of or in connection with CBIZ providing information to any third party as authorized by Employer and provided for in this Section and Section 4 above.



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11. Ownership of CBIZ Intellectual Property.

- CBIZ shall retain all rights, title to and interest in any and all intellectual property developed in connection with the provision of services and relationship contemplated by this Agreement. For purposes of this Agreement, intellectual property shall include, but not be limited to, computer software, source code and written processes and procedures.

12. Non-Solicitation of Employees.

- Employer agrees that it will not solicit, directly or indirectly, any employee of CBIZ with whom it has direct contact or who provides services for Employer regarding this Agreement during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement. In the event of a breach of this provision, in addition to any other right CBIZ may have in law or in equity, Employer shall make a one-time payment to CBIZ equal to one hundred percent (100%) of the employee's annual salary for the most recent year. Notwithstanding the foregoing, this provision shall not apply to any individual who responds to a general advertisement or solicitation that is not directly targeted at such individual.

13. Term and Termination.

- This Agreement is effective for each service selected as of the date written on the attached Proposal. The Agreement will remain in effect for the services outlined herein unless terminated at any time by either party with written notice thirty (30) days prior to the first of any month. Notwithstanding anything stated herein to the contrary, either party may terminate this Agreement at any time upon an event of default by the other party. Each party shall be given prompt notice of such breach or default by the other party and shall have thirty (30) days from the date of receipt of such notice to remedy and cure such default or breach. Notwithstanding the foregoing, in the event an account is in default, Employer agrees to immediately wire-transfer the funds directly to CBIZ. Failure to do so may result in the suspension of the services and applicable hardware until full payment is received. In the event of an insufficient funds occurrence, CBIZ has the ability to charge a fee, per the then current fee schedule, based on the total outstanding balance due. If, after such thirty (30) day cure period, the default or breach has not been remedied or cured, the Agreement will terminate as it relates to that service. Set-up fees agreed upon will be drafted in the event of a "no start". Termination of any one service selected does not terminate this Agreement for all selected services. Upon termination, CBIZ shall have a reasonable amount of time to transfer account records information as agreed to by the parties. CBIZ shall be entitled to receive all of the fees due through the termination date of the Agreement plus reasonable costs, if any, related to termination, including without limitation costs of generating termination related reports and accounting. Upon the completion of a final audit of Employer's payroll account, any funds still due and owing to CBIZ for payroll expenses, taxes, direct deposits or service fees will be immediately due and owing to CBIZ by Employer. CBIZ shall have no responsibility to release any records, plan data, electronic files or other information to the Employer until payment of Trust funds are made in full and CBIZ has received payment in full for any undisputed fees and expenses due and owing to CBIZ pursuant to this Section and Section 1 above for services provided prior to the termination date of this Agreement.

14. Successor and Assigns.

- This Agreement and all attached services descriptions shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. However, this Agreement shall not be assigned to any other party without the other party's written consent. Notwithstanding the foregoing, CBIZ may assign this Agreement to a parent, subsidiary or affiliate, or to an entity acquiring substantially all of the assets of CBIZ or any division, without the consent of Employer.

15. Governing Law.

- This Agreement shall be governed by and construed under the laws of the State of Ohio, without regards to principles of conflicts of laws. Both parties to this Agreement hereby irrevocably submit to the jurisdiction of the courts of the state of Ohio (state or federal), with venue in Cuyahoga County, over any dispute arising out of this Agreement and agree that all claims in respect of such dispute shall be determined in such court.

16. Customer Calls.

- From time to time and in compliance with federal and state laws, CBIZ may monitor and/or record calls which are made to and from the customer service line for quality assurance and training purposes, and/or to ensure that CBIZ services fully comply with the terms of the Agreement.

17. Entire Agreement and Amendment.

- This Agreement and all attached service description(s) contain the entire understanding between the parties with respect to the subject matter herein and supersedes any prior or contemporaneous written or oral agreement between them related to the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Agreement, which are not fully expressed herein. The terms and provisions of this Agreement and the attached service descriptions may be modified or amended only by written agreement executed by the parties hereto.



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[Remainder of page intentionally blank]



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Centrally HR Scope of Services

Subject to the terms and conditions of the Agreement, CBIZ hereby grants Employer during the Term a limited, revocable, non-exclusive, non-transferable, non-assignable license to use for internal business purposes only: a) the Centrally HR application(s) and related services, including applicable Services description documentation and training materials (the "Documentation"); and, b) any embedded third party software, libraries, or other components, which collectively comprise the Services. The Services contain proprietary trade secret technology of Kronos, Inc. and CBIZ. Unauthorized use and/or copying of such Services are prohibited by law, including United States and foreign copyright law. Employer agrees to comply with the License Terms attached hereto and made a part of the Agreement, and required to use the Services. Employer may use the software included in the Services in object code form only, and shall not reverse compile, disassemble or otherwise convert such software into uncompiled or unassembled code. Employer acknowledges and agrees that the license to use the Services is limited based upon authorized usage and the amount of the monthly service fees to be paid by Employer. Employer agrees to use only the modules and/or features described on the executed proposal. Employer agrees not to use any other modules or features unless Employer has licensed such additional modules or features. Employer may not relicense or sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use) by any third party. Employer may not provide service bureau or other data processing services that make use of the Services without the express prior written consent of CBIZ. No license, right, or interest in any Kronos or CBIZ trademark, trade name, or service mark, or those of Kronos' or CBIZ's third party suppliers ("Suppliers"), is granted hereunder. Software is provided "as-is" without any warranty whatsoever, CBIZ makes no warranty that the software will be error free or free from interruption or failure, or that it is compatible with any particular hardware or software.

Payroll Administration

- Provide payroll processing services, which include, but are not limited, calculating, processing and distributing employee paychecks.
- Provide various paycheck payment methods, such as paper check, direct deposit and/or payroll debit card.
- Payroll management reporting capabilities.
- Year-end processing and reporting of W-2 and 1099 information.
- Employer and employee secure online management capabilities.
- Employee Portal – single access to payroll information, timekeeping, and HR functions.
- Provide Full Payroll Tax Filing Service, which includes:
 - Calculation of all federal, state, and local tax withholding and unemployment liabilities.
 - Preparation of all applicable federal, state, and local tax returns and forms.
- Depositing of all applicable federal, state, and local tax monies as required.
- Provide Child Support Processing services, which include:
 - Payments to child support agencies that are collected through payroll deduction,
 - Reports available in the system listing processed child support information and agency payment details.
- Provide Garnishment / Third Party Payment services, which include:
 - Payments to courts, collection agencies or other third parties that are collected through payroll deduction.
 - Reports available in the system listing processed garnishment and third party payments and payment details.
- Provide, upon request as noted on the Services Proposal, any additional ancillary payroll related services.

Time and Labor Management Module

- Timekeeping includes time and attendance, accrual management and basic scheduling.
- Provide software services for the purposes of electronic time and attendance record keeping.
- Provide Employer, supervisors and employees secure online access to the management capabilities of time and attendance record keeping.
- A minimum fee will apply for the TLM monthly participant services fee. If applicable at the time of quoting, the minimum will appear on the Services Proposal.
- Physical clocks have a limited 1-year warranty.
- Employer agrees to the terms outlined in the Time Clock Rental Agreement, attached hereto and made a part of the Agreement.(if applicable).

Human Resources Module

- Provide Employer, supervisors and employees secure online access to a human resources management module that provides various HR functions as needed by Employer.
- Employer recognizes that the HR management system contains confidential information and shall use reasonable care to prevent unauthorized disclosure, use, reproduction or distribution of the information except as may be authorized in writing by CBIZ.
- The HR module includes:
 - Onboarding & Offboarding
 - Position Management
 - Compliance & Reporting
 - Asset Management
 - Learning Management
 - Incident Tracking
 - Workflows & Notifications
 - Benefits Administration & Enrollment

CBIZ ACA Module



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- The purpose of the ACA Module is to provide tools, training, and support to assist the Employer in complying with the Employer Shared Responsibility Provisions of the Affordable Care Act. This includes classifying and tracking of employees for ACA requirements, assistance with researching notices, and providing 1094-C and 1095-C forms at year end.
- CBIZ ACA Module includes:
 - Initial setup of Employer general ACA information, lowest cost insurance plan, employee ACA status and insurance enrollment
 - Reports and software provided for the Employer to review for accuracy of the initial information loaded.
 - Training on ongoing maintenance of employee status and insurance information
 - Training of tools to track hours during the initial and ongoing measurement periods for employees
- Deliverables:
 - Population of Forms 1094-C and 1095-C.
 - 1095-C forms mailed to employees.
 - Electronic copies of 1095-C forms provided to Employer.
 - Electronic transmittal of the 1094-C form with the accompanying 1095-C forms to the IRS.
- The ACA Services package should not be construed as Legal, Financial, Tax or other professional advice. Employer should always consult with a legal and trusted advisor when making decisions regarding ACA compliance and reporting.
- CBIZ is not liable for any taxes, penalties or related fees associated with employer shared responsibility obligations.
- The services outlined herein are subject to change based on any modifications that may be made to the applicable government regulations.

Employer Responsibilities

- Verify and furnish accurate employee information and payroll data to CBIZ.
- Notify CBIZ of any changes to company contacts, demographics, shipping, bank account information, etc., at least three (3) days prior to processing payroll.
- Transmit payroll information data by 2:00 PM EST at least two (2) business days prior to applicable check date.
- Forward all federal, state and local payroll tax agency communications to CBIZ immediately upon receipt from the agency.
- Provide current and accurate employee and employer federal, state and local payroll tax information upon establishment of new accounts or change to existing accounts.
 - CBIZ will not take responsibility for incorrect tax calculations, deposits or filings due to incorrect information supplied to CBIZ by Employer.
 - When tax accounts are established with CBIZ or when a new tax account is created at a later date, CBIZ will assess an "applied for" fee per account per month until Employer furnishes proper documentation with the newly created account number. All new accounts will be granted a thirty (30) day grace period from the initial communication date to CBIZ during which no fees will be assessed in order to provide Employer sufficient time to acquire and furnish proper documentation.
- Input and/or verify all information regarding employee child support obligations.
 - Employer has full responsibility for the accuracy of the payroll deduction data sent via EFT by CBIZ to the child support agencies.
 - Employer has full responsibility to manage the funds, including overpayments, adjustments and refunds.
 - CBIZ will have no responsibility to attempt to reclaim funds or alter child support payments in any way.
- Input and/or verify all information regarding employee garnishment/third party payment obligations.
 - Employer has full responsibility for the accuracy of the garnishment/third party payment data sent via check by CBIZ to the court, collection agency, or other third party
 - Employer has full responsibility to manage the funds, including overpayments, adjustments and refunds.
 - CBIZ will have no responsibility to attempt to reclaim funds or alter payments in any way.
- Payroll processing fees and fiduciary funds will be debited directly from Employer's designated bank account based on the schedule below, or as otherwise agreed on by the parties:
 - Processing fees will be drafted one (1) business day prior to related check date.
 - Tax liabilities (if applicable) will be drafted one (1) business day prior to check date.
 - Direct deposit funds (if applicable) will be drafted two (2) business days prior to related check date.
 - Payroll tax funds will be drafted one (1) business day prior to related check date.
 - If using CBIZ Trust Paycheck service, then paycheck funds will be drafted two (2) business days prior to related check date.
- In the event an account is in default, Employer agrees to immediately wire-transfer funds directly to CBIZ. Failure to do so may result in the non-funding of employee direct deposits or the nonpayment of pending tax liabilities to the appropriate agencies. CBIZ will not accept responsibility for penalties or interest associated with the nonpayment of tax liabilities related to an account being in default
- In the event of an insufficient funds occurrence, CBIZ has the ability to charge a fee, per the then current fee schedule, based on the total outstanding balance due.
- Employer is solely responsible for the integrity of the data provided for the CBIZ initial upload of the employer and employee ACA information. The reporting will only be as good as the data provided.
- Employer is solely responsible for providing CBIZ changes in ACA or insurance plan information.
- Employer is solely responsible for the ongoing maintenance of employee ACA status and insurance census information.
- Employer is solely responsible to review and understand the applicable laws and apply them to the Employer's company to remain in compliance with the legislation and enable correct reporting. Without limiting the foregoing, this specifically includes proper application of regulations regarding variable hour employees, rehires, breaks in service, and affordability safe harbors. While CBIZ will prepare the 1094-C and 1095-C required employer and employee forms, it will be Employer's responsibility to check for accuracy and completeness, and approve the forms for distribution to the employees. CBIZ will file the forms with the IRS.
- Employer assumes all risks and responsibilities for selection of the software to achieve the intended results, and for the installation of, use of, and results obtained from the software.



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- Employer assumes the entire cost of any damage resulting from its use of the software and the information contained in or compiled by the software, and the interaction (or failure to interact properly) with any other hardware or software.
- Employer will purchase any time clock(s) desired for the services.

Fees

Employer agrees to the fees outlined in the Proposal presented to Employer by CBIZ and will acknowledge its agreement to payment of said fees by executing the document provided to Employer for signature. There will be no pro rate refund of any fees in the event the Agreement is terminated prior to the end of any term. There will be no refund of fees should the Employer Shared Responsibility Provisions of the ACA be revoked or modified such that these services are no longer required. Any open balance on hardware purchases will become immediately due and payable upon termination and the remaining balance will be automatically debited. All fees will be paid as outlined in the Terms of Agreement.

Implementation

CBIZ will configure the Services utilizing scheduled remote resources. Software module configuration will be based on information and work flows obtained from Employer during the discovery portion of the implementation. Employer shall provide CBIZ with necessary configuration-related information in a timely manner to ensure that mutually agreed implementation schedules are met.



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BILLING TERMS AND CONDITIONS

Revised: 4/2019

Timing of Invoice

- Invoices are generated with each payroll processing. All items described below are billed per payroll processing, monthly, or annually. Each of those frequencies will bill according to the definitions and terms listed below and be placed on an invoice with the next payroll. Monthly items will be billed on the first payroll occurring on or after the 5th of the following month. In some situations annual items may be aligned with an anniversary date or other date, otherwise annual items will be billed on the first pay date in January. For annual items where the pay date falls within the first 5 days of the month, the item will be billed on the next payroll processing invoice. Instances where one time fees are applied may be billed outside of a normal payroll processing invoice. Those situations will either be outlined below or reviewed with you by a CBIZ associate.
- Once a module has been configured and activated, that module will be billed on the next appropriate invoice. Activation of a module includes configuration and testing, but does not require usage.
- Setup fees for each module will be billed once the module has been activated. Carrier file setup charges are billed once the first successful file is sent to the carrier. This will not necessarily be the same date for each carrier.
- All hardware purchases are subject to sales or use tax and are billed upon the order being initiated. Hardware orders will be reviewed by both client and CBIZ prior to final order being submitted, upon which time an invoice shall be generated.
- All invoices are drafted via ACH debit on the day prior to the pay date or date of invoice for non-pay date invoices.

Definition of Terms

- "In Payroll" is a term used often in billing and is a field in the system that determines the status of an employee. This is a required field available to all admin users within the system.
- "Employees" as used below includes all accounts, whether W2, 1099 or other individuals set up in the system.
- Payroll Module: This module is billed per employee per processing and counts the number of finalized pay statements. One state is included for tax filing and payment purposes. Any additional state active for tax filing will incur an additional monthly fee. Garnishments and Child Support payments are billed per vendor payment made, either via ACH or a check, at a frequency of each pay period. If a package is shipped, a delivery fee will be billed, otherwise, there is no charge for receiving electronic packages. The "applied for" tax fee is charged monthly for any taxing agency that CBIZ has not received a valid account number (EIN) for by the last day of the previous month.
- Talent Acquisition Module: The Talent Acquisition Module is based on the number of active employees during the previous month. An active employee is defined as an employee that has either logged into the system at least once or has a status equal to "In Payroll". Recruiting is billed for each open job in the previous month. If a job is open at any point during the month, this will be included in the invoice. The premium job board service is billed for any posting of a job or renewal posting in the previous month. This feature is optional per job, and only billed for those jobs that are posted using this feature.
- HR Module: The HR module is based on the number of active employees during the previous month. An active employee is defined as an employee that has either logged in to the system at least once or has a status equal to "In Payroll". The compensation, performance management, and succession planning modules, if purchased, are each billed as described herein.
- Time and Attendance Module: Time and Attendance is based on the number of active employees during the previous month. An active employee for time and attendance shall be an employee that a) has logged into the system at least once; or b) has time in a time card record; or c) has had activity or a change to an accrual balance; or d) is included in Payroll Prep. All hardware will be billed upon the shipment of each unit.
- Leave of Absence Module: Leave management is billed based on the number of employees that have a leave of absence profile assigned at any point during the previous month.
- Advanced Scheduler Module: The advanced scheduler module is billed based on the number of employees with a scheduled shift assignment (aka Planner) at any point during the previous month.
- Carrier Files: Carrier files are billed based on the number of active employees during the previous month. An active employee is defined as an employee that has either logged into the system at least once or has a status equal to "In Payroll". In addition, new plans within the same carrier may result in additional carrier setup fees if the carrier requires additional mapping and structural changes to the existing file. This will be determined by the carrier and CBIZ will communicate any fees that may exist. A change in carriers will result in a new carrier file setup fee.
- ACA: The ACA module is based on all non-terminated employees.

*Note: Many items may be included in a package. The above items pertain to non-packaged purchases. For packaged items such as Payroll, HR or Time and Attendance, the above terms of counting for those 3 would apply to the entire package.

