



CITY COUNCIL MEETING AGENDA

**City Council Chambers
4488 Red Bluff St
Shasta Lake, CA 96019**

Tuesday, April 18, 2017

The Brown Act prohibits the Council from taking action on any item not placed on the Agenda in most cases.

The Brown Act requires any non-confidential documents or writings distributed to a majority of the City Council less than 72 hours before a regular meeting to be made available to members of the public at the same time they are distributed.

Should supplemental materials to be evaluated in the decision making process be made available to the members of the legislative body at the meeting, seven (7) copies must be provided to the City Clerk who will distribute them.

Councilmembers are encouraged to contact the City Manager prior to the meeting with questions or concerns regarding any item on the Agenda so that their questions and concerns can be adequately addressed at the meeting.

Agenda packets are available for public review at City Hall, 1650 Stanton Drive, Shasta Lake, CA during normal business hours of 7:00 a.m. to 4:00 p.m. weekdays, excluding holidays.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call (530) 275-7407. Notification 48 hours prior to the meeting is requested to enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

5:45 PM - CITY COUNCIL MEETING

Call to order

ADJOURN MEETING TO CLOSED SESSION

**CLOSED SESSION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.9,
EXISTING LITIGATION (Subdivision (a) of Section 54956.9)
CASE 186027, Bert Boothroyd vs. City of Shasta Lake, Shasta Lake City Council,
DOES 1-50, inclusive.**

1.0 6:00 CALL TO ORDER - Regular Session

Statement for the record of Council members present

Statement regarding Closed Session

Pledge of Allegiance

Invocation

2.0 AWARDS AND RECOGNITIONS

3.0 COMMUNICATIONS

3.1 Presentations:

Tony Giovaniello, Shasta EDC President – Quarterly Report to Council.

Jeff Tedder, City Engineer - Analysis of the City of Shasta Lake's Diversion of Transfer Water.

3.2 **Public Comment Period:**

This time is set aside for citizens to address the City Council on matters listed on the Consent Agenda as well as other items **not** included on the Regular Agenda. If your comments concern an item noted on the regular agenda, please address the Council when that item is open for public comment. **Each speaker is allocated three (3) minutes to speak.** Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the City. Council discussion or action cannot be taken on items not listed on the agenda other than to receive comments. Speaker forms are available from the City Clerk, 1650 Stanton Drive, Shasta Lake, on the City's website, or at the back of the meeting hall. If you have documents to present to members of Council, please provide a minimum of seven copies.

3.3 **Commission/Committee/Outside Agency Reports**

Outside Agency Funding Reports by Shasta Lake Food Pantry and Shasta Lake Chamber of Commerce.

4.0 CONSENT AGENDA

NOTICE: The items listed under the Consent Agenda are considered routine business and will be voted on together by one motion unless a Council Member requests a specific item to be removed and discussed separately.

- 4.1 Acceptance of the minutes of the regular meeting of April 4, 2017. Page 31
- 4.2 Action to revise Section 5 of Resolution CC-17- 23 calling for a special municipal election to be held on Tuesday, August 29, 2017 to present to the voters the Ordinance replacing Chapter 3.17 to the Municipal Code, to impose a special tax on commercial cannabis businesses to fund local law enforcement/code enforcement. Page 34
- 4.3 Resolution to accept 2016-2017 tree trimming contract as complete and to authorize the filing of a notice of completion. Page 37
- 4.4 Check Register Information Item Page 39
03/23/2017 Checks, Wires and E-Payments \$122,675.65
03/30/2017 Checks, Wires and E-Payments \$407,992.10
04/06/2017 Checks, Wires and E-Payments \$328,817.84
04/15/2017 Payroll \$132,371.13

5.0 PUBLIC HEARINGS

- 5.1 Public Hearing and possible action to conduct first reading of an Ordinance amending the Municipal Code to regulate the establishment, cultivation, dispensary operation, distribution, manufacturing, sale and testing of commercial cannabis as land uses. Page 53
- 5.2 Public Hearing and possible action to conduct the first reading of an Ordinance adding Chapter 5.05 to the Municipal Code to regulate the establishment, operation, cultivation, manufacturing, sale, testing and distribution of commercial cannabis. Page 72

6.0 REGULAR BUSINESS AGENDA

- 6.1 Information update on the State Water Resources Control Board Funding Agreement No. D16-01029 for the Wastewater Treatment Facility.

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7.0 COUNCIL/STAFF REPORTS/COMMENTS

7.1 Staff Comments/Reports

7.2 City Council Comments/Reports

- Brief reports by members of the Council regarding correspondence, events and/or meetings attended, and upcoming meetings/events.
- Suggestions for future agenda items.
- In compliance with Assembly Bill 1234, Council will report of attendance at conferences/meetings/events where expenses are reimbursed by the City.

8.0 ADJOURNMENT

Meetings are broadcast on the Wednesday following the meeting at 6 pm and the following Friday at 2 pm on Charter Channel 181.

Meetings are also available on-line through the City website www.cityofshastalake.org



Water Resources ♦ Flood Control ♦ Water Rights

TECHNICAL MEMORANDUM

DATE: March 30, 2017

TO: City of Shasta Lake

FROM: Lee G. Bergfeld (MBK) and Don Smith (RMA)

SUBJECT: Analysis of the City of Shasta Lake's Diversion of Transfer Water

Introduction

MBK Engineers (MBK), in cooperation with Resources Management Associates (RMA), completed a technical analysis of the effects of the City of Shasta Lake (City) taking delivery of water under existing water transfer agreements through a new, proposed, intake at Shasta Dam. The analysis included simulating operations at Shasta Dam for three separate scenarios, as defined in the City's letter to the Bureau of Reclamation's Northern California Area Office, dated February 25, 2016. Simulated operations at Shasta Dam for each scenario were then analyzed in the Sacramento River Water Quality Model (SRWQM) to understand and quantify the effects of each scenario on cold-water pool resources and Sacramento River water temperatures.

This technical memorandum describes the scenarios analyzed, the modeling tools and assumptions used in the analysis, and finally, presents results for both the operational changes at Shasta Dam and water temperatures.

Description of Project and Scenarios Analyzed

The City, as the buyer, has negotiated two long-term water transfer agreements with two separate sellers: Anderson-Cottonwood Irrigation District (ACID) and MCM Inc. The water the City has arranged to purchase is water under each seller's Sacramento River Settlement Contract (SRSC). The City negotiated an agreement with MCM Inc. for 457 acre-feet in 2005, but the United States Bureau of Reclamation (Reclamation) has yet to approve the City taking delivery of any water under this agreement. In 2008, the City negotiated an agreement with ACID for up to 2,000 acre-feet. Reclamation gave approval for the City to take 140 acre-feet under this agreement, based on an analysis conducted by Reclamation in 2008.

The City has attempted to obtain Reclamation's approval to take up to the full volume of water under the terms of both transfer agreements. Reclamation has not granted that approval due to concerns related to the potential effects of the transfers on cold-water pool resources at Shasta Lake. In order to mitigate any potential effects on the cold-water pool, the City proposed the construction and use of an additional intake at Shasta Dam at elevation 850 feet, and operational

agreements to take delivery of water from the highest elevation intake possible. The purpose of this analysis is to simulate and quantify the effects of the City diverting additional water under these two long-term transfer agreements on Shasta Lake and upper Sacramento River water temperatures. Analysis was performed on three different scenarios to allow for comparisons of model results between scenarios to quantify the effects.