**Note: In some cases there are monthly minimum amounts that are required.



LICENSE TERMS

Employer agrees to comply, in all material respects, with the following terms and conditions for use of the Software:

- to operate and process the Software and use the Service for its own internal business purposes only, without the right to further sublicense;
- not to decompile, disassemble or reverse engineer the Software;
- that the license to use the Software and the Service is limited based upon authorized Usage;
- not permit use of the Software or the Service (including timesharing or networking use) by any third party (other than Employer itself);
- not remove the Equipment from the place of original installation without CBIZ's prior written consent nor sell or encumber the Equipment;
- to grant permission to combine Employer's business data with that of other customers in a manner that does not identify the Employer or any individual in order to evaluate and improve the services offered to customers;
- that the sublicense agreement inures to the benefit of the licensors of software and other applications, and that such licensors may directly enforce the terms of the sublicense agreement in order to protect their interests in the Software and the Service.
- to take all reasonable steps to ensure that no unauthorized persons have access to the Service, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Agreement;
- to ensure that the Employer has the right to publish and disclose the data and other content Employer includes in the Service, and that the Content will not (i) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (ii) be abusive, profane, or offensive to a reasonable person; or (iii) be hateful or threatening;
- that Employer shall not (i) use, or allow the use of, the Service or the Content in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (ii) introduce into the Service any virus or other code or routine intended to disrupt or damage the Service, or alter, damage, delete, retrieve, or record information about the Service or its users; (iii) excessively overload the systems used to provide the Service; (iv) perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan (including without limitation the use any tool designed to automatically emulate the actions of a human user in connection with such testing); or (v) otherwise act in a fraudulent, malicious or negligent manner when using the Service;
- to comply with the minimum security requirements for using the Service as reasonably determined by CBIZ;
- that when using and applying the information generated by the Services, Employer is responsible for ensuring that Employer complies with the applicable requirements of federal and state law;
- that if Employer is using any payroll service hereunder: (i) Employer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using such Service, (ii) using such Service does not release Employer of any professional obligation concerning the preparation and review of such reports and documents, (iii) Employer does not rely upon the Service provider or its third party licensor(s) for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Employer will review any calculations made by using such Service to satisfy itself that those calculations are correct.
- that Employer will acknowledge and agree that no person nor entity not a party to this Agreement will be a third party beneficiary of any provision of this Agreement and, by way of further clarification, none of its employees or other personnel is an intended beneficiary with respect to the payroll or other services provided in connection with the Service or Software; and
- that use of the Service includes the ability to enter into agreements and/or to make transactions electronically. Employer acknowledges that when it indicates acceptance of an agreement and/or transaction electronically, that acceptance will constitute its legal agreement and intent to be bound by and to pay for such agreements and transactions. This acknowledgement that Employer intends to be bound by such electronic acceptance applies to all agreements and transactions Employer enters into through the service, such as orders, contracts, statements of work, and notices of cancellation.
- Employer hereby acknowledges that the software may not be or become available due to any number of factors including without limitation: periodic system maintenance both scheduled and unscheduled, acts of God, technical failure of the software, telecommunications infrastructure, or delay or disruption attributable to viruses, denial of service attacks, increased or fluctuating demand, and actions and omissions of third parties.



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ACH SERVICE AGREEMENT

Revised: 1/2018

This agreement is between Prospect Name LLC ("Company") and CBIZ Benefits & Insurance Services, Inc. ("Processor"). This agreement is for use of Automated Clearing House (ACH) services to be utilized by our Company which has deposit accounts with financial institutions that participate in the National Automated Clearing House Association (NACHA), hereinafter called Participating Institutions. ACH transactions will be the agreed upon method of debiting/crediting accounts between the Company and the Processor. As a result, both parties will agree as follows:

- 1. Services using ACH transfers shall be provided to the Company in accordance with the NACHA Operating Rules, as well as all other applicable regulations pertaining to ACH. The Company shall be considered the "Originator" participant under all applicable NACHA and other (Rules) in connection with any ACH items submitted by the Processor on its behalf. As an Originator, the Company must comply with and are bound by the Rules. The Company shall be liable to the Participating Institutions with respect to the warranties, liabilities, and/or obligations relating to ACH entries.
2. The Company authorizes the Processor to initiate ACH transactions to pay on the Company's behalf, the Company's employees and draft the Company for total direct deposits, billing, taxes and/or any other type trust service provided by Processor that the company has elected. Also, the Processor may debit employee or Company accounts for corrections as needed.
3. The Company acknowledges that each debit/credit submitted is, to their knowledge, authorized, accurate, timely, and in compliance with the Rules and federal and state laws and regulations governing electronic funds transfer.
4. The Processor will only originate ACH PPD (Prearranged Payment or Deposit) and/or ACH CCD (Corporate Credit or Debit) transactions on behalf of the Company.
5. The Processor reserves the right to terminate the processing of ACH items if the Company is in violation of the Rules or applicable laws or if the customer becomes fiscally unstable.
6. The Company will retain the original, or a copy, of each employee's direct deposit authorization for such period of time as may be required by the Rules or applicable law.
7. The Company agrees to submit payroll data prior to the deadline established by Processor. The current deadline is set forth in the signed service agreement.
8. The Processor reserves the right to require a wire or reverse wire to fund the payroll amounts processed prior to releasing direct deposits, checks drawn on the Processor's account and/or taxes.
9. The Processor reserves the right to examine and audit the Company's compliance with the original agreement and the NACHA Rules at any time.
10. The Company agrees to not originate ACH entries that violate the laws of the United States.

Company
Prospect Name

By:
Title:
Date:

CBIZ Benefits & Insurance Services, Inc.

By:
Title:
Date:

ATTACHMENT 2



9/9/2021

**City of Canyon Lake
31516 Railroad Canyon Rd
Canyon Lake, CA 92587-9400**

Attention: Kayla Lozano
Note: CBIZ Proposal # Q-11858

**CBIZ Human Capital Management
Proposal for Services created for:**

City of Canyon Lake

The following Proposal details Services, Fees and Terms.

DRAFT PROPOSAL



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Services

Items	Billed Per	Per Fee	Base Fee/ Minimum	Count	Total	Annual Fees
Payroll Processing	Bi-Weekly	\$3.00	\$0.00	26	\$78.00	\$2,028.00
Payroll Processing	Semi-Monthly	\$3.00	\$50.00	14	\$50.00	\$1,200.00
Payroll Processing	Monthly	\$3.00	\$100.00	5	\$100.00	\$1,200.00
Time and Attendance Module	Monthly	\$4.50	\$0.00	45	\$202.50	\$2,430.00

Additional Services

Items	Billed Per	Per Fee	Base Fee/ Minimum	Count	Total	Annual Fees
Form W2/1099 Processing	Annual	\$6.95	\$65.00	45	\$377.75	\$377.75

Implementation

Items	Billed Per	Per Fee	Base Fee/ Minimum	Count	Total	Annual Fees
Payroll Module Setup	One Time	\$10.00	\$500.00	45	\$500.00	\$500.00
Time and Attendance Module Setup	One Time	\$7.50	\$500.00	45	\$500.00	\$500.00

Miscellaneous Fees

Items	Billed Per	Per Fee	Base Fee/ Minimum	Count	Total	Annual Fees
Applied for Tax ID	Per Occurrence	\$50.00	\$0.00			\$0.00
Payroll Delivery	Per Occurrence	\$21.00	\$0.00			\$0.00
Garnishments	Per Occurrence	\$1.00	\$0.00			\$0.00
Tax Filing Per State - 1 state included	Per Occurrence	\$7.50	\$0.00			\$0.00
Tax Filing Per Local	Per Occurrence	\$5.00	\$5.00			\$0.00

Annual Amount: \$7,235.75

Setup Totals: \$1,000.00



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We thank you for taking the time to consider our proposal. Please do not hesitate to call me if you have any questions or need any additional information.

Sincerely,

Christie Havens
Phone: (760) 216-3459
Email: chavens@cbiz.com



Payroll Module

Payroll Process

- Built-in test environments
- Calculations as you go
- Payroll prep checklist and quick links
- Correction delta process for easy recalculation of payroll edits
- Custom batch payroll entry screen
- Direct deposits
- Gross to net
- Pay stub printing/distribution
- Payroll alerts
- Payroll batches by pay frequency
- Real-time payroll processing
- Reconciliation pay statement
- Multiple payroll processing
- Garnishment deduction wizard

Payroll Reporting

- Change history reporting
- Consolidated reporting across tax IDs
- Cross-year reporting
- Date-driven reporting across all years
- Excel® native reports
- Integrated report writer
- Data visualization and dashboarding capabilities
- Reports sent by email
- Standard report library
- 401(k)/retirement plan 180° integrations**

Payroll Setup

- Geospatial tax identification
- Labor distribution and cost center tracking
- Multi-EIN support

General Ledger/Year End

- Automated reciprocity tax withholding
- General ledger processing
- Year-end processing

Payroll Services

- Check printing/distribution
- Employee direct deposit
- Tax filing/deposits
- Tax filing/payment
- Garnishment disbursement

Benefits Administration

- Benefits and insurance management*
- COBRA administration**
- Leave request management*
- Total compensation statement
- Workers' compensation
- Affordable Care Act Form 1094-C*

Platform and Security

- Profile-based functionality security
- Unlimited users with security
- Automated event notifications
- Third-party software interfaces
- Unlimited data storage

Mobile Application

- Direct deposit/electronic consent
- View pay statements, W-2s, W-4s, I-9s, and 1099s

* Requires additional module

** Service provided by 3rd party partner

Timekeeping Module

Labor Management

- Employee/manager self-service
- Timesheet approval workflow
- Mass edit capabilities
- Import/export utility
- Exception handling
- Document storage (receipts, company handbook, etc.)
- Automated points tracking (attendance trends)
- Temporary manager (backup) assignment
- Itemized expense tracking
- Employee self-service time off request tool and manager approval workflow
- Time-off planning
- Open absences/Bradford factor scores for absence tracking

Accruals*

- Tracking of Eligibility, Tenure, Hours Worked
- Synching with External HR or Payroll Systems

Scheduling

- Daily, weekly, or configurable recurring patterns
- On-the-fly entries/edits for day-to-day changes
- Dynamic time off durations based on scheduled hours
- Visibility into employee timesheet
- Assign employees to schedules or schedules to employees
- Assign two schedules per employee per day
- View schedule, location, department, job, etc.

Pay Rules

- Location
- Cost center (nine cost centers with up to 10 levels each)
- Shift differentials
- Pay rule priority
- Autopopulated holidays
- Multiple pay periods (weekly, monthly, etc.)
- Time zones
- Non-standard pay periods
- Employee contract-based pay rules
- Automatic deductions (breaks, meals)
- Paid meals
- Annualization tracking
- Flat pay
- Extra time and guaranteed minimum time
- Grace and rounding
- Holiday pay
- Overtime

Rate Tracking

- Job costing
- Pay categories (such as direct, indirect)
- Multipliers, special rates
- Effective dating
- Counter value calculations
- Piece rate quantity tracking (units, miles, etc.)
- Pay rate per piece/piece rate requirements

* Accruals is an add-on module.

Timekeeping Module (cont.)

Reports

- Over 50 built-in standard reports
- Custom/ad hoc reports
- Data visualization and dashboarding capabilities
- Ability to export to five formats (CSV, Excel, PDF, HTML, XML)
- Daily email summary report
- Saving and sharing reports with quick link access
- In/out dot board
- Exception reporting
- Time off calendar and roster
- Dynamic drill-down capabilities
- Security profile settings for defining access
- Points history
- CMS submission

Mobile Application

- Timesheet (completion, submission, correction, manager approvals)
- Accruals (balances and history)*
- Schedule
- Time off requests (submission, balances, history, manager approvals)
- Overtime requests
- Time off calendar
- Punch in/out
- Offline punch
- GPS punch tracking/geofencing
- Job/cost center transfer
- Contracts views
- Piecework collection
- Reports access and data visualization/dashboard access
- Employee attendance tracking

Data Collection

- Ethernet-based clocks
- Mag stripe, proximity, and bar code badges
- Biometric verification and identification
- Remote hardware management
- Remote punch via mobile app

Security

- Permanent, detailed audit trail
- IP address and/or punch restriction
- Application manager/user access profiles
- RSA login authentication
- Single Sign-On (SSO)
- User/manager configurable user interface
- Virtual code authentication

Email Notifications (alerts, reminders, etc.)

- Standard time off request, rejection, and approval
- Standard timesheet request, rejection, and approval
- Beginning and end of period manager/employee notifications
- Accrual balance notifications*
- Exception notifications
- Point notifications
- Companywide announcements

* Accruals is an add-on module.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Terry Shea, Finance Director

DATE: October 6, 2021

SUBJECT: Adoption of Resolutions to Join the Public Entity Risk Management Authority and Approve Pooling of Self-Insurance Through their Workers' Compensation Program

Recommendation

That the City Council:

1. Adopt Resolution No. 2021-52, Authorizing and Approving Pooling of Self-Insurance Through the Workers' Compensation Program of Public Entity Risk Management Authority
2. Adopt Resolution No. 2021-53, Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities.
3. Adopt Resolution No. 2021-54, Providing Workers' Compensation Coverage for Certain City Volunteers Pursuant to the Provisions of Section 3363.5 of the Labor Code
4. Adopt Resolution No. 2021-55, Approving Coverage of all Officers and Employees Under one Master Faithful Performance Bond

Background

The City currently uses State Compensation Insurance Fund for Workers' Compensation Insurance. With the addition of the new Fire Department this fiscal year with 11 new safety employees and up to 15 volunteers the City reached out to State Compensation Insurance Fund for the additional costs for the program, but they did not respond to our inquiries.

The City is already a member of the Public Entity Risk Management Authority (PERMA) for General Liability Insurance, Crime Coverage, Cyber Liability, EPL (ERMA), Alliant Deadly Weapon Response and Property Insurance. Staff reached out to PERMA and asked about participating in their Workers' Compensation Program effective December 1, 2021.

Discussion

Municipal entities have the option of either participating in a self-insurance pool or obtaining a non-pooled traditional insurance policy for the provision of general liability and workers' compensation insurance. In nearly all cases, pools offer more favorable coverage, terms, conditions, and limits tailored to the needs of their public entity participants. Furthermore, if a pool has a more favorable loss experience, funds not spent on claims are retained specifically for the benefit of the members. In the long term, pools are generally more cost-effective for pool members.

The main disadvantage to consider before electing pool membership is the fact that monies collected in the pool are shared in the payment of losses for all members, and most pooling agreements contain assessment provisions if funds are not available to pay claims or expenses. This means that the overall risk management approach taken by each individual agency within the pool has a direct impact on the costs for other members.

The Public Entity Risk Management Authority (PERMA) was created in 1985 for the purpose of jointly funding programs of insurance. PERMA is a statewide agency consisting of thirty public entity members. PERMA has developed public entity risk retention pools for general liability and workers' compensation coverage. PERMA also offers coverage options in property, vehicle, special events, crime, employment practices liability, and employee benefits.

The City will establish a Member Retained Limit of \$150,000 for the Workers' Compensation Program. This may only be changed with the approval of the PERMA Governing Board. The cost allocation formula, including the self-insured retention level, is periodically reviewed by PERMA, and may be changed or amended in subsequent Program years. The City must remain a member of PERMA's Workers' Compensation Program for a minimum of three (3) years and will subsequently be required to make deposits and deposit adjustments as provided in the PERMA Joint Powers Agreement.

The City will have an excess workers' compensation policy with Public Risk Innovation, Solutions and Management (PRISM) with retention limits of \$5,000,000.

Claims administration will be handled by a Third Party Administrator (TPA) AdminSure Inc, they have an office in Ontario California.

Fiscal Impact

The Workers' Compensation premium contribution estimate breakdown for fiscal year 2021-22 is as follows:

Pool/Risk Sharing Expenses:

- Pool Loss Funding (\$150,000 to \$500,000): \$10,095
- Excess Insurance: \$10,078
- Administrative/Other Expenses: \$2,253
- TPA Expense: \$4,000

Total Pool/Risk Sharing Expenses: \$26,426

Member Deposit/Non-Risk Sharing:

- Banking Layer Loss Funding (\$0 to \$150,00); \$41,418

Total Workers' Compensation Contribution Estimate: \$67,844

Attachments

1. Resolution No. 2021-52
2. Resolution No. 2021-53
3. Resolution No. 2021-54
4. Resolution No. 2021-55
5. DIR Form A-2, Application for Certificate of Consent to Self-Insure
6. LAWCX-No Known Loss Letter
7. ERMA-No Known Loss Letter
8. PRISM-No Known Loss Letter
9. Indication Canyon Lake Fire Dept WC

ATTACHMENT 1

RESOLUTION NO. 2021-52

A RESOLUTION OF THE CITY COUCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING AND APPROVING POOLING OF SELF-INSURANCE THROUGH THE WORKERS' COMPENSATION PROGRAM OF PUBLIC ENTITY RISK MANAGEMENT AUTHORITY.

WHEREAS, pursuant to the provisions of Section 6500 et seq. and also Section 3700, et. seq., of the California Labor Code, the Public Entity Risk Management Authority (PERMA) was created in 1985; and

WHEREAS, the City has executed the Joint Powers Agreement to become a member of PERMA; and

WHEREAS, PERMA has established and administered a successful Workers' Compensation Self-insurance and Loss Pooling Program since November 5, 1985; and

WHEREAS, there are significant financial and administrative advantages for the City to participate in the Workers' Compensation Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE , ORDER AND DETERMINE THE FOLLOWING:

Section 1. Workers' compensation coverage for the City through the Workers' Compensation Protection Program of PERMA is hereby authorized and directed, effective December 1, 2021, pursuant to the terms of the Memorandum of Coverage in effect at the time of any occurrence covered by the Memorandum of Coverage.

Section 2. That an initial annual contribution of \$67,844, for the Workers' Compensation Program is approved and the appropriate officers of the City are authorized to pay the same to PERMA.

Section 3. That City will remain a member of PERMA's Workers' Compensation Program for a minimum of three (3) years and will subsequently be required to make deposits and deposit adjustments as provided in the PERMA Joint Powers Agreement.