Scenario A

Scenario A simulates an operation wherein the City takes delivery of water under their existing Central Valley Project (CVP) water service contract and the 140 acre-feet of approved ACID transfer. Each of these supplies can be reduced based on the annual allocation to CVP municipal and industrial (M&I) water service contracts and SRSC allocations. All City diversions under Scenario A are simulated to occur through the 750 foot elevation intake, as currently permitted. Scenario A is not a realistic operational scenario because during years with low CVP M&I allocations, the City's water service contract and approved ACID transfer are not adequate to meet demands.

Under Scenario A, the transfer water the City has agreements for, but not approval to take, may either be held in Shasta Lake or released for delivery downstream of Shasta Dam. The City's agreement with ACID is to "take-or-pay" for the transfer water; however, because the City has not been provided with approval to take the full 2,000 acre-feet, ACID has in some years sold the water to other buyers. Based on the City's records, in six of the nine years since the agreement was signed, ACID has resold water to other buyers.

A maximum volume of 1,500 acre-feet of ACID transfer water was assumed to be re-sold and released from Shasta Dam when simulated operations of the CVP and State Water Project (SWP) indicated it may be possible to convey transfer water to other buyers in the export service area. This volume was reduced to 1,125 acre-feet in years when ACID's SRSC allocation is reduced by 25 percent.

No resale of the MCM Inc. transfer water was assumed.

Scenario B

Scenario B simulates an operation wherein the City takes delivery of water under their existing CVP water service contract and the approved 140 acre-feet of approved ACID transfer. Each of these supplies can be cut based on the annual allocation to the respective contracts. When this has occurred in recent years the City has purchased additional water from the McConnell Foundation or Centerville Community Services District. The purchase of this water has not been subject to restrictions related to cold-water pool, as these two agencies acquired the water in an exchange agreement when Seltzer Dam on Clear Creek was removed. Scenario B represents the City's operations in recent years and the most likely operations in the future if Reclamation does not approve the two long-term water transfer agreements. All City diversions under Scenario B are simulated to occur through the 750 foot elevation intake, as currently permitted.

The assumptions for the resale of ACID transfer water for Scenario A are also applicable to Scenario B.

Scenario C

Scenario C simulates an operation wherein the City takes delivery of water under their existing CVP water service contract and the approved 140 acre-feet of approved ACID transfer. In years when these supplies are reduced under their respective contracts, the City diverts water under its existing transfer agreements with ACID and MCM Inc. Scenario C represents the “with-project” condition for this analysis. City diversions, under Scenario C, are simulated to occur through the highest elevation intake possible, including the new proposed intake at 850 feet. A 30 foot submergence requirement is assumed for the use of all intakes.

Table 1 summarizes the simulated City diversions under each scenario for different combinations of contract allocations. The annual volumes for Scenario B and C at 100 percent allocation for the City’s CVP contract are not the full volume of water available under all contracts and transfer agreements, but are instead limited by the City’s demand for water.

Table 1. Annual Contract Volumes and Volumes of City Diversion for Each Scenario for Different Potential Contract Allocations

Contract	Potential Contract Allocations (% volume)		
CVP Contract	100%	50%	50%
Settlement Contract for Transfer	100%	100%	75%
Contract	Volume at Potential Allocation (acre-feet)		
1. CVP Contract	4,480	2,240	2,240
2. Approved ACID Transfer	140	140	104
3. Requested ACID Transfer	1,860	1,860	1,395
4. Requested MCM Inc. Transfer	457	457	343
Scenario	Annual Volumes by Scenario (acre-feet)		
A: Contracts 1 and 2	4,620	2,380	2,345
B: Contracts 1 and 2 + McConnell Purchases	4,697	4,697	4,083
C: Contracts 1, 2, 3, and 4	4,697	4,697	4,083

Analytical Method and Tools

The approach used to analyze the effects of the City’s diversion of the transfer water is to simulate the operation of each scenario at Shasta Dam. Simulated operations of the City’s diversion, release from Shasta Dam, and the resulting storage in Shasta Lake are then analyzed in a water temperature model to quantify the effects on the cold-water pool and river water temperatures. The following sections describe the tools used in these analyses.

Operational Analysis Tools

Analysis of the operational changes for the City’s diversion, Shasta Lake levels, releases from Shasta Dam, and transfer water, were conducted in a spreadsheet model of Shasta Lake. The spreadsheet model was developed as a post-processor to the CalSim II model. CalSim II is a

planning model designed to simulate operations of CVP and SWP reservoirs and water delivery systems. CalSim II simulates flood control operating criteria, water delivery policies, in-stream flow, and Delta outflow requirements. CalSim II is the best available tool for modeling CVP and SWP operations, and is the primary system-wide hydrologic model used by California Department of Water Resources (DWR) and Reclamation to conduct planning and impact analyses of potential projects. CalSim II is a simulation by optimization model. The model simulates operations by solving a mixed-integer linear program to maximize an objective function for each month of the simulation. CalSim II was jointly developed by Reclamation and DWR to simulate operation of the CVP and SWP for defined physical conditions and a set of regulatory requirements. The model simulates these conditions using 82 years of historical hydrology from water year 1922 through 2003.

An initial CalSim II model from Reclamation was used as the starting point for this project. The Reclamation model was adjusted to improve the balance between storage in north of Delta reservoirs and San Luis Reservoir, and to refine the allocations to CVP and SWP contractors based on improvements in estimates of the ability to convey water through the Sacramento-San Joaquin River Delta (Delta).

Additionally, the Reclamation model was modified to explicitly simulate the City's diversion of their CVP water service contract supplies directly from Shasta Lake. The CalSim II model typically aggregates multiple CVP contractor's diversions into a single point of diversion downstream on the Sacramento River. The City's diversions were moved from this downstream location and simulated to occur from Shasta Dam. The monthly pattern of the City's diversion was also adjusted in CalSim II. The simulated monthly pattern was developed from ten years (2006 through 2015) of production data at the City's water treatment plant. These data represent how the City currently diverts water from Shasta Dam. **Figure 1** illustrates the average monthly demand pattern based on these ten years of data.