Section 4. That the City hereby establishes a Member Retained Limit of \$150,000 for the Workers' Compensation Program which may only be changed with approval by the PERMA Governing Board. The cost allocation formula, including the self-insured retention level, is periodically reviewed by PERMA and may be changed or amended in subsequent Program years.

Section 5. That the Mayor shall sign and the City's Clerk shall certify to the passage and adoption of this Resolution, and thereupon the same shall take effect and be in force.

\\

\\

Section 6. That the City Clerk is directed to forward a certified copy of this Resolution to PERMA, 36-951 Cook Street, Suite 101, Palm Desert, CA 92211.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 2

RESOLUTION NO. 2021-53

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE,
CALIFORNIA AUTHORIZING APPLICATION TO THE DIRECTOR OF
INDUSTRIAL RELATIONS, STATE OF CALIFORNIA FOR A CERTIFICATE
OF CONSENT TO SELF INSURE WORKERS' COMPENSATION LIABILITIES**

WHEREAS the City Council of the City of Canyon Lake, a municipality organized and existing under the laws of the State of California, met at a regular meeting on the 6th day of October, 2021, to adopt this resolution.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON
LAKE RESOLVES AS FOLLOWS:**

Section 1. The City Manager is hereby severally authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities on behalf of the City of Canyon Lake and to execute any and all documents required for such application.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 3

RESOLUTION NO. 2021-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, PROVIDING WORKERS' COMPENSATION COVERAGE FOR CERTAIN CITY VOLUNTEERS PURSUANT TO THE PROVISIONS OF SECTION 3363.5 OF THE LABOR CODE

WHEREAS, the City of Canyon Lake finds its best interest will be served by utilizing volunteers in the provision of certain government services; and

WHEREAS, said volunteers should be eligible for workers' compensation coverage while on duty.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AS FOLLOWS:

Section 1. Find and determine that the public interest is best served by providing workers' compensation coverage for City volunteer workers as specified by the City Manager.

Section 2. Provide eligibility for said volunteers for workers' compensation benefits which will be applicable during the time the person performs volunteer services, provided, however, that the rights of volunteers shall be limited as set forth in the Labor Code.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 4

RESOLUTION NO. 2021-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPROVING COVERAGE OF ALL OFFICERS AND EMPLOYEES UNDER ONE MASTER FAITHFUL PERFORMANCE BOND

WHEREAS, prior to January 1, 1997, the California Government Code required that local public agency treasurers be individually bonded and;

WHEREAS, the City Council also had the authority to require bonds of other officers or employees; and

WHEREAS, California Government Code Section 1481 was amended January 1, 1997 with Assembly Bill 3472 to extend master bonding provisions to local public agencies; and

WHEREAS, Assembly Bill 3472 requires the City Council to adopt a resolution approving coverage of all their officers and employees under one master bond; and

WHEREAS, approval of such resolution eliminates the necessity of writing bonds on specifically named individuals for their term of office, reducing both cost and paperwork.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AS FOLLOWS:

Section 1. That the City Council of the City of Canyon Lake, California authorizes the coverage of all their officers and employees under one master bond.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 5

State of California
Department of Industrial Relations
Office of Self-Insurance Plans
11050 Olson Drive, Suite 230
Rancho Cordova, Ca. 95670
Phone (916) 464-7000
Fax (916) 464-7007



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

**APPLICATION FOR CERTIFICATE OF CONSENT
TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER**
All questions must be answered. If not applicable, enter "N/A".

To the Director of the Department of Industrial Relations: The public agency employer identified below submits the following information to obtain a Certificate of Consent to Self-Insure the payment of workers' compensation under California Labor Code Section 3700.

LEGAL NAME OF APPLICANT (Show exactly as on Charter or other official documents):

City of Canyon Lake

Address: 31516 Railroad Canyon Road

City: Canyon Lake State: CA Zip + 4: 92587 -

Federal Tax ID # of Group: 33-0449143

CONTACT - Who Should Correspondence Regarding This Applicant Be Addressed To:

Name: Chris Mann Title: City Manager

Company Name: City of Canyon Lake

Address: 31516 Railroad Canyon Road

City: Canyon Lake State: CA Zip + 4: 92587 -

Phone: (909) 244-2955 E-Mail: chrismann@canyonlakeca.gov

TYPE OF PUBLIC ENTITY (Check one):

City and/or County School District Police and/or Fire District Hospital District

Joint Powers Authority Other (describe):

TYPE OF APPLICATION (Check one):

New Application Reapplication (Merger/Unification) Reapplication (Name Change)

Other (describe):

Date Self-Insurance Program will begin: 12/01/2021

CURRENT WORKERS' COMPENSATION PROGRAM

- Currently Insured with State Fund Policy # 1242716 Expiration Date: _____
- Currently Self Insured, Certificate # _____
- Other (describe): _____

CLAIMS ADMINISTRATION

Who will be administering your agency's workers' compensation claims? (Check one)

- JPA will administer
- Third Party Administrator, TPA Certificate # 092
- Public entity will self-administer Insurance Carrier will administer

Name of Third Party Administrator:

Name: Nerrisa Burnside Title: Workers' Compensation Director

Company Name: AdminSure Inc.

Address: 3380 Shelby Street

City: Ontario State: CA Zip + 4: 91764 - _____

Phone: (909) 861-0816 E-Mail: service@adminsire.com

of claims reporting locations to be used to handle Agency's claims: 1

Does applicant currently have a California Certificate of Consent to Self-Insure? Yes No

If yes, what is the current Certificate Number: _____

Total Number of Affiliate's California employees to be covered by Group: 0

AGENCY EMPLOYER

Current # of Agency Employees: 18 # of Public Safety Employees (police//fire): 11

If school District, # of certificated employees: _____

Will all Agency employees be covered by this self-insurance plan? Yes No

If 'No', explain who is not covered and how workers' compensation coverage will be provided to the excluded employees:

JOINT POWERS AUTHORITY

Will applicant be a member of a JPA for workers' compensation ?

Yes No (If 'yes', complete the following)

Effective date of JPA Membership: 12/01/2021 JPA Certificate # 5014

Name of JPA: Public Entity Risk Management Authority

AGENCY SAFETY PROGRAM

Does the Agency have a written Injury and Illness Prevention Program (IIPP)? Yes No

Individual responsible for Agency workplace safety and IIPP program:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

SUPPLEMENTAL COVERAGE

1.) Will your program be supplemented by any insurance or pooled coverage under a **STANDARD** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

2.) Will your program be supplemented by any insurance or pooled coverage under a **SPECIFIC EXCESS** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: Public Risk Innovation, Solutions, and Management (PRISM)

Policy #: PRISM-PE 21 EWC-32 Effective Date of Coverage: 07/01/2021

Retention Limits: Statutory

3.) Will your program be supplemented by any insurance or pooled coverage under an **AGGREGATE EXCESS** (stop loss) specific excess workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

Retention Limits: _____

RESOLUTION FROM GOVERNING BOARD

Attach a properly executed Governing Board Resolution. See attached sample resolution on page 5.

CERTIFICATION

The undersigned on behalf of the applicant hereby applies for a Certificate of Consent to Self-Insure the payment of workers' compensation liabilities pursuant to Labor Code Section 3700. The above information is submitted for the purpose of procuring said Certificate from the Director of Industrial Relations, State of California. If the Certificate is issued, the applicant agrees to comply with applicable California statutes and regulations pertaining to the payment of compensation that may become due to the applicant's employees covered by the Certificate.

X _____ DATE: _____

SIGNED: Authorized Official / Representative

Chris Mann

Printed Name

City Manager

Title

City of Canyon Lake

Agency Name

RESOLUTION NO.: _____ DATED: _____

**A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the _____
(Enter Name of the Board)

of the _____
(Enter Name of Public Agency, District, Etc.)

a _____ organized and existing under the
(Enter Type of Agency, i.e., County, City, School District, etc.)

laws of the State of California, held on the _____ day of _____, 20____,

the following resolution was adopted:

RESOLVED, that the above named public agency is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities and representatives of Agency are authorized to execute any and all documents required for such application.

IN WITNESS WHEREOF: I HAVE SIGNED AND AFFIXED THE AGENCY SEAL.

X _____ DATE: _____
SIGNED: Board Secretary or Chair

Printed Name

Title

Agency Name

Affix Seal Here

ATTACHMENT 6



www.canyonlakeca.gov

☎ 951.244.2955

☎ 951.246.2022

October 6, 2021

Mr. Jim Elledge, LAWXC Executive Director
Suite 200
1750 Creekside Oaks Drive
Sacramento CA, 95833

Dear Mr. Elledge:

Effective December 1, 2021, the City of Canyon Lake would like to join the Local Agency Workers' Compensation Excess JPA (LAWCX) workers' compensation program through its membership with PERMA.

As of the date of this letter, there are no known workers' compensation losses for the period of July 1, July 1, 2011, through present.

If you have questions, please contact Kayla Lozano at (951) 244-2955 or klozano@canyonlake.ca.gov.

Sincerely,

Chris Mann
City Manager

Copy:
Beth Lyons, PERMA General Manager
Kayla Lozano, Canyon Lake Accountant & Human Resources Specialist

ATTACHMENT 7



www.canyonlakeca.gov

☎ 951.244.2955

☎ 951.246.2022

October 6, 2021

Ms. Jennifer Jobe, ERMA Executive Director
Suite 200
1750 Creekside Oaks Drive
Sacramento, CA 95833

Dear Ms. Jobe:

The City of Canyon Lake (City) is a member of the Employment Risk Management Authority (ERMA) employment practices liability (EPL) program through its membership with PERMA. Effective December 1, 2021, the City would like to add EPL coverage for its newly formed fire department.

The City has been contracting with Riverside County for fire services since incorporation. As of the date of this letter, the County states there are no known fire EPL losses for the period of July 1, 2011, through present attributed to City fire operations.

If you have questions, please contact Mike Borja at 951-244-2955 or mborja@canyonlakeca.gov.

Sincerely,

Chris Mann
City Manager

Copy:
Beth Lyons, PERMA General Manager
Mike Borja, Administrative Services Manager

ATTACHMENT 8



www.canyonlakeca.gov

☎ 951.244.2955

☎ 951.246.2022

October 6, 2021

Ms. Rebekah Winger, PRISM, Underwriting Manager
Suite 200
75 Iron Point Circle
Folsom, CA 95630

Dear Ms. Winger:

The City of Canyon Lake (City) is a member of the Public Risk Innovation Solutions and Management (PRISM) GL1 program through its membership with PERMA. Effective December 1, 2021, the City would like to add liability coverage for its newly formed fire department.

The City has been contracting with Riverside County for fire services since incorporation. As of the date of this letter, the County states there are no known fire liability losses for the period of July 1, 2011 through present attributed to City fire operations.

If you have questions, please contact Mike Borja at 951-244-2955 or mborja@canyonlakeca.gov.

Sincerely,

Chris Mann
City Manager

Copy:
Beth Lyons, PERMA General Manager
Mike Borja, City of Canyon, Administrative Services Manager

ATTACHMENT 9

2021-2022 Cost of Coverage*
City of Canyon Lake - Addition of Fire Department and WC Coverage - Effective December 1, 2021

Program	Mandatory Program	Cost Allocation Formula Factors	Total Payroll, TIV, or FTE	Ex-mod	Deductible/Retention**	Coverage Limits	2021-22 Estimate (Dec 1 - June 30)	Notes
Liability	Yes	Payroll & losses		0.967	\$	\$50M		
Without Fire			\$ 740,552				\$ 57,634	No change made to Ex-Mod
Fire			\$ 624,333				\$ 27,757	
Total with Fire			\$ 1,364,885				\$ 85,391	
Total with Fire								
Employment Practices Liability	No	Payroll & losses		0.75	\$ 25,000	\$50M		No change made to Ex-Mod
Without Fire			\$ 740,552				\$ 4,058	
Fire			\$ 624,333				\$ 1,977	
Total with Fire			\$ 1,364,885				\$ 6,035	
Total with Fire								
Workers' Compensation (WC)***	No	Payroll & losses		1.000	\$ 150,000	Statutory		Claim payment funding (Member Deposit Banking Plan)
City Retention of \$150,000			\$ 1,118,034				\$ 16,508	\$ 47,386
Fire							\$ 9,575	\$ 27,455
Total with Fire							\$ 6,933	\$ 19,881
Total with Fire								
TPA fees (city selected AdminSure)								
Data Conversion Fees - None anticipated due to no known claims								
Funding includes estimated DIR assessment								
Funding at 80% confidence level, undiscounted								
Other Employees (non-fire) appropriation								
Estimated based on comparison with other members; TPA fees were split 50/50 in the totals below.								
All Risk Property****	No	Total insured property values		NA	\$ 10,000	\$100,000,000 (scheduled values)		
Without Fire			\$ 3,510,381				\$ 6,333	Values already included fire station
Fire			\$ 4,867				\$ 9	Added shed - did not see it on the schedule
Total with Fire			\$ 3,515,248				\$ 6,342	
Total with Fire								
Auto Physical Damage****	No	Total insured vehicle values		NA	\$ 5,000	\$100,000,000 (replacement cost)		
Without Fire			\$ 244,195				\$ 2,737	
Fire			\$ 2,025,000		\$ 25,000		\$ 19,858	Fire vehicles with values of over \$200K have \$25K deductible
Total with Fire			\$ 2,269,195				\$ 22,595	
Total with Fire								
Crime	No	Full-time equivalents		NA	\$ 2,500	\$1M, \$3M or \$5M		No additional charge, current premium \$838
Choice of limits								
Cyber	Yes	Total insured property values		NA	\$ 50,000	\$ 12,000,000		No additional charge, current premium \$3,721
Choice of retention								
Deadly Weapons	Yes	Total insured property values		NA	\$ 10,000	\$ 500,000		No additional charge, current premium \$118
TOTAL ESTIMATED COST TO ADD FIRE WITH WC COVERAGE AT \$150,000 RETENTION							\$ 88,630	
TOTAL ESTIMATED COST FOR EMPLOYEES (NON-FIRE) TO HAVE WC COVERAGE WITH \$150,000 RETENTION							\$ 28,814	(revised 9/13/2021)

Claim payment funding is the city's money, held in trust, to fund claim payment accounts, so should not be used in a coverage cost comparison. Data conversion fees are only incurred if the city changes TPAs, thus were not included in the total.

*Coverage is provided through a combination of self-insurance, insurance, and reinsurance. Limits listed are for the 2021-22 coverage period and are subject to policy exclusions and applicable sublimits. See policies for full details.

**The city currently retains 50% in the liability program. PERMA will be reviewing retentions during the 2021-22 fiscal year to determine appropriateness and retentions could change.

***For ALL employees, WC payroll was prorated. Lower retentions share risk with members with police departments; estimated TPA fee included in the total. Total paid remains the same, however, risk exposure & claim funding allocated based on retention.

****All Risk Property and Auto Physical Damage program deductibles were increased by the carriers in 2021-22 to \$100,000 and \$25,000 respectively, so PERMA developed a self-funding pool to maintain member deductibles at \$10,000 and \$5,000.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Terry Shea, Finance Director

DATE: October 6, 2021

SUBJECT: Adoption of Resolution No. 2021-56, Authorizing Execution of an Agreement with Shuster Advisory Group, LLC (Shuster) for Plan Consulting, Investment Advisory and Investment Fiduciary Services to the Defined Contribution Retirement Plan

Recommendation

That the City Council adopt Resolution No. 2021-56, authorizing execution of an agreement with Shuster Advisory Group, LLC (Shuster), for plan consulting, investment advisory and investment fiduciary services to the defined contribution retirement plan.

Background

The City currently provides an employer-sponsored deferred compensation plan under Section 457(b) of the Internal Revenue Code ("IRC") with Nationwide. The plan provides tax benefits to employees who make deposits into the Plan for their retirement.

As the plan sponsor, the City has certain fiduciary duties and responsibilities under State law (California State Constitution, Article XVI Section 17). These duties and responsibilities focus on ensuring the operation and investment of the public retirement plan is for the exclusive purpose of providing benefits to participants and beneficiaries. Specifically, fiduciary responsibilities include:

- Investing the assets of the plan;
- Administering the plan; and
- Engaging in a prudent process for making all decisions related to the operation of the plan, including decisions related to the plan's investments and related services.

As the Plan Sponsor, the City has the right to contract with third-party service providers in fulfilling the City's responsibilities for the Plans. The City currently utilizes Nationwide for record-keeping and administration services for the Plan. These record keepers are not fiduciaries to the Plan and are prohibited from being a fiduciary to the plan. Due to increased regulatory responsibilities and the complexity of the investment process and associated responsibilities, staff sought to learn more about trends affecting the employer sponsored retirement plan marketplace and laws governing fiduciary requirements for the operation of the City's sponsored plans. In addition, in an effort to fulfill the City's fiduciary responsibility to provide plans in the best interests of participating employees.

Discussion

Staff learned of Shuster Advisory Group, LLC from a current client of theirs who indicated they had significant positive impact with Shuster's consulting and fiduciary services provided to the City, the employees and retirees participating in the City's 457 plan. Staff met with Shuster to find out more about their process and the results Shuster obtained for other cities. During the meeting Staff learned Shuster provides fiduciary and consulting services to over 50 other Southern California cities and agencies, including the cities of San Bernardino, Ontario, Riverside, Chino, Upland, Claremont, Arcadia and Beverly Hills. The Cities utilized Shuster to evaluate their contract terms, plan fees and investments with their current providers. Shuster also conducted RFP's to alternative record-keepers resulting in the cities greatly reducing their plan fees, enhancing their investment line-ups and boosting participant services.

One of Shuster's greatest strengths is in their fee negotiations. The results of Shuster's five most recent negotiations for their City clients resulted in an average reduction of 85% in record-keeping fees. Overall, including investment fees and Shuster's fees, the fees charged to participants reduced an average of 50%, thereby enhancing participant balances. This is in addition to implementing and enhanced institutional investment line-up for plan participants.