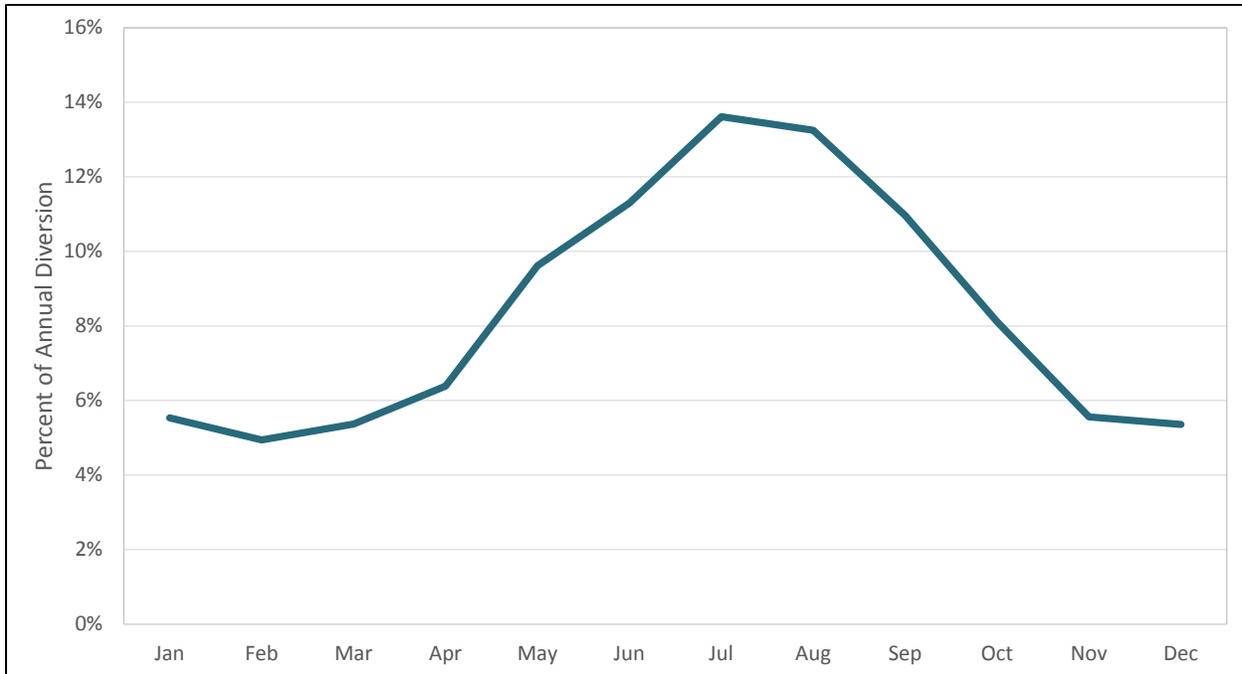


Figure 1. City of Shasta Lake’s Monthly Pattern of Diversion at Shasta Dam

CalSim II model results for a baseline operation of Shasta Lake and the CVP and SWP system, with the explicit representation of the City’s diversions, were reviewed with a focus on the operations during critical drought sequences and in light of recent operations during the 2013 through 2015 drought. CalSim II does a reasonable job simulating CVP and SWP operations by applying consistent, fixed, operational criteria to meet existing regulatory requirements; however, it is possible to improve on model results by evaluating operations during drought sequences when the application of fixed, standard operational criteria may not depict actual operations.

Operations during prolonged drought conditions cannot be easily modeled for a variety of reasons. During these periods, operations can be influenced by data and events that cannot be input to a model or by human decisions that vary from one year to the next. This can result in significant differences between how a model balances the impacts of a drought among different uses and how operators, fishery agencies, regulators, and water users actually respond to an extended drought.

CalSim II model results for the operation of Shasta Lake during multi-year droughts often include periods when storage in Shasta Lake approaches or reaches the dead pool. Dead pool is defined as the level when only inflow to the reservoir can be released and no additional water can be withdrawn from storage. These conditions indicate limitations in the available water supply to meet all current system requirements. These periods are typically ignored when modeling CVP/SWP operations; however, effects from projects such as the City’s transfer agreements cannot be discerned when reservoir storage reaches dead pool in both the baseline and with-project scenarios.

Adjustments to the initial CalSim II results were made for this analysis to prevent storage in Shasta from reaching dead pool and thereby masking the potential effects of the City’s transfer agreements. **Figure 2** illustrates the adjustments made for one multi-year drought sequence from 1929 through 1936. During this period, CalSim II regularly draws Shasta storage below one million acre-feet (MAF) to meet other requirements in the system, including Delta exports and Delta outflow requirements. CalSim II model results were adjusted to relax certain requirements, and to limit the volume of water released for south-of-Delta water supplies; thus, keeping more water in Shasta during this period. These adjustments are consistent with recent operations during critical drought periods when preserving storage in upstream reservoirs for water supply reliability in future years and temperature management was prioritized over other requirements.

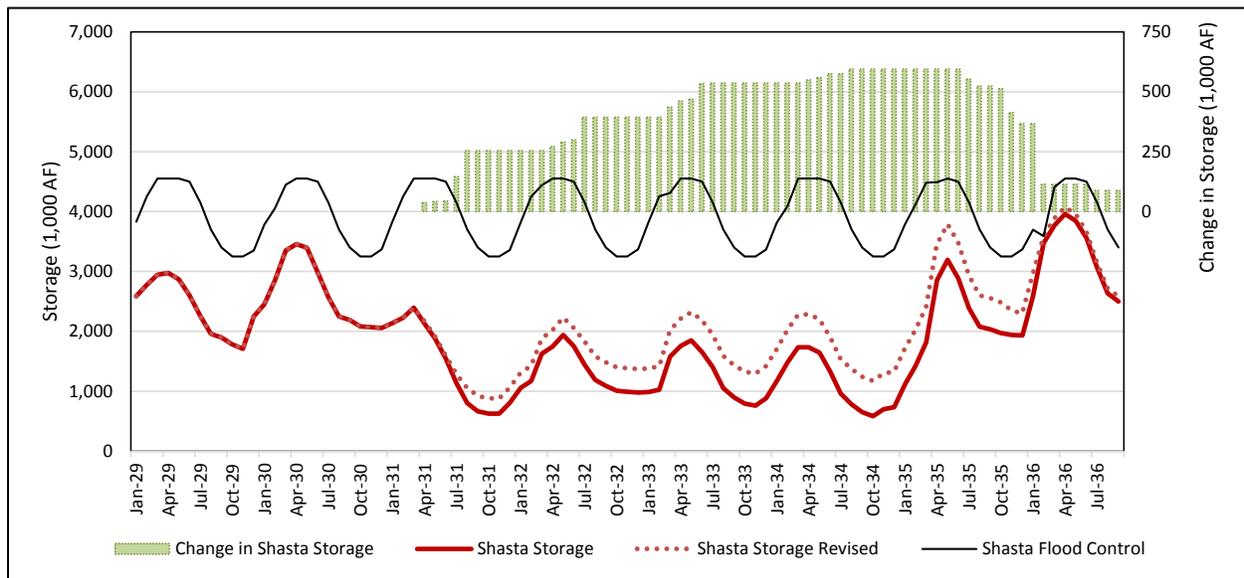


Figure 2. Simulated Shasta Storage from CalSim II (Shasta Storage) and with Adjustments (Shasta Storage Revised)

Upper Sacramento River Temperature Model

The upper Sacramento HEC5Q river-reservoir model developed at RMA has been used to evaluate thermal conditions by Reclamation and others for the past 20 years. The 2006 version of the model, which was calibrated using temperature data through 2002, was used by Reclamation in their initial evaluation of the City’s proposed transfers in 2008. That 2006 version of the model did not represent the City’s withdrawal configuration explicitly, and that analysis did not accurately represent the operational changes with the transfers.

During the summer of 2016 a training session, sponsored by the Water Quality Control Board, with cooperation from Reclamation, was conducted. The training session featured a calibration demonstration using 2015 and 2016 data. Subsequent feedback from Reclamation suggested a longer calibration period and 1-hour model time step would add model credibility. These suggestions were implemented in the model used for this analysis. Additionally, the HEC5Q

model code was revised to explicitly represent the City's intake including the proposed new intake at 850 feet.

Calibrated Model

The model was calibrated using observed data for the 2002 through 2016 period. Meteorological inputs were developed from California Irrigation Management Information System (CIMIS) 1-hour data from the Gerber and Gerber South stations, with missing data filled in from Shasta College and Durham stations. Operational data, including Shasta storage, release, river flow, and ambient temperature data, were developed from California Data Exchange Center (CDEC) hourly or event data. The primary calibration emphasis was the thermal conditions in Lake Shasta and the Sacramento River above Red Bluff, with less emphasis on Trinity and Whiskeytown.

Figure 3 includes typical examples of the computed and observed temperature profiles in Lake Shasta. Nine example comparisons for 2012 (left side of figure) demonstrate the excellent level of calibration at higher lake levels. Nine example comparisons for 2014 (right side of the figure) indicate a larger computed cold-water volume than observed beginning in September for lower lake levels. For the purpose of model calibration, the temperature control device (TCD) at Shasta Dam is operated to the flow weighted average of observed temperature below the dam. The volume discrepancies indicated in these results for 2014 are an indication of the accumulative differences of the meteorology, inflow temperature, simulated TCD operations, and other model approximations and parameters.

Calibration of the stream reaches was completed by comparing computed and observed temperature time-series, both graphically and statistically (e.g., fitting paired simulated and observed data with a regression and computing model bias). In the Sacramento River below Keswick and at Clear Creek, the model does an excellent job of reproducing the thermal regime. Results show the coefficient of determination (R^2) to be around 0.93 at Keswick and 0.92 at Clear Creek. The R^2 for the fit of daily maximum temperatures are 0.94 and 0.86, respectively. **Figure 4** and **Figure 5** show the computed and observed temperatures in the Sacramento River at Keswick Dam and Clear Creek, respectively. The regression plots to the left of the computed and observed time-series plots show the correlation between the hourly (top), and daily maximum (bottom), computed and observed temperatures.

Table 2 shows statistics for all monitoring stations considered during calibration.

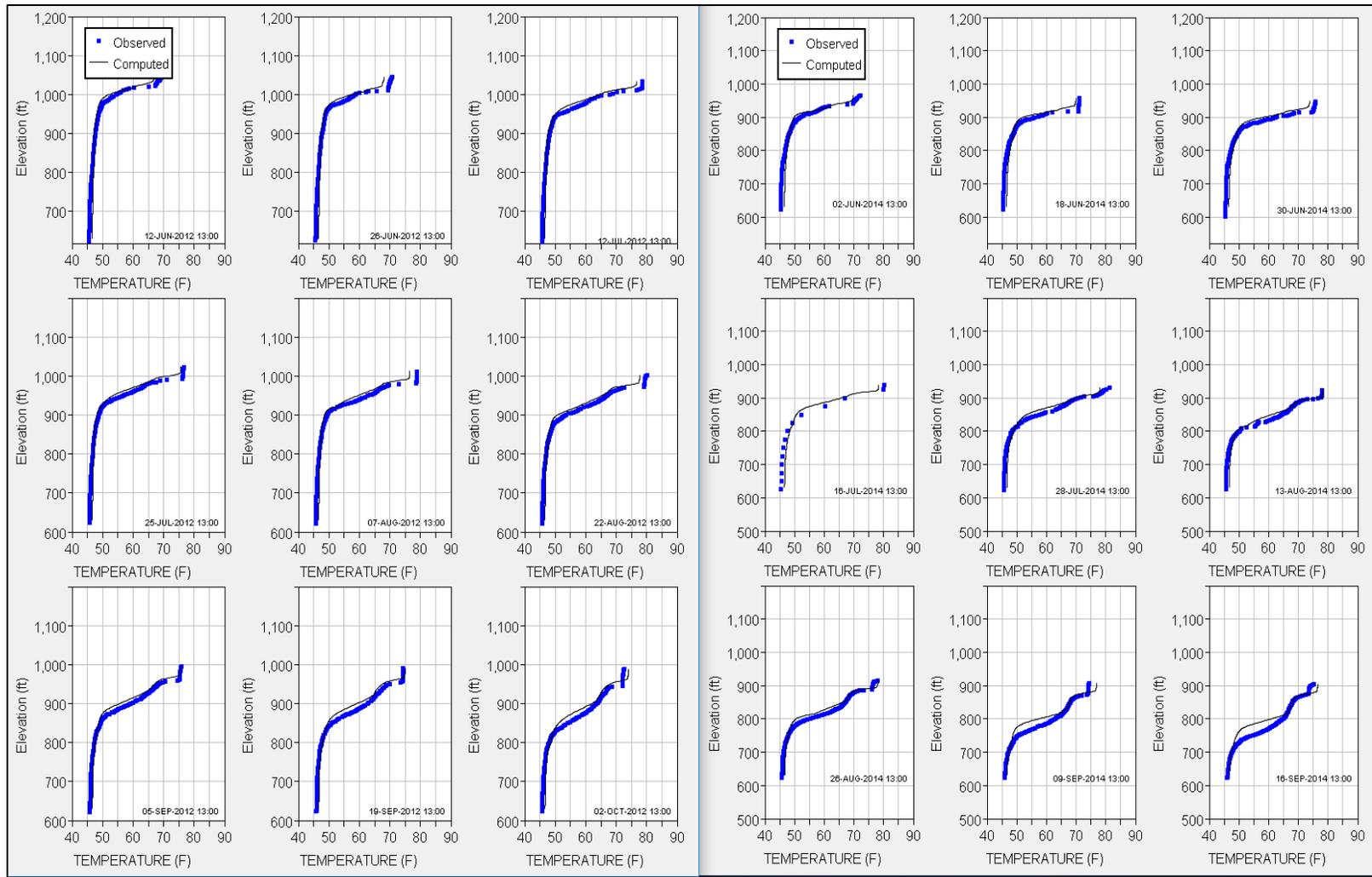


Figure 3. Computed and Observed Temperatures in Lake Shasta during the Summer of 2012 and 2014