At no cost to the City, Shuster conducted an initial audit of our 457(b) and PTS-OBRA plans with Nationwide.

Based on Shuster's performance and demonstrated experience, the City wishes to engage Shuster to provide investment advisory and consulting services to our plans. Shuster will act as a fiduciary to the plan investments and will implement a due diligence process for the City to follow and assist the City in meeting its fiduciary responsibilities. Shuster's services will include the following:

- Investment Fiduciary.
- Fiduciary education and training.
- Investment policy statement development.
- Plan conversion support.
- Compliance assistance.
- Quarterly investment monitoring.

- In-depth qualitative and quantitative fund analysis.
- Annual plan demographic review; and
- Participant education strategy and support (including on-site meetings).

The significant decrease in record-keeping and administrative fees negotiated by Shuster more than cover the amount of Shuster's fees. Shuster's Agreement does not include a minimum contract period which is a benefit to the City. The contract may be terminated with 60-day notice.

Please see the attached Shuster Proposal.

Fiscal Impact

Shuster recommends that the total investment expense and record keeping fee charged to plan participants be limited to no more than 1.00%, with the City paying the balance of those fees to the record keeper if the fees are higher than the amount charged to participants. This will be a nominal cost to the City.

Example: the 457(b) has a current balance of approximately \$23,000 – based on this amount and the current plan costs, the annual cost to the city would be \$133, and when the 457(b) plan reaches \$100,000 in balance, the cost is only \$580 based on current costs. This cost could be lower based on final record keeper negotiations/RFP

Shuster fee of \$750 per quarter would also be paid by the City until the plans grow to a balance of \$100,000 – at that time the Shuster fee should be shifted to being paid by plan assets.

Staff is estimating the cost for Fiscal Year 2021-22 will be \$2,383.

Therefore, a budget adjustment of \$2,400 is requested for Account 10-330-6610 Professional/Specialized Services.

Attachments

1. Resolution No. 2021-56
2. Shuster Advisory Group Proposal
3. Shuster Cost Analysis

ATTACHMENT 1

RESOLUTION NO. 2021-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING EXECUTION OF AN AGREEMENT WITH SHUSTER ADVISORY GROUP, LLC (SHUSTER) FOR PLAN CONSULTING, INVESTMENT ADVISORY AND INVESTMENT FIDUCIARY SERVICES TO THE DEFINED CONTRIBUTION RETIREMENT PLAN

WHEREAS, it is determined to be in the best interest of the City of Canyon Lake (“City”) and its employees to provide fiduciary and investment advisory services for the City’s 457(b) Plan; and

WHEREAS, Shuster Advisory Group, LLC (Shuster) is a Registered Investment Adviser registered with the Securities and Exchange Commission (SEC) and is authorized to perform investment advisory services in the State of California; and

WHEREAS, Shuster has extensive experience in deferred compensation plan auditing, review, and design; and

WHEREAS, Shuster’s approach to providing these services has resulted in Shuster adding 60 new governmental plans for cities and agencies in the past 6 years; and

WHEREAS, Shuster is currently the consultant/adviser for \$43.5 billion in public sector retirement plan assets.

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

Section 1. The City Council hereby approves the Retirement Plan Consulting Services Agreement with Shuster Advisory Group, LLC, attached hereto as Exhibit A.

Section 2. The City Council hereby authorizes a budget adjustment in the amount of \$2,400 to account # 10-330-6610.

Section 3. The City Council hereby authorizes the City Manager, to sign and execute the Retirement Plan Consulting Services Agreement with Shuster Advisory Group, LLC.

PASSED, APPROVED AND ADOPTED this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A

RETIREMENT PLAN CONSULTING SERVICES AGREEMENT

This agreement (“Agreement”) is entered into between **Shuster Advisory Group, LLC** (“CONSULTANT”), a California limited liability company, and **City of Canyon Lake** (“City”) as further identified on Appendix A.

CITY, as the responsible plan fiduciary for the Plan(s) as further identified in Appendix A, desires to engage CONSULTANT to provide the services described in this Agreement according to the terms of this Agreement.

1. **Fiduciary Authority.** CITY as the responsible plan fiduciary has the authority to designate investment alternatives under the Plan and the related trust, and to enter into an Agreement with third parties to assist in these and related duties.
2. **Term.** The term of this Agreement will commence upon full endorsement of Page 4.
3. **Services.** CONSULTANT agrees to provide the following services to CITY:
 - (A) **Fiduciary Services:** CONSULTANT will perform the Fiduciary Services described in Appendix B.
 - (B) **Non-Fiduciary Services:** CONSULTANT will perform the Non-Fiduciary Services described in Appendix C.
 - (C) CITY acknowledges that CONSULTANT has no responsibility to provide any services related to the following types of assets: employer securities; real estate (except for real estate funds and publicly traded REITs); stock brokerage accounts or mutual fund windows; in-plan retirement income annuity products; participant loans; non-publicly traded partnership interests; other non-publicly traded securities (other than collective trusts and similar vehicles); or other hard-to-value securities or assets. Such assets (except for real estate funds, publicly traded REITs, and collective trusts and similar vehicles) shall be referred to collectively as “Excluded Assets.” The Excluded Assets shall be disregarded in determining the Fees payable to CONSULTANT pursuant to this Agreement, and the Fees shall be calculated only on the remaining assets (the “Included Assets”).
4. **Fees.**
 - (A) The compensation, direct and indirect, of CONSULTANT for the performance of the Services is described in Appendix D.
5. **Fiduciary Status: Limitations on Functions.** CITY acknowledges that:
 - (A) In performing the Fiduciary Services, CONSULTANT is acting as a fiduciary of the Plan and as a registered investment advisor under the Investment Advisers Act of 1940.
 - (B) In performing the Non-Fiduciary Services, CONSULTANT is not acting as a fiduciary of the Plan.
 - (C) In performing both Non-Fiduciary Services and Fiduciary Services, CONSULTANT does not act as, nor has CONSULTANT agreed to assume the duties of, a trustee or the Plan Administrator, and CONSULTANT has no discretion or responsibility to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan.
 - (D) CONSULTANT does not provide legal or tax advice.

- (E) Investments are subject to various market, political, currency, economic, and business risks, and may not always be profitable. As a result, CONSULTANT does not and cannot guarantee financial results.
- (F) CONSULTANT may, by reason of performing services for other clients, from time to time acquire confidential information. CITY acknowledges and agrees that CONSULTANT is unable to divulge to the CITY or any other party, or to act upon, any such confidential information with respect to its performance of this Agreement.
- (G) CONSULTANT is entitled to rely upon all information provided to CONSULTANT (whether financial or otherwise) from reputable third parties or by CITY, CITY's representatives or third-party service providers to CITY, the Plan or CONSULTANT, without independent verification. CITY agrees to promptly notify CONSULTANT in writing of any material change in the financial and other information provided to CONSULTANT and to promptly provide any such additional information as may be reasonably requested by CONSULTANT.
- (H) CONSULTANT will not be responsible for voting (or recommending how to vote) proxies of any publicly traded securities (including mutual fund shares) held by the Plan (or its trust). Responsibility for voting proxies of investments held by the Plan or its trust remain with CITY (or, if applicable, the Plan participants).
- (I) CITY understands that CONSULTANT: (i) may perform other services for other clients, (ii) may charge a different fee for other clients, and (iii) may give advice and take action that is different for each client even when retirement plans are similar.

6. **Representations of CITY.** CITY represents and warrants as follows:

- (A) It is the responsible plan fiduciary for the control and/or management of the assets of the Plan, and for the selection and monitoring of service providers for the Plan. CONSULTANT is entitled to rely upon this statement until notified in writing to the contrary.
- (B) The person signing the Agreement on behalf of CITY has all necessary authority to do so.
- (C) The execution of this Agreement and the performance thereof is within the scope of the investment authority authorized by the governing instrument and/or applicable laws. The signatory on behalf of CITY represents that the execution of the Agreement has been duly authorized by appropriate action and agrees to provide such supporting documentation as may be reasonably required by CONSULTANT.
- (D) The Plan and related Trust permit payment of fees out of Plan assets. CITY has determined that the fees charged by CONSULTANT are reasonable and are the obligation of the Plan; however, if CITY desires, it may pay the fees directly, rather than with Plan assets.

7. **Representation of CONSULTANT.** CONSULTANT represents as follows:

- (A) CONSULTANT is registered as an investment adviser ("RIA") under the Investment Advisers Act of 1940.
- (B) The person signing this agreement on behalf CONSULTANT has the power and authority to enter into and perform this Agreement.
- (C) CONSULTANT agrees to take reasonable steps to protect Private Participant Information and Plan Investment Data in its possession;

CONSULTANT is not responsible for the assessment of systems and procedures of third parties for the protection of plan and participant data;

CONSULTANT is not responsible for the actions by or the failure to act by CITY, by other service providers, or by Plan participants to protect Data;

CONSULTANT shall have no liability in the event of a Data breach or a violation of participant privacy rights (under the California Consumer Privacy Act or otherwise) unless said breach is the direct result of negligence, recklessness, or willful misconduct of an employee of CONSULTANT.

8. Standard of Care.

- (A) CONSULTANT will perform the Fiduciary Services described in Appendix B to the Plan in accordance with the standard of care of the prudent man rule set forth in the Investment Adviser Act of 1940.
- (B) CONSULTANT will perform the Non-Fiduciary Services described in Appendix C using reasonable business judgment and shall not be liable for any liabilities and claims arising thereunder, unless directly arising from CONSULTANT's intentional misconduct or gross negligence.

9. **Termination.** Either party may terminate this Agreement upon 30 days prior written notice to the other party. Such termination will not, however, affect the liabilities or obligations of the parties arising from transactions initiated prior to such termination, and such liabilities and obligations (together with the provisions of section 8, 17, and 18) shall survive any expiration or termination of this Agreement. Upon termination, CONSULTANT will have no further obligation under this Agreement to act or advise CITY with respect to services under this Agreement.

10. **Receipt of Disclosure and Consent to Electronic Delivery.** CITY acknowledges receipt and undertakes to review and consider the disclosures made by CONSULTANT (including in this Agreement, the Form ADV Part 2 and CONSULTANT's Privacy Policy), in particular the portions related to services, compensation, and potential conflicts of interest, as well as the remainder of the disclosures concerning, among other matters, background information such as educational and business history, business practices such as the types of advisory services provided, the methods of securities analysis used, and the like.

Further, CITY consents to electronic delivery (via email or other generally accepted method) of current and future distributions of CONSULTANT's Form ADV Part 2 and Privacy Policy. Consent to electronic delivery may be canceled at any time by sending a written request to CONSULTANT.

11. **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, or (iii) sent via a nationally recognized overnight courier service to the address in Appendix A and CONSULTANT's address 225 S. Lake Ave., Ste. 600, Pasadena, CA 91101, or such other address as any party shall have designed by notice in writing to the other party.

12. **Assignability.** This Agreement is not assignable by either Party hereto without the prior written consent of the other Party.

13. **Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.

14. **Entire Understanding and Modification.** This Agreement constitutes and contains the entire understanding between the parties and supersedes all prior oral or written statements dealing with the subject matter herein. This Agreement can be amended or modified by the written consent of the Parties.
15. **Severability.** If any one or more of the provisions of this Agreement shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.
16. **Headings.** All headings used herein are for ease of reference only and in no way shall be construed as interpreting, decreasing or enlarging the provisions of this Agreement.
17. **Applicable Law; Forum.** The laws of the State of California shall govern this Agreement in all respects, including but not limited to the construction and enforcement thereof, unless otherwise preempted or superseded by federal law.
18. **Arbitration Agreement.** To the extent permitted by law, all controversies between CITY and CONSULTANT, which may arise out of or relate to any of the services provided by CONSULTANT under this Agreement, or the construction, performance or breach of this or any other Agreement between CONSULTANT and CITY, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in Pasadena, Los Angeles County, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.
19. **Amendment Process.** The Agreement may be modified, by written agreement of both CITY and CONSULTANT.
20. **Waiver of Limitation.** Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which CITY or Plan or any other party may have under federal or state securities laws.

This Agreement constitutes both an agreement between the parties and a disclosure statement. The Parties have caused this Agreement to be executed by their duly authorized officers as of the date set forth above. This Agreement shall not be binding on CONSULTANT or the RIA until each has accepted it, in writing, as indicated by their signatures below.

City of Canyon Lake: *

Shuster Advisory Group, LLC:

Name: _____

Name: Mark Shuster

Title: _____

Title: Managing Member

Date: _____

Date: _____

*CITY is signing this Agreement both as the employer that sponsors the Plan and as the fiduciary responsible for selecting the Plan's investments and engaging its service providers.

APPENDIX A – CLIENT/PLAN SPONSOR - PLAN INFORMATION

Plan Sponsor: City of Canyon Lake			
Plan Name 1	Type of Plan <input type="checkbox"/> 401(k) <input checked="" type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 2	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 3	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 4	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 5	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Mailing Address 31526 Railroad Canyon Road, Suite 5	City Canyon Lake	State CA	Zip Code 92587
Legal Address (<input checked="" type="checkbox"/> Same as Mailing Address)	City	State	Zip Code

APPENDIX B – FIDUCIARY SERVICES

CONSULTANT will perform the following fiduciary services:

1. Development of an Investment Policy Statement (IPS). The IPS establishes the investment policies and objectives for the Plan(s) and shall set forth the asset classes and investment categories to be offered under the Plan(s), as well as the criteria and standards for selecting and monitoring the investments. CITY shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt the investment policy statement.
2. Consistent with the Investment Policy Statement, CONSULTANT will select the initial investment options within the Plan(s).
3. CONSULTANT will periodically review the investments within the Plan(s) and shall be responsible for making additions/deletions thereto.
4. CONSULTANT will provide periodic investment advisory reports that document consistency of fund management and performance to the guidelines set forth in the IPS, and to make recommendations to maintain, or remove and replace investment options. Reports to include: Market Overview, In-Depth Portfolio Summary, Plan Asset Allocation Analysis and Fund Performance Comparison to the Index.
5. Meet with CITY on a periodic basis to discuss reports and recommendations.
6. Annually review the IPS with CITY to ensure it continues to meet CITY's needs.
7. Selection of a default investment for participants who fail to make an investment election.
8. Coordinate the Deferred Compensation Committee meetings, record the meeting minutes and provide minutes to the attending members.

LIMITATIONS ON FIDUCIARY SERVICES

CONSULTANT shall not be responsible or liable for the recommendations of or services rendered by anyone other than CONSULTANT. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to our requests for information of CITY, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).

APPENDIX C – NON-FIDUCIARY SERVICES

CONSULTANT will perform the following Non-Fiduciary services:

1. Provide Plan design consulting and Plan document review
2. Provide vendor management/issue resolution
3. Provide consulting assistance on fiduciary best practices
4. Assist in the transition of previous record-keeper(s) and/or Plan provider(s)
5. Provide custom communications when needed
6. Assist in communications with recordkeeper(s) and/or Plan provider(s)
7. Distribute Plan level newsletters
8. Provide RFP services and Plan fee negotiations
9. Incumbent vendor and fee review
10. Contract review support
11. Employee education
12. Provide assistance with mandatory and optional legislative changes

LIMITATIONS ON NON-FIDUCIARY SERVICES

CONSULTANT shall not be responsible or liable for the recommendations of or services rendered by anyone other than CONSULTANT. CONSULTANT and CITY/Plan Sponsor will work together to determine mutually agreed upon for services requiring both parties coordinate and/or attend. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to our requests for information of CITY, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).

APPENDIX D - FEE SCHEDULE

1. All fees are billed monthly in arrears (the “billing period”).
2. The initial fee will be the amount, prorated for the number of days included in the initial billing period from the effective payment start date.
3. All fees will be due and payable within 30 days and are payable to Shuster Advisory Group, LLC.
4. The fee for services shall be as follows:

Beginning with the effective date of this Agreement the fee for service shall be \$3,000 and shall be assessed quarterly (\$750.00 per quarter). Fees will be paid by CITY upon receipt of invoice from CONSULTANT.

At CONSULTANT’s discretion the billing period described above may be adjusted to quarterly.

5. If this Agreement is terminated prior to the end of a billing period, CONSULTANT shall be entitled to their fee, prorated for the number of days in the billing period prior to the effective date of termination.

ATTACHMENT 2

For 26 years, Shuster, including prior affiliates, have provided retirement plan consulting to corporate as well as public sector plans. Our focus has not changed throughout our history of working with retirement plans – to ensure that our plan sponsor customers and their employees have state-of-the-art, low cost and compliant retirement plans.

Shuster is a Registered Investment Adviser registered with the Securities and Exchange Commission (SEC). Our Central Registration Depository (CRD) number is #170233 and our SEC registration number is 801-106929. Additionally, Shuster is authorized to perform investment advisory services in the state of California.

Our team has extensive experience in deferred compensation plan auditing, review and design. Our process of provider review and negotiation is extremely different than how the process has been done in the governmental sector, and our approach has resulted in Shuster adding almost 60 new governmental City and Agency plans in just the past 6-years. It has also resulted in a positive financial impact of over \$3 Billion over 20-years for our plans and their employees - in just the last three years.

Shuster currently is the consultant/advisor for \$3.5B in public sector retirement plan assets and \$5B in assets across all businesses and markets.

The unique features that Shuster can offer and make us a great fit for the City include:

- Shuster has established a reputation in the retirement plan marketplace as a leader in product knowledge and pricing negotiations, especially in the governmental retirement plan sector.
- Essential to our firm's success, and what truly sets us apart from other firms, is our in-depth knowledge of non-reportable and hidden fees in the 457(b) marketplace, and our proficiency during the RFP process and on-going in using that knowledge when negotiating competitive fees and interest rates. These capabilities enable us to provide significant savings to plans and plan participants.
- Shuster's Chief Investment Officer is a former 5-star Morningstar mutual fund manager.
- The extensive experience in the public sector space of the team at Shuster that will service your plan.
- Shuster is 100% non-proprietary and does not participate in bonus arrangements, fee sharing, or soft dollar arrangements with any third-party entities, including but not limited to recordkeepers and investment companies.
- Shuster has a unique understanding of stable value funds and fixed/general accounts and uses this knowledge to secure higher fixed rates and/or lower fees. Shuster focuses on the effects that plan pricing has on investment returns and interest credited - the critical components of higher account balances and better retirement outcomes.
- Shuster uses leading industry technology and professional experience to select/recommend customized plan fund lineups focused on meeting the needs of participants and not the recordkeepers.

Proposal Summary and Recommendations

Shuster is proposing the following approach to your plans based on our review of your current 457(b), PTS-OBRA and potential 401(a) plan for fire fighters:

- Shuster has already completed our initial audit of your 457(b) and PTS-OBRA plans with currently with Nationwide pro-bono.
- Negotiate/RFP with Nationwide as well as other leading record keepers Voya, Empower and MissionSquare Retirement (formerly ICMA-RC) to offer:
 - Institutional investment menu (no hidden record keeping fees hidden in fund costs)
 - Fully disclosed and transparent record keeping and administrative fee
 - Competitive Fixed Account/Stable Value crediting rate
 - Local service (record keeper)
- Shuster will provide a Zoom/Teams plan and investment review meetings semi-annually.
- Shuster recommends that the total investment expense and record keeping fee charged to plan participants be limited to no more than 1.00%, with the City paying the balance of those fees to the record keeper if the fees are higher than the amount charged to participants. This will be a nominal cost to the City.
 - Example: the 457(b) has a current balance of approximately \$23,000 – based on this amount and the current plan costs, the annual cost to the city would be \$133, and when the 457(b) and 401(a) plans reach \$100,000 is balance, the cost is only \$580 based on current costs. This cost could be lower based on final record keeper negotiations/RFP
 - Shuster fee of \$750 per quarter would also be paid by the City until the plans grow to a balance of \$100,000 – at that time the Shuster fee should be shifted to being paid by plan assets

Shuster's will provide the following services:

Request for Information and Initial Plan Audit

- Issuance of RFI to current provider(s)
- Qualitative and quantitative investment review
- Forensic plan and platform fee audit
- Review of participant directed fees (loans, QDRO's, distributions, etc.)
- Review of fixed and stable value investment options (portfolio, quality, duration, rate history)
- Review of Plan Documents
- Review of service agreements
- Review of participant services
- Review of plan demographics
- Presentation to City

RFP & Decision Support Services

- Issuance of RFP/negotiations with leading record keepers including incumbents
- Analyze and spreadsheet responses
- Breakdown and display all fees in detail
- Analyze and spreadsheet stable value and fixed account products
- Negotiate fees, interest rate and contract terms with bidders
- Presentation to City
- Negotiate final offers with finalist bidders
- Presentation to Bargaining Units

- Draft Staff Report to Council
- Draft Presentation to Council (if needed)
- Attend Council Meetings
- Present to Council (if needed)

New Plan Implementation

- Coordinate conversion with winning Record-Keeper
- Build new investment menu
 - Institutional classes
 - Zero revenue
 - Top 15th percentile in Morningstar, RPAG and Fi360
- Attend conversion calls with Record-Keeper
- Review and comment on plan design and administration and propose changes/enhancements
- Review new plan documents and service agreements
- Build investment mapping
- Provide custom communications for City to send to employees
- Review Record-Keeper communications
- Coordinate and conduct participant education meetings (onsite and web)
- Build Investment Policy Statement
- Provide fiduciary education and training to City

Ongoing Services

- Dedicated Client Engagement Manager
- Independent investment Fiduciary support
- Compliance assistance
- Service and communication liaison with record keeper
- Independent semi-annual investment monitoring
- Annual Investment Policy Statement review
- Annual plan demographic review
- Custom participant education and communications
- Ongoing review of provider and investment fees
- Mid-term fee negotiations with Record-Keeper
- Fee benchmarking, including advisor fees
- Coordinate annual plan demographic review with Record-Keeper
- Review proposed amendments
- One-on-one participant education and issue resolution
- Periodic Record-Keeper RFP's

We thank you for the opportunity to provide this proposal. Please contact me if you have any questions or need any clarification.

Sincerely,
Mark Shuster
Managing Member

ATTACHMENT 3

City of Canyon Lake 457(b) & 457(b) OBRA-PTS Plans
457(b) Deferred Compensation Plan - Market Research Summary - Assets as of 3/31/21

Assets	99%	1%	Total Assets	Participants	
Variable / Fund	Fixed / Stable Value / Money Market			Total	Active
Nationwide 457(b)	\$22,490	\$334	\$22,824	6	2
Nationwide OBRA-PTS	\$0	\$7,664	\$7,664	7	2
Grand Total	\$22,491	\$7,998	\$30,488		

457(b)		All Assets				Fixed, Stable Value, Money Market Assets												
Option	Company	RPAG Score (0-10, 10 is best) ¹	F1360 Score (100-0, 0 is best) ¹	Morningstar Rating (1-5, 5 is best) ¹	Record-Keeping & Admin Fees	Fund Fees	Advisor Fee	Total Plan Fees	Difference from Current	Type	Crediting Rate & Annualized Interest	Record-Keep & Admin Fees	Net to Participant After Fees	Earnings ²	Difference from Current	Combined First Year Impact		
	Nationwide 457(b)	7.5	35.9	2.9	0.98%	\$223	\$136	0.00%	\$0	1.58%	\$360	N/A	3.50%	0.00%	0.00%	\$12	N/A	
	Nationwide OBRA-PTS	7.5	35.9	2.9	0.98%	\$223	\$136	0.00%	\$0	1.58%	\$360	N/A	3.50%	0.00%	0.00%	\$12	N/A	
	Total																	
1	Nationwide Alternative	8.8	10.0	4.1	0.40%	\$91	\$132	0.00%	\$0	0.98%	\$223	0.60%	1.50%	-0.40%	0.00%	\$4	-2.40%	-\$8

(Continued on next page)

PT-OBRA Plan		Fixed / Stable Value Investment for PT-OBRA Plan				Net to Participant After Fees					
Option	Company	Type	Crediting Rate & Annualized Interest Earned	Record-Keeping & Admin Fees	Annual \$ Fee per participant	Advisor Fee	Difference from Current First Year Impact				
Current	Nationwide Fixed Account	Nationwide Fixed Account	3.50%	\$268	included in rate	\$0	0.00%	\$0	3.50%	\$268	N/A

Note: This summary is for simplification purposes only and is not guaranteed. Asset values and asset allocation will fluctuate thus affecting weighted fees and annualized earnings.

1. RPAG scores, F1360 scores, and Morningstar ratings are as of 3/31/2021. Morningstar ratings are based on a 10 scale (10 is best). F1360 scores are based on a 0-10 scale (10 is best). RPAG scores are based on a 100-0 scale (0 is best). Morningstar ratings are based on a 1-5 scale (5 is best).

2. The Annualized Earnings assume the net rates shown are in effect for a 12 month period. All rates are not guaranteed and will fluctuate thus affecting annualized earnings appropriately.

Fixed Account/Stable Value Plan Level Termination Summary

Nationwide Guaranteed Fund: 1 way MVA or Book Value over 60 months (5 year)
 Note: Participant Transfer Fixed Account Restriction: Combined per Participant Exchange and Transfer limitation of 20% of the Participant's Account value allocated to the Fixed Account with a combined maximum number of outgoing Exchanges and Transfers per Participant of 2 per year. A Participant is required to wait a minimum of 60 days between each Exchange and/or Transfer.

City of Canyon Lake 457(b) & 457(b) OBRA-PTS Plans

457(b) Deferred Compensation Plan - Market Research Summary - Assets as of 3/31/21

Fund Name	Funds Tickers	Asset Class	RPAG Score (0-10, 10 is best) ¹	FI360 Score (100-0, 0 is best) ¹	Morningstar Rating (1-5, 5 is best) ¹	Total Assets	Assets (%)	Fund Expense	Revenue Share (12b-1 & Mutual Fund Svc Fee) - kept by Nationwide	Asset Charge (kept by Nationwide)
Nationwide Destination Ret Instl Svc	NWESX	Moderate Conservative	8	50	4	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2025 Instl Svc	NWHSX	Moderate	7	55	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2030 Instl Svc	NWISX	Moderate Aggressive	7	52	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2035 Instl Svc	NWLSX	Moderate Aggressive	7	63	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2040 Instl Svc	NWMSX	Aggressive	7	53	2	\$2,909	12.75%	\$19	0.00%	\$20
Nationwide Destination 2045 Instl Svc	NWNSX	Aggressive	7	54	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2050 Instl Svc	NWOSX	Aggressive	7	46	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2055 Instl Svc	NTDSX	Aggressive	7	54	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2060 Instl Svc	NWWVX	Aggressive	7	N/R	2	\$0	0.00%	\$0	0.00%	\$0
Nationwide Destination 2065 Instl Sv	NWATX	Aggressive	N/R	N/R	N/R	\$0	0.00%	\$0	0.00%	\$0
Nationwide Inv Dest Cnstrv Svc	NDCSX	Conservative	7	50	2	\$0	0.00%	\$0	0.40%	\$0
Nationwide Inv Dest Mod Cnstrv Svc	NSDCX	Moderate Conservative	6	39	3	\$0	0.00%	\$0	0.40%	\$0
Nationwide Inv Dest Mod Svc	NSDMX	Moderate Aggressive	6	56	2	\$0	0.00%	\$0	0.40%	\$0
Nationwide Inv Dest Mod Agrsv Svc	NDMSX	Aggressive	7	39	3	\$0	0.00%	\$0	0.40%	\$0
Nationwide Inv Dest Agrsv Svc	NDASX	Aggressive	6	50	2	\$9,977	43.71%	\$93	0.40%	\$70
Invesco Growth and Income A	ACGIX	Large Cap Value	7	40	2	\$413	1.81%	\$3	0.50%	\$3
American Century Value Inv	TWVLX	Large Cap Value	5	48	2	\$689	3.02%	\$7	0.00%	\$6
Parnassus Core Equity Investor	PRBLX	Large Cap Blend	9	23	5	\$0	0.00%	\$0	0.50%	\$0
Nationwide Institutional Service	MUIFX	Large Cap Blend	8	30	4	\$3,095	13.56%	\$21	0.35%	\$11
Nationwide S&P 500 Index Instl Svc	GRISX	Large Cap Blend	10	2	3	\$348	1.53%	\$2	0.00%	\$0
BNY Mellon S&P 500 Index	PEOPX	Large Cap Blend	10	3	3	\$195	0.85%	\$1	0.00%	\$0
T. Rowe Price Growth Stock Adv	TRSAX	Large Cap Growth	9	19	4	\$410	1.80%	\$4	0.00%	\$0
Fidelity Contrafund	FCNTX	Large Cap Growth	6	18	3	\$0	0.00%	\$0	0.00%	\$0
Nationwide Loomis All Cap Gr Eagle	NWADX	Large Cap Growth	N/R	N/R	N/R	\$554	2.43%	\$5	0.00%	\$4
JPMorgan Mid Cap Value A	JAMCX	Mid Cap Value	6	41	3	\$280	1.23%	\$3	0.00%	\$0
Nationwide Mid Cap Market Idx A	GMXAX	Mid Cap Blend	7	19	3	\$0	0.00%	\$0	0.50%	\$0
Nationwide Amer Cntry Sm Cp Inc InstlSvc	NWUUSX	Small Cap Value	2	51	2	\$0	0.00%	\$0	0.00%	\$0
NVIT Multi-Manager Small Company I	0023V	Small Cap Blend	10	N/R	N/R	\$0	0.00%	\$0	0.35%	\$0
Nationwide Small Cap Index A	GMRAX	Small Cap Blend	10	17	4	\$0	0.00%	\$0	0.50%	\$0
Nationwide Small Company Growth InSvc	NWSIX	Small Cap Growth	9	15	3	\$138	0.61%	\$2	0.00%	\$1
Neuberger Berman Genesis Tr	NBGEX	Small Cap Growth	5	50	3	\$137	0.60%	\$1	0.40%	\$1
Wells Fargo Discovery Admin	WFDDX	SMid Cap Growth	10	12	4	\$273	1.20%	\$3	0.00%	\$2
Nationwide International Index A	GIAX	International Large Cap Blend	10	38	3	\$479	2.10%	\$4	0.50%	\$4
MFS International Intrinsic Value R3	MINGX	International Large Cap Growth	9	28	3	\$761	3.34%	\$7	0.00%	\$6
Nationwide AllianzGI Intl Gr Ins Svc	NWAKX	International Large Cap Growth	7	N/R	5	\$607	2.66%	\$6	0.00%	\$5
American Funds New World R4	RNWEX	Emerging Market Equity	9	34	4	\$603	2.64%	\$6	0.00%	\$5
Invesco Global Opportunities A	OPGIX	Global Equity	7	12	4	\$0	0.00%	\$0	0.50%	\$0
Nationwide Bond Index A	GBIAX	Core Fixed Income	10	68	1	\$0	0.00%	\$0	0.80%	\$0
Nationwide Loomis Core Bond Instl Svc	NWUJX	Core Fixed Income	9	35	3	\$268	1.17%	\$2	0.00%	\$2
Lord Abbett High Yield R5	LHYTX	High Yield	7	15	4	\$68	0.30%	\$0	0.15%	\$1
PIMCO International Bond (USD-Hdg)/A	PFOAX	Global Fixed Income	8	19	4	\$0	0.00%	\$0	0.00%	\$0

City of Canyon Lake 457(b) & 457(b) OBRA-PTS Plans

457(b) Deferred Compensation Plan - Market Research Summary - Assets as of 3/31/21

Fund Name	Funds Tickers	Asset Class	RPAG Score (0-10, 10 is best) ¹	F360 Score (100-0, 0 is best) ¹	Morningstar Rating (1-5, 5 is best) ¹	Total Assets	Assets (%)	Fund Expense	Revenue Share (12b-1 & Mutual Fund Svc Fee) - kept by Nationwide	Asset Charge (kept by Nationwide)
Loomis Sayles Ltd Term Govt and Agency Y	NELYX	Short Government	6	4	4	\$0	0.00%	\$0	0.20%	\$0
Nationwide Government Money Market Inv	MIFXX	Money Market	N/R	63	N/R	\$0	0.00%	\$0	0.40%	\$0
Nationwide Fixed Account	GIC	GIC	N/R	N/R	N/R	\$250	1.09%	\$0	0.00%	\$0
Fixed Assets - managed account program	GIC	GIC	N/R	N/R	N/R	\$84	0.37%	\$0	0.00%	\$0
Cohen & Steers Real Estate Securities A	CSEIX	REIT	10	0	4	\$286	1.25%	\$3	0.00%	\$0
Total			7.5	35.9	2.9	\$22,824	100%	\$192	0.24%	\$56

Weighted Fees - All Assets		%	\$
Fund Management Fees (Fund Expense minus Revenue Sharing)		0.60%	\$136
Record-Keeping Revenue from Investments		0.24%	\$56
Asset Charge (Kept by Nationwide)		0.73%	\$167
Consultant / Advisor Fee		0.00%	\$0
Total		1.58%	\$360

Fixed / Stable Value Rate & Interest ²		%	\$
Nationwide Government Money Market Inv		-0.80%	\$0
Nationwide Fixed Fund ³		3.50%	\$12
Asset Charge (Kept by Nationwide)		0.00%	\$0
Consultant / Advisor Fee		0.00%	\$0
Total		3.50%	\$12

1 - RPAG scores, F360 scores, and Morningstar ratings are as of 6/30/2021. Morningstar ratings are 5-year unless unavailable then longest year available rating used. RPAG scores are based on a 0-10 scale (10 is best), F360 scores are based on a 100-0 scale (0 is best), Morningstar ratings are based on a 1-5 scale (5 is best).

2 - 3/31/21 Crediting Rates. The Annualized Earnings assume the net rates shown are in effect for a 12-month period. All rates are not guaranteed and will fluctuate thus affecting annualized earnings appropriately.

3 - Group Annuity Contract includes the Fixed Account Endorsement # NRZ-0102AO which eliminates the 3.50% lifetime Guaranteed Minimum Interest Rate and replaces with 0.00%. Assumption is rate stepdown starting in 2022 through 2024.