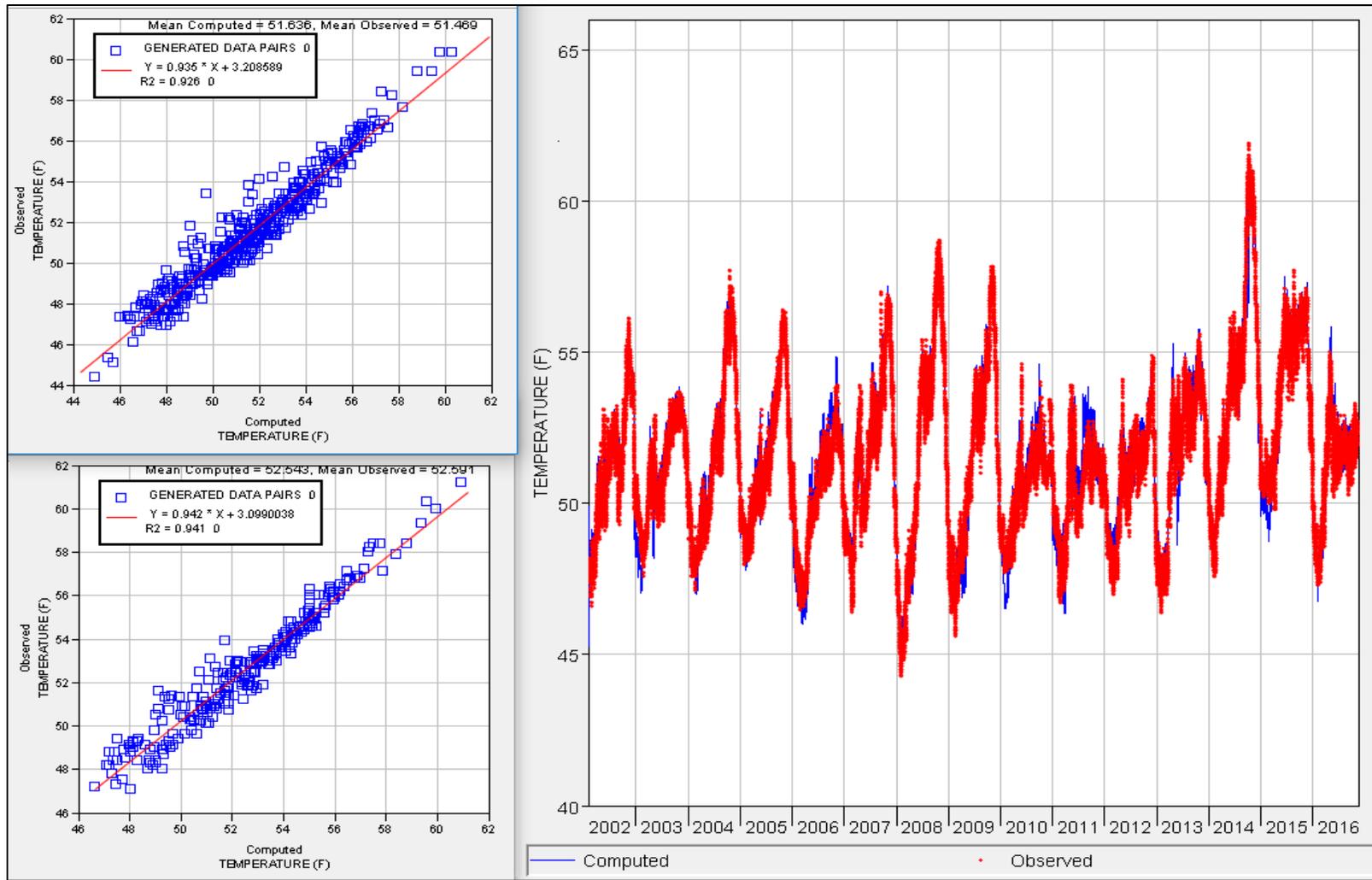


Figure 4. Computed and Observed Temperatures in the Sacramento River below Keswick Dam and Hourly (upper) and Daily Maximum (lower) Regressions

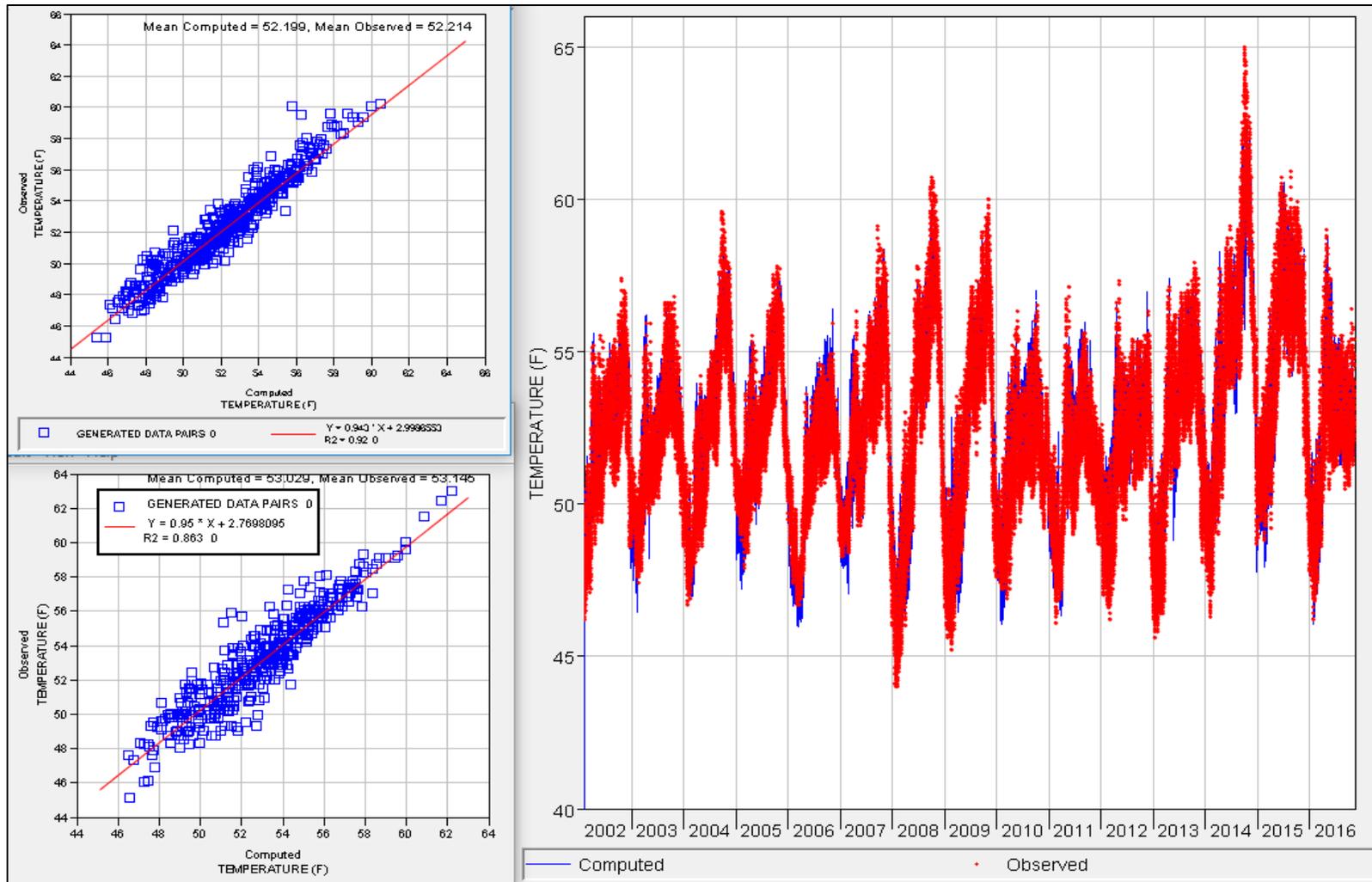


Figure 5. Computed and Observed Temperatures in the Sacramento River at Clear Creek and Hourly (upper) and Daily Maximum (lower) Regressions

Table 2. Calibration Statistics for all Available CDEC Temperature Records 2002 through 2016

River Basin	CDEC Data Name (ID)	Number of Obs.	Mean Absolute Error	RMS Error	Observed Average (°F)	Computed Average (°F)	Bias (°F)
Sacramento	Shasta WQ (SHD)	63,192	0.766	1.242	50.745	50.584	0.161
Sacramento	Keswick WQ (KWK)	63,371	0.584	0.754	51.468	51.636	-0.167
Sacramento	Above Clear Creek (CCR)	64,385	0.618	0.815	52.215	52.201	0.015
Sacramento	Anderson (AND)	7,698	1.153	1.472	54.704	53.623	1.081
Sacramento	Balls Ferry Bridge (BSF)	62,497	0.945	1.314	53.174	52.794	0.38
Sacramento	Jellys Ferry (JLF)	64,041	1.029	1.368	53.753	53.163	0.59
Sacramento	Bend Bridge (BND)	63,594	1.055	1.389	54.021	53.406	0.615
Sacramento	Red Bluff Div. Dam (RDB)	64,339	1.377	1.787	54.903	53.727	1.176
Trinity River	Lewiston WQ (LWS)	63,446	1.552	1.986	48.543	49.365	-0.822
Spring Creek Tunnel	Spring Creek PH (SPP)	62,433	1.83	2.334	52.265	51.004	1.26
Clear Creek	DS Whiskeytown Dam (IGO)	64,001	2.068	2.7	52.622	52.439	0.183

Results

The revised CalSim II operations of Shasta represent an approximate baseline condition. The spreadsheet model was developed to simulate operations under Scenarios A, B, and C. As described above, Scenarios A and B represent different basis for comparison and Scenario C represents the “with-project” condition. The following tables provide a summary of simulated monthly City diversions, Shasta Lake storage, and releases at Keswick Dam. Figures are also provided for specific periods of the simulation. A summary of the simulated effects on water temperature for each scenario is also provided.

Operations Results

Monthly operational results for each scenario were reviewed and comparisons were made between different scenarios. **Table 3** shows the average annual City diversion for each scenario in addition to the change in diversion. Changes in the City diversion are what drive the operational changes and differences in Shasta storage and release. Water year (WY) types are the Sacramento Valley Water Year Type, as defined in State Water Resources Control Board Decision 1641.

Table 3. Average Annual City Diversions under Each Scenario and Changes in Diversion (acre-feet)

WY Type	Scenario A	Scenario B	Scenario C	Scenario C minus A	Scenario C minus B
Wet	4,537	4,697	4,697	160	0
Above Normal	4,366	4,667	4,667	301	0
Below Normal	4,372	4,693	4,693	321	0
Dry	3,929	4,676	4,676	747	0
Critical	2,867	4,480	4,480	1,613	0
All Years	4,106	4,656	4,656	550	0

The following tables present the average monthly results, by water-year type, for three key outputs from the operations analysis: City diversions, Keswick release, and Shasta storage.

Table 4. City of Shasta Lake Diversions under each Scenario and Changes in Diversion (acre-feet)

WY Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Scenario A												
W	359	249	239	249	219	243	296	439	520	622	602	500
AN	332	230	221	230	203	235	289	429	509	609	589	489
BN	331	230	221	230	202	240	290	430	509	610	590	490
D	324	225	216	225	198	207	252	373	442	529	512	425
C	274	190	183	190	168	141	171	253	300	359	348	289
All	330	229	220	229	202	218	266	394	467	559	541	449
Scenario B												
W	381	261	252	260	232	252	300	452	531	639	622	515
AN	373	255	246	254	227	252	300	452	531	639	622	515
BN	380	260	251	259	231	252	300	452	531	639	622	515
D	375	257	248	256	229	252	300	452	531	639	622	515
C	375	258	248	257	229	237	283	424	500	601	584	484
All	378	259	249	258	230	250	298	448	526	634	617	510
Scenario C												
W	381	261	252	260	232	252	300	452	531	639	622	515
AN	373	255	246	254	227	252	300	452	531	639	622	515
BN	380	260	251	259	231	252	300	452	531	639	622	515
D	375	257	248	256	229	252	300	452	531	639	622	515
C	375	258	248	257	229	237	283	424	500	601	584	484
All	378	259	249	258	230	250	298	448	526	634	617	510
Scenario C minus Scenario A												
W	22	12	13	11	13	10	4	13	10	17	20	15
AN	41	25	25	24	24	17	11	22	22	31	34	26
BN	49	30	30	29	29	12	10	22	21	30	33	25
D	51	32	32	31	31	45	48	78	88	110	110	90
C	101	67	66	66	61	95	113	171	200	242	236	195
All	47	30	29	29	28	32	32	53	59	75	76	61
Scenario C minus Scenario B												
W	0	0	0	0	0	0	0	0	0	0	0	0
AN	0	0	0	0	0	0	0	0	0	0	0	0
BN	0	0	0	0	0	0	0	0	0	0	0	0
D	0	0	0	0	0	0	0	0	0	0	0	0
C	0	0	0	0	0	0	0	0	0	0	0	0
All	0	0	0	0	0	0	0	0	0	0	0	0

Table 5. Keswick Release under each Scenario and Changes in Keswick Release (cfs)

WY Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Scenario A												
W	6,641	8,047	10,358	16,289	19,148	15,665	9,298	9,460	10,497	12,863	11,038	12,772
AN	6,365	6,852	5,077	6,962	14,699	8,562	6,216	8,316	11,308	14,501	10,475	8,941
BN	6,352	6,574	5,075	4,067	6,054	4,536	5,433	7,784	11,312	13,221	10,467	5,733
D	6,193	6,242	4,017	3,667	3,354	3,879	6,059	7,788	11,437	12,963	10,308	5,467
C	5,714	5,367	3,650	3,462	3,461	3,311	6,002	6,337	9,559	10,590	8,236	4,931
All	6,317	6,832	6,310	8,190	10,499	8,330	6,994	8,182	10,824	12,853	10,288	8,259
Scenario B												
W	6,641	8,047	10,356	16,288	19,145	15,665	9,298	9,460	10,497	12,863	11,038	12,772
AN	6,365	6,852	5,076	6,962	14,692	8,547	6,216	8,316	11,308	14,501	10,475	8,941
BN	6,352	6,574	5,073	4,067	6,041	4,535	5,432	7,784	11,312	13,221	10,467	5,733
D	6,193	6,242	4,017	3,667	3,354	3,879	6,059	7,788	11,437	12,963	10,308	5,467
C	5,714	5,367	3,650	3,462	3,461	3,311	6,002	6,337	9,559	10,590	8,236	4,931
All	6,317	6,832	6,309	8,189	10,495	8,328	6,994	8,182	10,824	12,853	10,288	8,259
Scenario C												
W	6,643	8,047	10,357	16,289	19,147	15,665	9,298	9,460	10,497	12,863	11,038	12,772
AN	6,365	6,852	5,078	6,962	14,698	8,556	6,216	8,316	11,308	14,500	10,475	8,940
BN	6,352	6,574	5,074	4,067	6,050	4,535	5,433	7,784	11,312	13,219	10,465	5,733
D	6,193	6,242	4,017	3,668	3,356	3,879	6,059	7,788	11,437	12,958	10,303	5,462
C	5,714	5,367	3,650	3,462	3,461	3,311	6,002	6,337	9,559	10,583	8,229	4,924
All	6,318	6,832	6,309	8,190	10,498	8,329	6,994	8,182	10,824	12,851	10,285	8,256
Scenario C minus Scenario A												
W	2	0	-1	0	-2	0	0	0	0	0	0	0
AN	0	0	2	0	-1	-6	0	0	0	-1	-1	-1
BN	0	0	-1	0	-4	0	0	0	0	-2	-2	0
D	0	0	0	1	1	0	0	0	0	-5	-5	-5
C	0	0	0	0	0	0	0	0	0	-7	-7	-7
All	1	0	0	0	-1	-1	0	0	0	-2	-2	-2
Scenario C minus Scenario B												
W	2	0	1	1	2	0	0	0	0	0	0	0
AN	0	0	2	0	6	8	0	0	0	-1	-1	-1
BN	0	0	2	0	9	0	2	0	0	-2	-2	0
D	0	0	0	1	1	0	0	0	0	-5	-5	-5
C	0	0	0	0	0	0	0	0	0	-7	-7	-7
All	1	0	1	1	3	1	0	0	0	-2	-2	-2