City of Canyon Lake 457(b) & 457(b) OBRA-PTS Plans
 Shuster 457(b) Investment Menu

10/06/2021 City Council Agenda

Fund Name	Funds Tickers	Asset Class	RPAG Score (0-10, 10 is best) ¹	F1360 Score (100-0, 0 is best) ¹	Morningstar Rating (1-5, 5 is best) ¹	Total Assets	Assets (%)	Fund Expense	Fund Revenue
Vanguard Target Retirement Income Inv	VTINX	Conservative	8	4	3	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2025 Inv	VTTVX	Moderate	9	0	4	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2030 Inv	VTHRX	Moderate	9	0	3	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2035 Inv	VTTX	Moderate Aggressive	8	2	3	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2040 Inv	VFORX	Moderate Aggressive	8	2	3	\$2,909	12.75%	\$4	0.00%
Vanguard Target Retirement 2045 Inv	VTIVX	Aggressive	8	2	4	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2050 Inv	VFIFX	Aggressive	8	2	4	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2055 Inv	VFFVX	Aggressive	8	2	3	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2060 Inv	VTTX	Aggressive	8	13	3	\$0	0.00%	\$0	0.00%
Vanguard Target Retirement 2065 Inv	VLVX	Aggressive	N/R	N/R	N/R	\$0	0.00%	\$0	0.00%
Vanguard LifeStrategy Income Inv	VASIX	Conservative	9	12	3	\$0	0.00%	\$0	0.00%
Vanguard Wellesley Income Admiral	VWIAX	Moderate Conservative	8	11	4	\$0	0.00%	\$0	0.00%
American Funds American Balanced R6	RLBGX	Moderate	9	4	4	\$0	0.00%	\$0	0.00%
Fidelity Puritan K6	FPKFX	Moderate Aggressive	N/R	N/R	N/R	\$0	0.00%	\$0	0.00%
MFS Aggressive Growth Allocation I	MIAGX	Aggressive	10	6	5	\$9,977	43.71%	\$78	0.00%
Vanguard Equity Income Adm	VEIRX	Large Cap Value	10	3	4	\$1,102	4.83%	\$2	0.00%
Parnassus Core Equity Institutional	PRILX	Large Cap Blend	10	21	5	\$0	0.00%	\$0	0.00%
GMO Quality III R6	GQESX	Large Cap Blend	10	N/R	5	\$3,095	13.56%	\$15	0.00%
Fidelity 500 Index	FXAIX	Large Cap Blend	10	0	4	\$543	2.38%	\$0	0.00%
Fidelity Total Market Index	FSKAX	Large Cap Blend	10	2	4	\$0	0.00%	\$0	0.00%
Fidelity Blue Chip Growth K6	FBCGX	Large Cap Growth	N/R	N/R	N/R	\$964	4.22%	\$4	0.00%
Vanguard Growth Index Admiral	VIGAX	Large Cap Growth	10	11	4	\$0	0.00%	\$0	0.00%
Morgan Stanley Insight IS	MCRTX	Large Cap Growth	6	13	5	\$0	0.00%	\$0	0.00%
Ivy Mid Cap Income Opportunities Fund	IVOIX	Mid Cap Value	9	N/R	4	\$280	1.23%	\$2	0.00%
Touchstone Mid Cap Y	TMCPIX	Mid Cap Value	9	14	5	\$0	0.00%	\$0	0.00%
Fidelity Mid Cap Index	FSMDX	Mid Cap Blend	10	3	4	\$0	0.00%	\$0	0.00%
BlackRock Mid-Cap Growth Equity Instl	CMGIX	Mid Cap Growth	10	2	5	\$0	0.00%	\$0	0.00%
Janus Henderson Small Cap Value N	JDSNX	Small Cap Value	7	28	3	\$0	0.00%	\$0	0.00%
Fuller & Thaler Behavioral Small Cap Equity R6	FTHF	Small Cap Blend	8	13	5	\$0	0.00%	\$0	0.00%
Vanguard Small Cap Index Adm	VSMAX	Small Cap Blend	9	24	5	\$0	0.00%	\$0	0.00%
Buffalo Small Cap Institutional	BUIX	Small Cap Growth	10	N/R	5	\$275	1.20%	\$2	0.00%
Vanguard Extended Market Index Adm	VEXAX	SMid Cap Blend	3	32	2	\$273	1.20%	\$0	0.00%
Janus Henderson Global Equity Income N	HFQRX	International Large Cap Value	9	18	3	\$0	0.00%	\$0	0.00%
MFS Intl Diversification R6	MDIZX	International Equity	8	N/R	5	\$0	0.00%	\$0	0.00%
Fidelity International Index	FSPX	International Large Cap Blend	10	8	3	\$479	2.10%	\$0	0.00%
Morgan Stanley Inst International Opps IS	MNOPIX	International Large Cap Growth	6	18	5	\$1,369	6.00%	\$13	0.00%
Victory Trivalent International Sm-Cp I	MISIX	International Small-Mid Cap Blend	9	14	4	\$0	0.00%	\$0	0.00%

City of Canyon Lake 457(b) & 457(b) OBRA-PTS Plans
 Shuster 457(b) Investment Menu

10/06/2021 City Council Agenda

Assets as of: 3/31/2021

Fund Name	Funds Tickers	Asset Class	RPAG Score (0-10, 10 is best) ¹	FI360 Score (100-0, 0 is best) ¹	Morningstar Rating (1-5, 5 is best) ¹	Total Assets	Assets (%)	Fund Expense	Fund Revenue
Vanguard FTSE All-Wld ex-US SmCp Idx Adm	VFSAX	International Small-Mid Cap Blend	8	N/R	3	\$0	0.00%	\$0	\$0
WCM Focused Emerging Markets Instl	WCMEX	Emerging Market Equity	10	30	5	\$603	2.64%	\$8	\$0
Morgan Stanley Inst Global Opps IS	MGT SX	Global Equity	7	1	5	\$0	0.00%	\$0	\$0
Vanguard Interm-Term Bond Index Adm	VBILX	Core Fixed Income	10	22	4	\$0	0.00%	\$0	\$0
Western Asset Core Plus Bond IS	WAP SX	Core Fixed Income	8	7	5	\$268	1.17%	\$1	\$0
Diamond Hill Corporate Credit Y	DSIYX	High Yield	10	4	5	\$68	0.30%	\$0	\$0
DFA Inflation-Protected Securities I	DIP SX	U.S. Government TIPS	8	5	4	\$0	0.00%	\$0	\$0
PIMCO Income Instl	PIMIX	Multisector Bond	9	6	4	\$0	0.00%	\$0	\$0
Fixed/Stable Value		GIC	N/R	N/R	N/R	\$334	1.46%	\$0	\$0
TIAA-CREF Real Estate Sec Instl	TIREX	REIT	10	5	5	\$286	1.25%	\$1	\$0
Vanguard Health Care Index Admiral	VHCIX	HealthCare	10	19	4	\$0	0.00%	\$0	\$0
Vanguard Information Technology Idx Adm	VITAX	Technology	10	18	4	\$0	0.00%	\$0	\$0
Vanguard Utilities Index Adm	VUIAX	Utilities	10	11	3	\$0	0.00%	\$0	\$0
Fidelity Advisor Intl Real Estate Z	FIKLX	Global Real Estate	10	N/R	5	\$0	0.00%	\$0	\$0
Total			8.8	10.0	4.1	\$22,824	100%	\$132	\$0

Weighted Fees - All Assets

Fund Management Fees (Fund Expense minus Revenue Sharing)	0.58%	\$132
Record-Keeping Revenue from Investments	0.00%	\$0
Asset Charge (Kept by Nationwide)	0.40%	\$91
Consultant / Advisor Fee	0.00%	\$0
Total	0.98%	\$223

Fixed / Stable Value Rate & Interest²

Fixed/Stable Value	1.50%	\$5
Asset Charge (Kept by Nationwide)	-0.40%	-\$1
Consultant / Advisor Fee	0.00%	\$0
Total	1.10%	\$4

1 - RPAG scores, FI360 scores, and Morningstar ratings are as of 6/30/2021. Morningstar ratings are 5-year unless unavailable then longest year available rating used. RPAG scores are based on a 0-10 scale (10 is best), FI360 scores are based on a 100-0 scale (0 is best), Morningstar ratings are based on a 1-5 scale (5 is best).

2 - The Annualized Earnings assume the net rates shown are in effect for a 12-month period. All rates are not guaranteed and will fluctuate thus affecting annualized earnings appropriately.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Terry Shea, Finance Director

DATE: October 6, 2021

SUBJECT: Authorizing an Application to California Bank & Trust for City Cash Back Credit Cards

Recommendation

That the City Council authorize an application to California Bank & Trust for City Cash Back Credit Cards.

Background

The City of Canyon Lake currently participates in the U.S. Bank Purchasing Card program (CAL-Card) offered in California through the National Association of State Procurement Officials (NASCO). The CAL-Card is a flexible purchasing payment method for state and local agencies in California. The CAL-Card is currently a VISA purchasing card provided by a State of California leveraged procurement agreement that is offered to state agencies and local government agencies, such as the City of Canyon Lake.

CAL-Card is not a procurement approach or acquisition method, rather it is method for agencies to pay for purchases instead of processing a check request. All procurement laws, ordinances, regulations, policies, and procedures are followed. CAL-Cards are standard issued credit cards and issued in the name of the card holder and billed to the City.

Discussion

Per the direction of the Finance & Planning Committee, City staff was asked to investigate obtaining a credit card that offered cash back rewards for purchases made on credit cards. Staff contacted several banks and inquired about their credit card programs and which cards offered cash back rewards for purchases.

Staff received two responses, Citizens Business Bank and California Bank & Trust. After reviewing the requirements and benefits offered by each Bank, staff feels the cash back card offered by California Bank & Trust is the best program. Citizens Business Bank would require individual employee Social Security numbers, or the City would have to secure the credit card with \$25,000 from the City's Investment Account held at Citizens Business Trust. California Bank & Trust does not require individual employee Social Security numbers as they use the City's FEIN instead.

The features offered by California Bank & Trust are as follows:

- No annual fee.
- Earn \$300 cash back when you spend \$3,000 in the first ninety (90) days.
- 0% introductory APR on purchases for 6 months, 14.25% variable APR after.
- 3% cash back on office supplies, wireless telephone services, computer network services, and telecommunications service and equipment.
- 2% cash back on airlines and car rental when the purchase is directly from the company.
- 1% cash back on all other purchases.

The credit card balance will be paid in full each month so no interest charges will accrue.

This is not a change in the City's purchasing policies, but in the way some vendors are paid. All invoices would still be submitted to the Finance & Planning Committee for their review and to the City Council for approval. To earn additional cash back the City is looking to purchase more items with the use of the credit card instead of paying by check.

Staff reached out to our current vendors to inquire if they would accept payment by credit card, and if so whether they charge a processing fee and whether they have an option for automatic payments. The ability to utilize auto payments is important, as the City does not have adequate accounting staff to manually input hundreds of credit card payments each month. The plan, as it stands now, is to pay invoices via credit card where the following conditions are met: 1) the vendor accepts payment by credit card, 2) the vendor does not charge a processing fee for credit card payments, and 3) the vendor provides an automatic payment option. An exception to condition #3 would be made for larger, non-monthly invoices, such as annual or quarterly invoices, as these would not be too time consuming for staff to enter individually.

Credit cards would be issued for the following staff positions in the amounts indicated:

City Manager	\$6,000.00
Administrative Services Manager	\$6,000.00
City Clerk	\$4,000.00
Fire Chief	\$6,000.00
Accountant/Human Resources Specialist	\$25,000.00

Cardholders are responsible for reconciling their accounts and submitting all receipts and other information to the Finance Department within five (5) days of the end of each month. Finance Department staff verify all reconciliations for completeness and accuracy. Cardholders are responsible to contact the Bank, or the vendor, should there be an issue with a purchase.

City staff will develop a Credit Card Policy and bring the Policy to the City Council for approval at the December 6, 2021, Council Meeting.

Fiscal Impact

There is no fiscal impact to the City associated with replacing the City's CAL-Cards with California Bank & Trust City Cash Back Credit Cards, other than an anticipated increase in General Fund revenue resulting from earning cash back by using the credit cards.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Chris Mann, City Manager *CM*

BY: Barry Foster, Managing Director, HdL Companies

DATE: October 6, 2021

SUBJECT: American Rescue Plan Act Funding

Recommendation

That the City Council approve by minute order the approach and projects identified by City staff and HdL for the use of American Rescue Plan Act (ARPA) funding.

Background

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden. Section 9901 of the ARPA amended Title VI of the Social Security Act to add Section 603. This established the Coronavirus State & Local Fiscal Recovery Fund (SLFRF) for local governments (cities and towns) across the U.S. to receive a funding allocation. In California, both large cities – entitlement cities (populations over 50,000) and small cities and towns – non-entitlement units of local government (populations under 50,000, which includes the City of Canyon Lake) have received ARPA funding allocations. In total, small cities (non-entitlement cities including Canyon Lake) in California have been allocated over \$1.2 billion.

Fiscal Recovery Funds through the SLFRF are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain the negative impacts of the COVID-19 Pandemic on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to governments over the last year, including through the Coronavirus Relief Fund (CRF).

Use of Funds

Section 603(c)(1) provides that Fiscal Recovery Funds may be used for the following:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

The Interim Final Rule 31 CFR Part 35 issued by the Department of the Treasury on May 17, 2021 and updated on June 24, 2021 implements the provisions of Section 603 applicable to non-entitlement communities. It identifies a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. In determining whether a program or service responds to the negative economic impacts of the COVID-19 public health emergency, the Interim Final Rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients of Fiscal Recovery Funds should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address the impacts.

The Interim Final Rule includes Part 35 – Pandemic Relief Programs. Subpart A – Coronavirus State and Local Fiscal Recovery Funds includes Section 35.5 Use of funds, and Section 35.6 Eligible uses. Recipients of Fiscal Recovery Funds may use funds for one or more of the purposes included in Section 35.6. Some of the eligible uses for funds listed in this non-exclusive list include:

- a) To respond to the public health emergency or its negative economic impacts - eligible expenses include:
 - COVID-19 response and prevention, including expenses for vaccination programs and sites
 - costs of providing COVID-19 testing and monitoring and testing
 - acquisition and distribution of medical and protective supplies
 - treatment of long-term symptoms or effects of COVID-19
 - improvement of ventilation systems in public facilities
 - mental health treatment and other behavioral health services
 - assistance to unemployed workers
 - assistance to small businesses
 - assistance to non-profit organizations
 - assistance to households
 - aid to impacted industries, including tourism, travel, hospitality and other impacted industries
 - aid to disproportionately impacted populations and communities
 - restoring a city’s workforce up to pre-pandemic levels

- b) Providing premium pay to eligible workers: premium pay or grants to eligible workers or eligible employers performing essential work during the COVID-19 emergency, provided that low- and moderate-income workers performing essential work are prioritized.
- c) Providing government services: an eligible use of Fiscal Recovery Funds includes the replacement of local government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. A recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency (i.e., FY2018-19). The extent of a reduction in the city's general revenue during the COVID-19 pandemic is calculated by the formula provided by the Department of the Treasury.
- d) To make necessary investments in infrastructure - cities may use funds to make investments in:
 - Clean Water and Drinking Water State Revolving Funds
 - Broadband - designed to provide service to unserved or underserved households and businesses (recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections)

The list of eligible uses of funds described above is intended to provide an overview of eligible uses. It is non-inclusive of all eligible uses listed in Section 35.6, and does not include other eligible uses that the City of Canyon Lake may wish to include in any programs or services provided using these Fiscal Recovery Funds. The Interim Final Rule includes considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. Local governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of the ARPA, local governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations.

Ineligible Uses of Funds

Section 35.7 specifically prohibits the use of Fiscal Recovery Funds for deposit into any pension fund. In addition, ineligible uses of funds would include contributions into any rainy-day funds, financial reserves or similar funds. These types of contributions would not address the response to the COVID-19 public health emergency, as they constitute savings for future spending needs. Other ineligible uses include payment of interest or principal on outstanding debt instruments, including fees or costs associated with the issuance of new debt; and, satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit local governments to continue to respond to the COVID-19 public health emergency.

City of Canyon Lake Fiscal Recovery Funds

The City of Canyon Lake received a funding allocation of \$2,698,416 in Fiscal Recovery Funds based on the report issued by the U.S. Department of the Treasury. Section 603 of the Act provides that payments will be made to local governments in two tranches, with the first disbursement available in July 2021 and the second tranche being paid twelve months after the first payment. Distributing Fiscal Recovery Funds in two tranches ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. There is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy. For these reasons, the Department of the Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. The first payment equal to one half of the City of Canyon Lake's allocation in the amount of \$1,349,208 has been received by the City. ARPA requires that payments from the Fiscal Recovery Funds be used only to cover costs and expenditures incurred by a local government by December 31, 2024. Canyon Lake must return any funds not obligated by December 31, 2024, and any funds not expended to cover these obligations by December 31, 2026.

The City of Canyon Lake retained HdL ECONsolutions as a consultant to assist the City with navigating the complexities of ARPA rules and regulations, as well as to help in formulating an Economic Recovery Strategy to expend its Fiscal Recovery Funds and guide recovery efforts in Canyon Lake. HdL is presently assisting 12 cities with ARPA support services.

Use of Fiscal Recovery Funds for General Fund Revenue Loss Incurred by the City

ARPA recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Many state and local governments are experiencing significant budget shortfalls, which can have a devastating impact on communities and their service delivery. Section 603(c)(1)(C) of the ARPA allows recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services. This enables local governments to continue to provide valuable services and ensure that budget deficits, tax increases and reductions in public expenditures do not continue to delay a city's broader economic recovery.

Additionally, general fund revenue loss is an expenditure category that gives cities broad latitude and flexibility to use funds to provide government services to the extent of the reduction in revenue with few restrictions than directly funding eligible programs and services. Moving Fiscal Recovery Funds (based on eligible shortfall and revenue loss) to a city's general fund provides maximum flexibility on how the city ultimately uses funds to meet the needs of its residents and local businesses and without additional reporting requirements to the Department of the Treasury.

In the calculation of loss of revenue, ARPA fund recipients will compute the extent of the reduction in general fund revenues by comparing actual revenue to a "counterfactual trend" (i.e., Counterfactual Revenue), which represents the amount of general revenues the city could have been expected to generate in the absence of the pandemic. The counterfactual trend starts

with the last full fiscal year prior to the COVID-19 public health emergency (FY 2018-19) and then assumes growth at a constant rate in the subsequent years. For purposes of measuring revenue growth in the counterfactual trend, ARPA recipients may use a growth adjustment of either 4.1 percent per year or the recipient’s average annual revenue growth over the three full fiscal years (FY 2016-17, FY 2017-18 and FY 2018-19) prior to the COVID-19 public health emergency, ***whichever is higher.***

Following the four-step process to determine the reduction of general fund revenues outlined in the Interim Final Rule, it was determined the City of Canyon Lake’s average annual growth rate in the three years prior to the COVID-19 pandemic was 5.44%, which is greater than the minimum base growth rate of 4.1% allowed in the Interim Final Rule.

The four-step process to determine the extent of a city’s reduction in revenue includes:

- Step 1: Identify general revenues collected in the most recent full fiscal year prior to the pandemic, called the Base Year Revenue (i.e., FY 2018-19)
- Step 2: Estimate “Counterfactual Revenue”
- Step 3: Identify Actual Revenue
- Step 4: The extent of the Reduction in Revenue is equal to Counterfactual Revenue less Actual Revenue.

The formula provided by the Department of the Treasury for calculating a reduction in a recipient’s general revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\frac{n_t}{12}}] - \text{Actual General Revenue}_t; 0 \}$$

Where:

- *Base Year Revenue* is the recipient’s general revenue for the most recent full fiscal year prior to the COVID–19 public health emergency;
- *Growth Adjustment* is equal to the greater of 4.1 percent (or 0.041) and the recipient’s average annual revenue growth over the three full fiscal years prior to the COVID–19 public health emergency (5.44%, or 5.44% represents the City of Canyon Lake’s average annual revenue growth);
- *n* equals the number of months elapsed from the end of the base year to the calculation date;
- *Actual General Revenue* is a recipient’s actual general revenue collected during 12-month period ending on each calculation date;

ARPA fund recipients are required to calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. Given that the City of Canyon Lake (as do most cities in California and around the U.S.) uses a July 1 – June 30 fiscal year, the revenue reduction calculation for the period ending on December 31, 2020 includes the 18-month period from July 1, 2019 through December 31, 2020. Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Table 2 – City of Canyon Lake Reduction in Revenue

Growth Rate	0.0544%				
As of:	06/30/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
n (months elapsed)		18	30	42	54
Base year revenue	6,167,284				
Counterfactual revenue		6,676,950	7,039,917	7,422,616	7,826,119
Actual Revenue		6,573,482	7,536,089	7,945,763	8,377,208
Reduction/Increase in Revenue		-103,468	496,172	523,147	551,589

**Estimates of Actual Revenue and Reduction in Revenue for the periods ending December 31, 2021 through December 31, 2023.*

With the City of Canyon Lake’s average annual growth rate at 5.44%, the Counterfactual Revenue (the amount of general revenues the City of Canyon Lake could have been expected to generate in the absence of the pandemic) ranges from \$6,626,950 for the period ending December 31, 2020, to \$7,826,119 for the period ending December 31, 2023. Actual general fund revenues for the period ending December 31, 2020, were \$6,573,482. This means that the City of Canyon Lake experienced a **\$103,468** shortfall in general revenues for the period ending December 31, 2020, due to the COVID–19 public health emergency. This total amount, or any portion thereof, is an eligible expense under ARPA funding rules. The revenue loss would have been more if not for the implementation by the City of Canyon Lake for EMS fees.

Revenue reductions in subsequent years (December 31, 2021; December 31, 2022; and December 31, 2023) are also eligible expenses under ARPA funding guidelines from a reduction in city general revenue experienced due to the COVID–19 public health emergency. Based on estimates, it is not anticipated that the City of Canyon Lake will experience any revenue loss in 2021, 2022 or 2023.

These estimates are based on the allowable “counterfactual revenue” derived from the Department of the Treasury formula (i.e., the amount of general revenues the City of Canyon Lake could have been expected to generate in the absence of the COVID-19 public health emergency) and actual revenue estimates of general revenue for the city for the corresponding time periods.

Ideas for Uses of Fiscal Recovery Funds

Local governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by COVID- 19 and the public health emergency.

Ideas for possible projects and programs for the City of Canyon Lake to consider include, but are not limited to, the following:

- Small Business Emergency Relief Grants (e.g., local businesses and non-profits meeting minimum criteria that are able to demonstrate economic hardship would be eligible to receive grants to be used towards paying business rent, utilities, payroll or other operating costs. Re-payment not required.)
- Matching funds community gift card program – launch a community E gift card program and offer BOGO cards as a promotion (e.g., buy a \$25 card and receive a bonus \$25 card). The Yiftee E-gift card platform is currently being used in California communities such as Benicia, Brentwood, Carlsbad, Concord, Downtown Sacramento, Cupertino, Fremont, La Canada Flintridge, Livermore, Newark, Pleasanton and Selma.
- Water and sewer system upgrades (elimination of EVMWD recycled water ponds on 4.4-acre property on Railroad Canyon Rd.).
- Upgrades of City owned properties to ensure COVID-19 compliance from a health and safety perspective and possible remote service delivery or service enhancements (relocation of City Council Chambers to former library space at City Hall).
- Technology upgrades for the City that can help with remote meetings and online services (in conjunction with relocation of City Council Chambers).

Next Steps

Public Input: Implementation of the Fiscal Recovery Funds reflects the importance of public input, transparency, and accountability. The Interim Final Rule establishes certain regular reporting requirements, including requiring local governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden for local governments. The department of the Treasury urges local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

Business Needs Survey: Undertaking a Business Needs Survey will help identify the negative impacts experienced by local businesses, as well as explore possible ways to address these impacts and support local the local business community including the possibility of an E-Gift card program and small business relief grants. A Business Needs Survey is attached, and staff is seeking direction from City Council to proceed with launching the survey.

Proposed Timeline for Fiscal Recovery Funds Implementation:

July 2021 – Received ARPA funds via the State of California Department of Finance.

August/September 2021 – HdL to review Sales Tax Data analysis to determine hardest hit business sectors in Canyon Lake and draft a Business Needs Survey for local Canyon Lake businesses, and work with City staff to calculate the reduction in general fund revenue.

October 6, 2021 – Present ARPA staff report to City Council, including the ARPA work program, along with a Business Needs Survey.

Mid October 2021 – Kickoff the Business Needs Survey and keep open for 3-week period.

November 2021 – HdL and City staff analyze results of Business Needs Survey and any stakeholder meetings.

December 1, 2021 – Presentation to City Council of business survey results and any community feedback, sales tax data analysis, and recommendations on ARPA Strategy.

Fiscal Impact

No impact

Attachments

1. Business Needs Survey

ATTACHMENT 1

City of Canyon Lake
COVID-19 Business Recovery Survey

Your business/organization is an important part of the Canyon Lake community. The City of Canyon Lake wants to hear about your experiences during the COVID-19 pandemic. What are your biggest challenges? What type of assistance would help most?

Information gathered from this survey will help to develop programs to support local businesses. Deadline for responses is 2021. Complete the survey and be entered to win a \$100 gift card!

1. Please provide your business or organization information:

Business Name _____

Business Street Address _____

Business Zip Code _____

Business Email _____

Business Website _____

Business Phone Number _____

Social Media Account(s) _____

2. What year was your business/organization established in Canyon Lake?

3. How many employees do you currently have at your Canyon Lake location?

- Self-employed with no employees
- 1 to 4
- 5 to 9
- 10 to 25
- 26 to 50
- 51 to 100
- 101 or more

4. Please indicate your business type:

- Auto-Related
- Beauty/Personal Care Services (Hair, Nail, Waxing, Tattoo)
- Childcare, Education, Tutoring
- Construction
- Entertainment & Recreation
- Finance, Insurance, Real Estate
- Fitness Center/Gym
- Grocery Store
- Home-based Business
- Hospitality & Tourism
- Distribution, Light-Manufacturing or Production
- Medical Offices (Dental, Physicians, Pharmacies)
- Non-Profit
- Professional and Technical Services
- Restaurant, Bar, Brewpubs, and Other Food/Drink
- Retail Store
- Technology (Research & Development, Software)
- Other: _____

5. Has your business/organization been negatively impacted by COVID-19?

- Yes No

6. If yes, how was your business/organization negatively impacted? (Select all that apply):

- Loss of revenue Layoff of one or more staff

 Permanent closure Reduced customer demand

7. What COVID-19 relief funding or assistance has your business/organization received? (Select all that apply):

- I have not received COVID-19 relief assistance Tax or Permit Relief (Extended deadlines, waiver of late fees, tax credits, etc.)
 Paycheck Protection Program (PPP) Federal Restaurant Revitalization Fund
 Economic Injury Disaster Loan/Advance (EIDL) Small Business Development Center (SBDC) – free training or counseling
 California Small Business COVID-19 Relief Grant Other Small Business Administration (SBA) loan (e.g., SBA Debt Relief, Express Bridge Loan)
 EDD (Employment Development) - Unemployment or Pandemic Unemployment Assistance

8. How much total COVID-19 relief funding has your business received?

- \$1 - \$5,000
- \$5,001 - \$10,000
- \$10,001 - \$20,000
- \$20,001 - \$50,000
- More than \$50,000

9. If you could receive an assistance grant how much would help your business/organization need to properly recover?

- \$5,000
- \$10,000
- \$15,000
- \$20,000
- \$25,000
- More \$ _____

10. What will be the greatest challenges to your business/organization recovery? (Select your top three choices):

- Cash flow - paying for inventory and pay payroll
- Debt management
- Paying rent and utilities (including back rent)
- Hiring or re-hiring employees
- Marketing my business
- Re-establishing customer/client base
- Obtaining inventory and supplies
- Securing future financing

11. If you are a restaurant, have you used outdoor dining during the Pandemic and would you like to continue or enhance outdoor dining?

- Yes
- Not applicable

12. What type of assistance would be helpful for your business/organization now and in the future? (Select all that apply):

- Continued outdoor dining operations with enhancements
- Shop local campaign, including a community gift card program partially subsidized by the City
- Online business support – website assistance
- Financial training and resources - access to capital, debt management, etc.
- Employee training and hiring assistance
- Small business resources & one-on-one counseling
- Assistance with applying for available COVID-19 relief grants and loans
- Rent assistance grants
- Other (please specify) _____

13. Is your business/organization online? Would you like assistance in setting up your business online? (Select all that apply):

- No, my business does not have its own website
- Yes, my business has a website, but it does not offer online ordering or delivery
- Yes, my business has a website and customers can order online for pickup and/or delivery
- Yes, I would like assistance improving my business' online presence (e.g., via a grant program to support a local marketing company to get my business set-up online)
- No, I would not like assistance with my business' online presence

14. Have you benefitted from protections under the rent eviction moratorium for small business tenants? Is your business/organization behind on rent? (Answers are confidential):

- No, I have continued to pay full rent during the pandemic/I am currently caught up on rent
- Yes, I have not been able to pay rent during some or all of the time and my back rent is between \$1 and \$10,000
- Yes, I have not been able to pay rent during some or all of the time and my back rent is between \$10,001 and \$20,000
- Yes, I have not been able to pay rent during some or all of the time and my back rent is between \$20,001 and \$50,000
- Yes, I have not been able to pay rent during some or all of the time and my back rent is over \$50,000

15. What is the best way to communicate with you? (Select all that apply):

- | | |
|------------------------------------|---|
| <input type="radio"/> Email | <input type="radio"/> Website |
| <input type="radio"/> Telephone | <input type="radio"/> Traditional Mail |
| <input type="radio"/> Text Message | <input type="radio"/> Other (please specify): |
| <input type="radio"/> Social Media | _____ |

THANK YOU FROM THE CITY OF CANYON LAKE



STAFF REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Chris Mann, City Manager *CM*
DATE: October 6, 2021
SUBJECT: Adoption of Resolutions Establishing the Maximum Number of Cannabis Retailers, Application Fees, and Application Review Criteria

Recommendation

That the City Council:

- (1) Adopt Resolution No. 2021-57 establishing the maximum number of commercial cannabis retailers that may operate in the City of Canyon Lake; and
- (2) Adopt Resolution No. 2021-58 establishing application and other related fees for commercial cannabis business permits; and
- (3) Adopt Resolution No. 2021-59 establishing the application review criteria for commercial cannabis business permits.

Background

At the Special Meeting of September 13, 2021, the City Council introduced for first reading Ordinance No. 215, an ordinance establishing commercial cannabis regulations for the City of Canyon Lake. It is anticipated that at the October 6, 2021 meeting, the City Council will consider holding a second reading and adopting the same ordinance. The ordinance includes several provisions that must be adopted by the City Council by resolution, including:

- (1) Establishing the maximum number of commercial cannabis retailers that may operate in the City of Canyon Lake;
- (2) Establishing the application and other related fees; and
- (3) Establishing the Application Review Criteria for the commercial cannabis business permits.

City staff have worked with the City’s cannabis consultant HdL, and the City Attorney, to develop the necessary resolutions which the City Council may adopt concurrently with the second reading and adoption of Ordinance No. 215.

Staff’s recommendation is to limit the number of retailers to a single retailer at this time. While limiting the number to one ordinarily could raise constitutional concerns regarding limited competition, City staff have researched and determined there are numerous competing retailers within a short distance of the City of Canyon Lake in the cities of Perris, Lake Elsinore, and Wildomar.

Staff also recommends full cost recovery for application processes, and has submitted recommended application and related fees with that goal in mind. The fees recommended at this time are:

a. Application Fee based on 6 applications)	Full Cost Recovery (Estimated to be \$11,731
b. Background Check	\$300
c. Zoning Verification Letter	\$179
d. LiceScan Fee	\$73

Additional fees will be recommended in the future as needed, including renewal fees.

Finally, staff is recommending approval of the Review Criteria, which will serve as the basis for the City Manager’s review of commercial cannabis business applications.

Fiscal Impact

N/A

Attachments

1. Resolution No. 2021-57
2. Resolution No. 2021-58
3. Resolution No. 2021-59

ATTACHMENT 1

RESOLUTION NO. 2021-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ESTABLISHING THE NUMBER OF CANNABIS RETAILERS THAT MAY OPERATE IN THE CITY OF CANYON LAKE

WHEREAS, Chapter 4.20 of the Canyon Lake Municipal Code (“CLMC”) sets forth the regulatory standards and requirements for the operation of commercial cannabis businesses within the City of Canyon Lake; and

WHEREAS, Section 4.20.090(a) of the CLMC provides that the City Council may set the number of each type of commercial cannabis business that shall be permitted to operate in the City of Canyon Lake.

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

Section 1. Findings.

The recitals set forth above are hereby adopted as findings in support of this Resolution.

Section 2. Number of Retailers.

The City Manager shall issue no more than the following number of commercial cannabis business permits for retail cannabis businesses that may operate in the City of Canyon Lake:

Number of Cannabis Retailers: 1

Section 3. No City Obligation to Issue.

This resolution 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.

Section 4. CEQA Findings.

The City Council hereby finds that the adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

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Section 5. Effective Date.

This resolution shall take effect and be in force immediately.

PASSED, APPROVED, AND ADOPTED on this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 2

RESOLUTION NO. 2021-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ESTABLISHING APPLICATION AND OTHER RELATED FEES FOR COMMERCIAL CANNABIS BUSINESS PERMITS

WHEREAS, Chapter 4.20 of the Canyon Lake Municipal Code (“CLMC”) sets forth the regulatory standards and requirements for the operation of commercial cannabis businesses within the City of Canyon Lake; and

WHEREAS, Section 4.20.100(c) of the CLMC provides 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

WHEREAS, the City Council desires to establish the fees required for applications for commercial cannabis permits and other related fees for commercial cannabis business.

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

Section 1. Findings.

The recitals set forth above are hereby adopted as findings in support of this Resolution.

Section 2. Fee Schedule.

The following fees are hereby established and adopted for the processing of applications for commercial cannabis permits and other permits required for the operation of a commercial cannabis business.

- | | |
|-------------------------------|---|
| a. Application Fee | Full Cost Recovery (Estimated to be \$11,731 based on 6 applications) |
| b. Background Check | \$300 |
| c. Zoning Verification Letter | \$179 |
| d. LiveScan Fee | \$73 |

Section 3. Fee Study and Findings.

The adoption of this Resolution is based on all oral and written evidence presented to the City Council. The City Council hereby finds that the fees set forth above in Section 2 do not exceed the estimated reasonable cost to the City of providing the services for which the fee is charged.

Section 4. CEQA Findings.

The City Council hereby finds that the adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

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Section 5. Effective Date.

This resolution shall take effect and be in force immediately.

PASSED, APPROVED, AND ADOPTED on this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

ATTACHMENT 3

RESOLUTION NO. 2021-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ESTABLISHING REVIEW CRITERIA FOR COMMERCIAL CANNABIS BUSINESSES

WHEREAS, Chapter 4.20 of the Canyon Lake Municipal Code (“CLMC”) sets forth the regulatory standards and requirements for the operation of commercial cannabis businesses within the City of Canyon Lake; and

WHEREAS, Section 4.20.100(a) of the CLMC provides that 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 or require the City Manager or their designee to provide detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of review criteria (“**Review Criteria**”).

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

Section 1. Findings.

The recitals set forth above are hereby adopted as findings in support of this Resolution.

Section 2. Adoption of Review Criteria.

The City Council hereby adopts the Review Criteria, Form of Application, and Form of Agreement set forth in Exhibit “A,” attached hereto, related to commercial cannabis business permit applications. The City Manager is hereby authorized and directed to set a date for the opening and closing of the initial application period for cannabis businesses. Once closed, the City Council may decide to hold such future application periods at such time deemed beneficial to the City of Canyon Lake and convenient to its operation.

Section 3. Severability.

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one (1) or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective.

Section 4. CEQA Findings.

The City Council hereby finds that the adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

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Section 5. Effective Date.

This resolution shall take effect and be in force immediately.

PASSED, APPROVED, AND ADOPTED on this 6th day of October, 2021.

Kasey Castillo, Mayor

ATTEST:

Ana V. Sauseda, CMC
City Clerk

Exhibit A



City of Canyon Lake

Planning Department
31516 Railroad Canyon Road
Canyon Lake, CA 92587
P: 951.244.2955 (Option 2)
Email: jmorrissey@canyonlakeca.gov
www.canyonlakeca.gov

APPLICATION PROCEDURES & GUIDELINES FOR A RETAIL COMMERCIAL CANNABIS BUSINESS PERMIT

Application Deadline
OPENS – [*DATE***]**
CLOSES – [*DATE***] at [***TIME***]**

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at www.canyonlakeca.gov/cannabis and includes the following:

- Application Procedures & Guidelines
- City of Canyon Lake Municipal Code (CLMC) Chapter 4.20
- Commercial Cannabis Business (CCB) Permit Application
- Title 9 (Zoning)
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Background Check Portal Link
- Business Ownership Acknowledgement Form
- Property Owner Consent Form

During this application period the City will be allowing only one retail cannabis business permit under this process. To be considered for issuance of a Cannabis Business Permit, final applications must be submitted to the Planning Department at the address listed on these procedures by the deadline. There will be no exceptions. This application process is adopted pursuant to the Canyon Lake Municipal Code (CLMC) Chapter 4.20.100 and 4.20.110.