Table 6. Shasta Storage Under each Scenario and Changes in Shasta Storage (1,000 acre-feet)

WY Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Scenario A												
W	2,802	2,821	3,155	3,415	3,596	3,850	4,317	4,474	4,289	3,875	3,525	3,120
AN	2,517	2,470	2,674	3,204	3,457	3,997	4,428	4,466	4,107	3,517	3,192	2,991
BN	2,663	2,583	2,664	2,996	3,333	3,741	4,098	4,074	3,705	3,185	2,838	2,764
D	2,476	2,436	2,591	2,788	3,171	3,643	3,772	3,654	3,273	2,803	2,479	2,406
C	2,164	2,072	2,131	2,290	2,464	2,706	2,670	2,582	2,260	1,895	1,660	1,578
All	2,572	2,535	2,727	3,010	3,272	3,640	3,935	3,948	3,643	3,180	2,857	2,658
Scenario B												
W	2,802	2,820	3,155	3,415	3,596	3,850	4,317	4,474	4,289	3,875	3,525	3,120
AN	2,516	2,469	2,672	3,202	3,456	3,997	4,428	4,466	4,107	3,516	3,192	2,991
BN	2,661	2,582	2,662	2,994	3,332	3,740	4,097	4,073	3,704	3,184	2,837	2,763
D	2,475	2,435	2,590	2,787	3,170	3,642	3,771	3,653	3,272	2,801	2,477	2,405
C	2,161	2,069	2,127	2,286	2,460	2,702	2,666	2,578	2,256	1,890	1,655	1,573
All	2,570	2,534	2,726	3,009	3,271	3,639	3,934	3,947	3,642	3,179	2,855	2,657
Scenario C												
W	2,802	2,820	3,155	3,415	3,596	3,850	4,317	4,474	4,289	3,875	3,525	3,120
AN	2,517	2,470	2,673	3,203	3,456	3,997	4,428	4,466	4,107	3,516	3,192	2,991
BN	2,663	2,583	2,663	2,995	3,333	3,741	4,098	4,074	3,705	3,185	2,837	2,763
D	2,476	2,436	2,591	2,788	3,170	3,642	3,772	3,654	3,272	2,802	2,479	2,406
C	2,163	2,071	2,129	2,288	2,463	2,704	2,668	2,580	2,258	1,893	1,658	1,576
All	2,571	2,534	2,727	3,010	3,271	3,640	3,935	3,947	3,642	3,179	2,856	2,658
Scenario C minus Scenario A												
W	0	0	0	0	0	0	0	0	0	0	0	0
AN	0	0	0	0	0	0	0	0	0	0	0	0
BN	-1	-1	-1	-1	0	0	0	0	0	0	0	0
D	0	0	0	0	0	0	-1	-1	-1	-1	0	0
C	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
All	0	0	0	-1	0	0	0	-1	-1	-1	0	0
Scenario C minus Scenario B												
W	0	0	0	0	0	0	0	0	0	0	0	0
AN	1	1	1	1	1	0	0	0	0	0	0	0
BN	1	1	1	1	1	1	1	1	1	1	1	1
D	1	1	1	1	1	1	1	1	1	1	1	1
C	2	2	2	2	2	2	2	2	2	3	3	3
All	1	1	1	1	1	1	1	1	1	1	1	1

Average monthly values provide an understanding of the general effects, but do not reflect the largest changes in the simulation period. The full time-series of model results were reviewed to understand the largest differences in simulated Shasta storage that occurred between different scenarios. Simulated Shasta storage was used because increases in City diversions, over time, can accumulate, particularly during multi-year droughts and create larger differences in storage than those reflected in the average monthly values.

Review of differences in simulated Shasta storage between Scenario C and Scenario A, show the largest differences occur during the two critical drought sequences in the simulation period: 1929 through 1934 and 1987 through 1992. The following figures illustrate simulated Shasta storage for all three scenarios for these two periods with additional years to show the recovery of storage in Shasta after the drought.

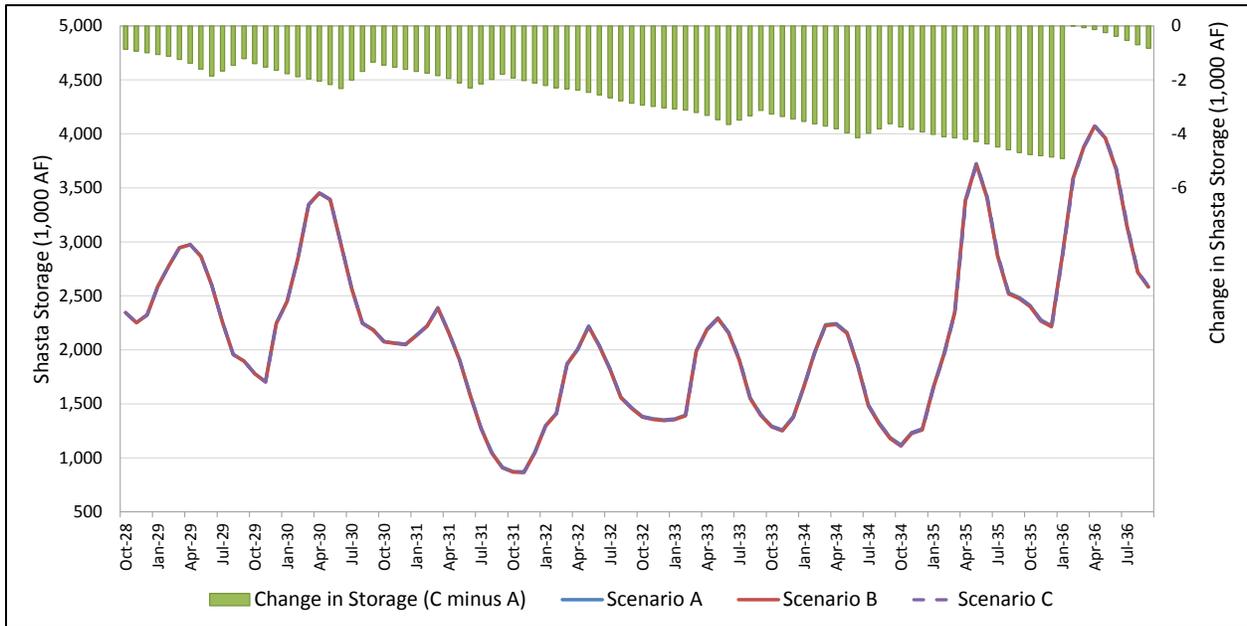


Figure 6. Simulated Shasta Storage under Each Alternative for the WY 1929 through 1936 Period