Applicants should monitor the City's web page for any additional information, FAQ's or updates. It is the responsibility of the Applicant to stay informed of this information.

AMENDMENTS TO THE APPLICATION

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures, or posted on the City's website as a clarification update, or as authorized in writing by the City Manager or his/her designee.

During Phase I, City staff and HdL Companies ("Consultant") will conduct a preliminary evaluation of the applications for completeness and will reject any application that is missing a major component (for example, a Security Plan), notifying the applicant by email that they have been disqualified. In addition, the City will be notifying applicants by email if their applications are found to be missing minor requirements (for example, signatures/dates on forms, proof of payment receipts, scanned pages in one of the scoring criteria documents, or incorrect formatting or organization of files). If this is the case, the Applicant may be granted five days from the date of the email to submit the required supplemental information. Should you receive an email from the City we ask that you confirm receipt of it immediately. If the City does not get confirmation from your primary contact within two days, it may, but is not required to, make an attempt to notify the primary contact by phone in case the email went into the recipient's

spam folder unnoticed. However, please note should this be the case you will not be provided additional time to complete the curing process so make sure you monitor your incoming or spam email carefully. Furthermore, you may not submit any additional information other than what was requested to cure the minor requirements. Finally, an applicant will be notified if their application is incomplete or if there is any other reason for which they will not be moving forward in the application process.

LIMITATIONS ON MULTIPLE APPLICATIONS

Applicants possessing an ownership interest of ten percent (10%), or more, in a retail cannabis permit application shall be limited to submitting only one retail application during this initial process. In addition, the City will only accept up to two retail application Zoning Verification Letters (ZVL) per property (APN). Every owner on the application will be required to complete the Business Ownership Acknowledgement form which is provided on the City’s website.

CITY’S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a CCB license without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any Applicant submitting an application in order to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process and it is not fully responsive to this request for a CCB application.

Late proposals WILL BE REJECTED. Applications must be received by the Planning Department by [***TIME***] on the due date stated on the cover sheet of these Procedures & Guidelines.

Furthermore, a proposal RISKS BEING REJECTED for the following reasons:

1. It is not responsive to this request for a Cannabis Business Permit application and the Procedures & Guidelines for a Cannabis Business Permit.
2. The issuance of the Cannabis Business Permit for the proposed location is inconsistent with State law, CLMC Chapter 4.20, and/or Title 9 (Zoning).

This application process is adopted pursuant to CLMC Section 4.20.100 and 4.20.110. Review the information regarding the application process and which documents you will need. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Cannabis Business Permit application process for a CCB on the City webpage provided on page one.

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit to operate a cannabis business in City of Canyon Lake.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the “Application Procedures & Guidelines for a Cannabis Business Permit.” Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, by U.S. Mail, or by common carrier delivery service (e.g. FED EX, UPS, etc.) as long as it is a complete application. The application package must include all the following documents with original signatures for each document:

- (a) Cannabis Business Permit Application;
- (b) Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
- (c) Agreement on Limitations of City's Liability and Indemnification to City;
- (d) Application fee and Background Check fee(s);
- (e) Business Owner Acknowledgment Agreement; and
- (f) Property Owner Consent.

FLASH DRIVE CONTENT

In addition, all Applicants must submit a USB flash drive containing one complete copy of the application package per the requirements as outlined in the below format. The application package and application fees must be received by the Planning Department at the same time.

Responses to the Evaluation Criteria (Sections A-G found in Appendix A of the Application Procedures & Guidelines) shall be limited to 200 pages. Responses pertaining to Backgrounds, Proof of Capitalization, Zoning Verification Letter, and Property Owner Consent/Lease Agreements, Property Owner/Landlord Affidavit, Business Owner Acknowledgement Agreement shall not be included in the 200-page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below).

All materials must be submitted on a USB flash drive in a PDF format in the following files. Please submit the files in the correct format and organized correctly or your application may be rejected or subject to point deductions.

PDF File #1	Cannabis Business Permit Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3), Agreement on Limitations of City Liability, and Certification, Assurances, Warranties, and Indemnification to City (pages F4-F6), proof of insurance or a letter of insurability; and Business Owners Acknowledgement Agreement. All copied documents shall display required signatures to be deemed complete.
PDF File #2	Evaluation Criteria (Responses to Sections A-G of Appendix A limited to 200 pages)
PDF File #3	Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
PDF File #4	Proof of Capitalization (Appropriate bank statements, loan documents, promissory notes, financial and commitment letters)
PDF File #5	Zoning Verification Letter (ZVL) which shows the correct location, unit, space, or suite number in the building being used. Proof of Insurance or a letter showing proof of insurability by a qualified insurance company which shows the location being insured in City of Canyon Lake, the type of activity being insured, and the name of the business being insured. Copies from another business location in another city owned by the Applicant will not be accepted.

CRIMINAL BACKGROUND CHECK

Each Owner must undergo a criminal history background check to demonstrate they do not provide “good cause” for denial per CLMC Sections 4.20.080 and 4.20.310(k). Owners who do not meet the criminal history eligibility requirements of Section 4.20.310(k) will be disqualified. The background form can be found online at https://hdlcompanies.formstack.com/forms/bc_canyon_lake.

In addition, each successful applicant will be asked to submit to a Live Scan as part of the background check on a date to be determined by City Manager. Prior to being issued a permit the Applicant’s primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment.

ZONING VERIFICATION LETTER (ZVL)

Prior to submitting a CCB application an Applicant must obtain a Zoning Verification Letter (ZVL) from the Planning Department which needs to be submitted with the Application as part of Phase I. To secure this letter, an Applicant must make a written request which should specify the intended use of the building (cannabis retail, etc.), and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises. This process will not be conducted over the counter, and it may take up to 10 days to complete so all applicants should be mindful of when they submit their request in order to receive the ZVL back in time to submit it with their application.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established.

FEES

All applicants will be required to submit an initial fee deposit of **\$11,731.00**. This amount will be charged against one-time costs incurred by the City in establishing the regulatory system as well as time spent by City staff and the Consultant in reviewing applications and administrating the application process. The initial fee deposit is based on an estimated six applications. In the event of more applications, applicants may be refunded a portion of the application fee. In the event of fewer applications, applicants may be required to deposit additional funds to ensure full cost recovery by the City. In the event additional funds are required, applicants will have ten (10) business days to deposit the additional funds or they risk disqualification. In addition, there will also be a separate fee for the Zoning Verification Letter (ZVL) of **\$179.00** per site and the Background Check Fee of **\$300**. For the successful Applicants there will also be a Live Scan Fee of **\$73.00** prior to obtaining the Cannabis Business Permit.

Payment must be made by a certified check, cashier’s check or money order made payable to the City of Canyon Lake. Please note the City will not accept cash or credit cards and application fees are non-refundable.

APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications will be reviewed for completeness and compliance to meet the minimum submittal requirements. The determination of eligibility will be based on the criteria outlined in these procedures and as described in Appendix A. However, the criteria will be evaluated and scored with the process

adopted in these procedures in accordance with CLMC Section 4.20.100 and 4.20.110 and may be amended as provided in CLMC Section 4.20.380 A & C in writing for clarification to application submittal questions which will be posted in the FAQ section of the Cannabis Information webpage and shall go into effect immediately upon being posted on the website.

PHASE II: APPLICATION EVALUATION AND REVIEW (2,500 points)

During Phase II, the City and/or consultant will review and score each application using a merit-based system. All applicants who score a minimum of 90% or higher (2,250 points) in Phase II may be eligible to advance to Phase III. Notice of the results of Phase II will be provided in writing via email to the primary contact listed on the application. See APPENDIX A for a description of the evaluation criteria:

- Section A. Business Plan (400 points)
- Section B. Labor, Equity, Diversity, and Inclusion Plan (400 points)
- Section C. Safety Plan (300 points)
- Section D. Security Plan (300 points)
- Section E - Qualifications of Owners (400 Points)
- Section F – Neighborhood Compatibility Plan (400 Points)
- Section G - Proposed Location (300 Points)

PHASE III: PUBLIC MEETING

Upon the completion of Phase II, the City Manager or his/her designee will tabulate the scores of all applicants from Phase II to create a final ranking which will be used to form the basis for determining who will be invited to participate in the Public Meeting and subsequently be interviewed by the City Manager for final consideration.

The Public Meeting will be set to allow concerns of residents, businesses, and community organizations alike to be brought before the City. The City Manager or his/her designee will conduct the Public Meeting pursuant to CLMC Section 4.20.110 (d) prior to the City Manager making the final decision. Those applicants selected to participate in the Public Meeting will be invited to attend and will be given an opportunity to address any concerns from the public presentation.

PHASE IV: CITY MANAGER'S INTERVIEWS, NEGOTIATIONS, AND FINAL DECISION

Upon the completion of Phase III, the City Manager will review the summary report of the Public Meeting before interviewing the final Applicants to determine who will be awarded the CCB permit. Each Applicant should be prepared to negotiate with the City Manager regarding the community benefits and economic incentives to the City. Further details as to date, time, place, and length of presentation will be provided prior to the City Manager's interviews and negotiations.

After the City Manager has concluded negotiations and made a determination as to who if any Applicant will be awarded a CCB permit and as a condition of issuance of the regulatory permit, the retail operator 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 pursuant to the requirements of Sections 4.20.110 (e) and 4.20.300 (c), including, but not limited to community benefits such as 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.

In addition, any community benefits that a commercial cannabis business agrees to provide shall be incorporated into the terms and conditions under which the commercial cannabis business will operate with the City of Canyon Lake approval, if and when a Community Benefit Agreement is executed. Upon

successful negotiations in this phase of the process the Applicant will then be authorized to proceed to apply for any required land use permits, business license and related approvals.

Any Applicant wishing to appeal Phase I through Phase III of the Application Process may appeal pursuant to the provisions of Chapter 4.20.

Note: Being awarded a CCB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction, including: electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a CCB guarantee that the plans submitted via the CCB application process meet the standards or requirements in Chapter 4.20 and any other permit requirements from other City departments or agencies.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the City of Canyon Lake Planning Department at 951-244-2955 (Option 2) or by email at jmorrisey@canyonlakeca.gov.

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APPENDIX A: EVALUATION CRITERIA

The City is a public agency subject to the California Public Records Act ("CPRA"). In the event a request for information under the CPRA seeks disclosure of application materials marked by Applicant as "Confidential Information," the City will make reasonable efforts to provide notice to Applicant prior to such disclosure to allow Applicant to seek a protective order, injunctive relief, or other appropriate remedy. If Applicant contends any designated application materials are exempt from the CPRA and wishes to prevent disclosure, it is required, at its own cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City's deadline to respond to the CPRA request. If Applicant fails to obtain such a remedy before the deadline for the City's response to the CPRA request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

SECTION A: BUSINESS PLAN (400 points)

1. Finances* – A budget for construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases and other anticipated contingency costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
 - A. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets which can be verified by the City.
 - B. A pro forma for at least three years of operations.
 - C. A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
2. Daily Operations - The Business Plan should describe the day-to-day operations which meet industry best practices for the type of cannabis business you are applying.
 - 2.1 Describe the day-to-day operations if you are applying for a RETAIL permit. This should include at a minimum the following criteria:
 - A. Describe customer check-in procedures.
 - B. Identify location and procedures for receiving deliveries during business hours.
 - C. Identify the name of the Point-of-sale system to be used and the number of Point-of-Sale locations.
 - D. Estimate the number of customers to be served per hour/day.
 - E. Describe the proposed product line to be sold and estimate the percentage of sales of flower and manufactured products.
 - F. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
 - G. How the Cannabis Business will conform to local and state laws. See CLMC Sections 4.20.310 through 4.20.370 and Title 9 (Zoning) as they pertain to retail establishments in the City of Canyon Lake.

- H. How cannabis and cannabis products will be tracked and monitored to prevent diversion. Describe the Point-of-Sale system to be used and how it will interact with the state's mandated track and trace system.

SECTION B: LABOR, EQUITY, DIVERSITY & INCLUSION PLAN (400 points)

1. The application should describe to what extent the cannabis business will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees.
2. Identify number of employees at initial opening and the maximum number of employees when the business is at full capacity.
3. Describe any diversity and inclusion programs that will be developed as part of the business model which embraces a rich and diverse work force with a diverse set of perspectives, work and life experiences, as well as religious and cultural differences that provide equal opportunities for employee development.
4. Identify all positions and their responsibilities.
5. Describe compensation to and opportunities for continuing education and training for employees.
6. Describe whether the cannabis business is committed to offering employees a Living Wage.
7. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
8. Describe to the extent to which the cannabis business will be a locally owned enterprise and the owner(s) reside within the County of Riverside. In order to qualify for this criteria, an owner must have lived in the County of Riverside for at least one year prior to October 1, 2021.

SECTION C: SAFETY PLAN (300 points)

1. The detailed Safety Plan shall be prepared by a California professional fire prevention and suppression consultant.
2. This plan will describe all fire prevention and suppression measures, fire extinguisher locations, evacuation routes and alarm systems the facility will have in place.
3. Describe all accident and incident reporting procedures.
4. Describe the waste management locations and procedures.

SECTION D: SECURITY PLAN (300 points)

1. The security plan shall be prepared by a professional security consultant. This can be done with in-house staff or a consultant, but it must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section.

- A. The plan should demonstrate how the cannabis business wishes to develop the floor plan and address other security issues on the property.
2. Premises Diagram: In addition to the site plans submitted for the Proposed Location (in Section G of Appendix A), a separate Premises Diagram must be included in this Security Plan section (Section D) of the application. The diagram must meet the requirements of the Bureau of Cannabis Control CCR Title 16, Division 42, §5006 Premises Diagram.
 - A. The diagram shall show the boundaries of the property and the proposed location to be licensed, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein.
 - B. The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises and identify all limited-access areas.
 - C. The diagram shall show where all cameras are located and assign a number to each camera for identification purposes.
 - D. The diagram should be accurate, dimensioned and to-scale (minimum scale of 1/4").
 - E. If the proposed location consists of only a portion of a property, the diagram must be labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.
 3. Description of operational security, including but not limited to general security for access/visitor control, inventory control and cash handling procedures.
 4. Description of perimeter security, on-site security guards, lighting, and parking.
 5. Identify transportation techniques and security procedures.
 6. Description of employee training and general security policies.

SECTION E: QUALIFICATION OF OWNERS (400 points)

1. Experience – Demonstrate the business owner’s experience in owning, managing, and operating a cannabis business. For purposes of this section, owner shall mean the State definition of owner in the State Business and Professions Code Section 26001 and all persons, companies, and entities that will be directing, controlling, and/or managing the day-to-day operations of the business. Evidence that prior experience was from legally permitted activities.
2. Cannabis Industry Knowledge – Demonstrate overall knowledge of the cannabis industry (as demonstrated throughout the screening application), including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Canyon Lake.
3. Ownership Team – Describe the involvement of the ownership team in day-to-day operation of the business. Owner is defined based upon the State definition of owner, see Business and Professions Code Section 26001.

SECTION F: NEIGHBORHOOD COMPATIBILITY PLAN (400 points)

1. List any nearby well-traveled paths to schools, churches or libraries and describe how the cannabis business will proactively protect the youth on these paths from exposure to the cannabis business.

2. Describe how the business will proactively take steps about community concerns to protect the youth generally from the impacts of the cannabis business.
3. Describe how the business will proactively address and respond to complaints related to noise, light, odor, and vehicle and pedestrian traffic.
4. Describe how the business will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
5. Describe odor mitigation practices:
 - a. Identify potential sources of odor.
 - b. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
 - c. Describe all proposed staff training and system maintenance plans.
6. Describe the waste management plan. The plan shall include waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the vendor in charge of disposal.
7. The application should include the following information about the proposed location:
 - a. Physical address and a detailed description of the proposed location, including the overall property, building, and interior floor plan.
 - b. Description of all known nearby State and local sensitive use areas. The cannabis business must have the appropriate zoning and meet all the locational requirements as described in CLMC sections 4.20.250 and Title 9.
 - c. List any nearby well-traveled paths to schools and describe how the cannabis business will proactively protect the youth on these paths from exposure to the cannabis business.
 - d. Describe how the business will proactively take steps about community concerns to protect the youth generally from the impacts of the cannabis business.
 - e. Proof of ownership, lease agreement, or a Letter of Intent to Lease.
 - f. Vicinity map.
 - g. Photographs of existing site and buildings.
 - h. Evidence that the location has access to public transportation for employees or customers.

SECTION G: PROPOSED LOCATION (300 points)

In addition to the location related details required in the Security Plan section of this application, the application shall include a thorough narrative description of the proposed location, including but not limited to the overall site, existing and/or proposed building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way, and neighboring businesses on the parcel. Description of floor plans and interior design are not a requirement of this section. In addition to the narrative description of the proposed locations, Applicants shall also include the following items.

1. The CBP applicant must have the appropriate zoning and meet all the locational requirements as described in CLMC Section 4.20.250 and Title 9 (Zoning).
2. The application shall include photographs of the front (street facing) side of the building. In the event the proposed location is undeveloped land, photographs shall depict the property from all vantage points of the property.

3. The application must include a (Site) diagram depicting all details described in the narrative description of the proposed location. The diagram required for this section need not include a description of any building interior, floor plan or security detail.

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