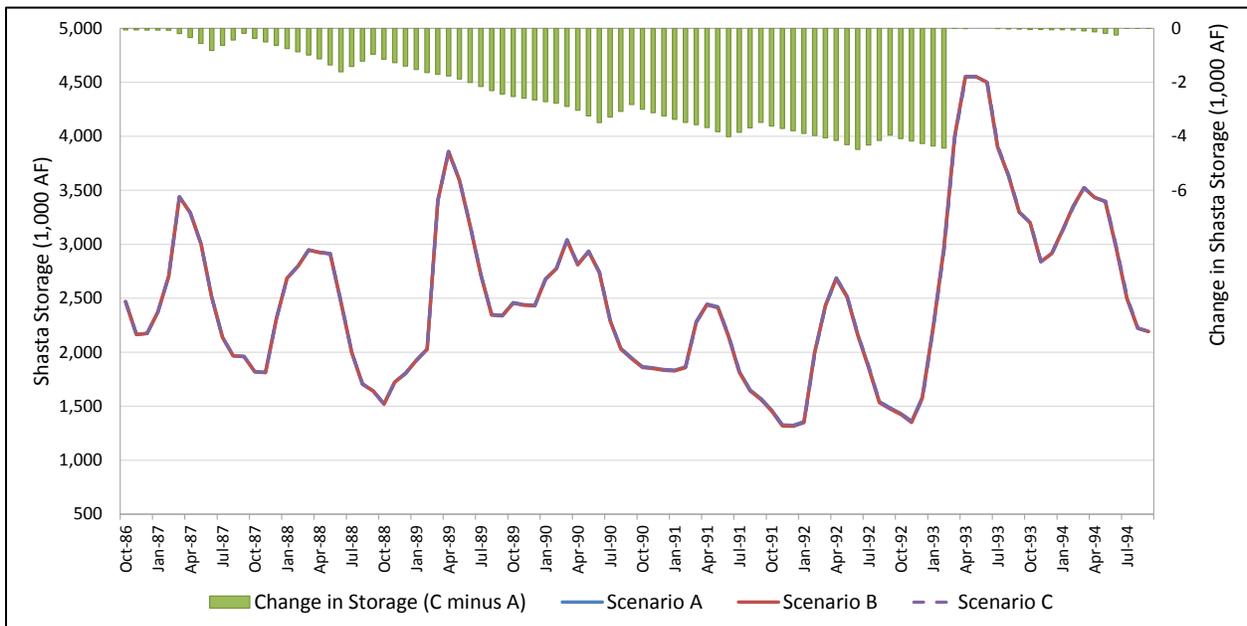


Figure 7. Simulated Shasta Storage under Each Alternative for the WY 1987 through 1994 Period

Lines that illustrate simulated Shasta storage for all three scenarios in the above figures do not show any visible difference when plotted on a y-axis that reflects the range of Shasta storage. The change in Shasta storage, between Scenario C and Scenario A, is therefore calculated and shown on a secondary y-axis. **Figure 6** and **Figure 7** show the largest reduction in Shasta storage is less than 6,000 acre-feet when comparing Scenario C with Scenario A.

Temperature Results

The HEC5Q model code was revised to explicitly represent the City's intake, including the possible addition of the 850 foot intake. Required modifications included defining total release and the City's component separately, and then revising the reservoir withdrawal algorithm to allow one of three possible withdrawal elevations (750 feet, 850 feet, and 950 feet). Model inputs include the operational intakes and the required intake submergence (30 feet was used for all intakes and scenarios). If a scenario includes the City diverting from multiple different elevations, all diversions are simulated to occur from the highest submerged intake.

A total of five simulations were modeled for the 1922 through 2003 CalSim II simulation period.

- A1 – Scenario A using 750 foot intake only
- B1 – Scenario B using 750 foot intake only
- C1 – Scenario C using 750 foot intake only
- C13 – Scenario C using 750 foot and 950 foot intakes
- C123 – Scenario C using 750 foot, 950 foot, and proposed 850 foot intakes

The TCD targets were based on the standard four-tier target specification based on Shasta storage conditions. This is the standard method for planning-level work. Shasta inflow temperatures were computed as a seasonal tendency with meteorological effects superimposed. One-hour time steps and 1985 through 2016 meteorology, extrapolated to 1922, were used. All flows and reservoir volumes were based on the CalSim II and spreadsheet operational analysis.

The effects of each scenario on the thermal dynamics of Lake Shasta and the Sacramento River are extremely small. Graphical comparisons of model output typically result in lines with no visual difference. One exception is the temperature of the water passing through the City's withdrawal intake. **Figure 8** shows the exceedance of discharge temperature over the simulation period for Scenario C and three intake options (C1, C13, and C123). Warmer withdrawal temperatures imply conservation of the colder water in Shasta Lake. Note that there is a relatively small effect of adding the 850 foot intake since the lake level is normally above 880 feet (850 feet + 30 feet submergence).

Another output option, added to HEC5Q recently, is the storage volume below a temperature threshold. **Figure 9** shows the Lake Shasta storage volume below 52 degrees Fahrenheit (F) and 56F during the 1975 through 1978 drought and recovery. There is no substantive difference between scenarios during the low storage condition in the fall of 1977. During less restrictive periods, when the fall volumes below 56F are around 500,000 acre-feet and cold water operation is possible, differences can be quantified. **Figure 10** is a short time frame plot that compares the five simulations. Simulations are labeled in descending volume order. The minimums listed in descending order are 487.51, 486.50, 486.42, 481.99, and 481.21 thousand acre-feet for

scenarios C123, C13, A1, C1, and B1 respectively. This order is typical and shows that the proposed 850 foot intake provides very little benefit at these levels (approximately 1,000 acre-feet or 0.2 percent increase at 500,000 acre-feet).

Two dates and temperature thresholds were identified for evaluation of the cold-water storage volume over the entire 1922 through 2003 simulation period. Volume less than 52F on May 1 was a metric used in the 2009 National Marine Fisheries Service's Biological Opinion for winter run Chinook salmon. Volume less than 56F on September 30 was selected since by this date Reclamation typically has only a few more weeks of temperature control to manage, and any water less than 56F will help meet the current standard. **Figure 11** shows the storage volume below 52F and 56F, for the aforementioned two dates, as a percent exceedance. This figure shows no difference for September 30, and only a very small difference at approximately 95 percent exceedance on April 30 (used here to represent the May 1 volume). During 1924, 1931 and 1977, the 56F volume was below the 760 feet level and cold water operation would be compromised by the end of September under all scenarios.

Downstream Temperatures

Temperature impacts of the various scenarios are also undetectable in temperature time-series plots. Figures of the maximum daily temperatures at Keswick and Clear Creek are included for 1934 and 1992. These locations were selected because Keswick is the upstream end of habitat in all years. During critical droughts the temperature compliance point, or the approximate downstream end of thermally suitable habitat, is likely to be Clear Creek. These years are illustrated because they represent the years with the maximum difference in simulated Shasta storage in the period of simulation. **Figure 16** and **Figure 17** show the computed daily maximum temperature for all five simulations during 1977 at Keswick Dam and Bend Bridge, respectively. Close examination of **Figure 16** reveals a small difference in mid-July. This difference results from a TCD gate change on different days, and is a model interpretation of very small differences in the Lake Shasta temperature profile.

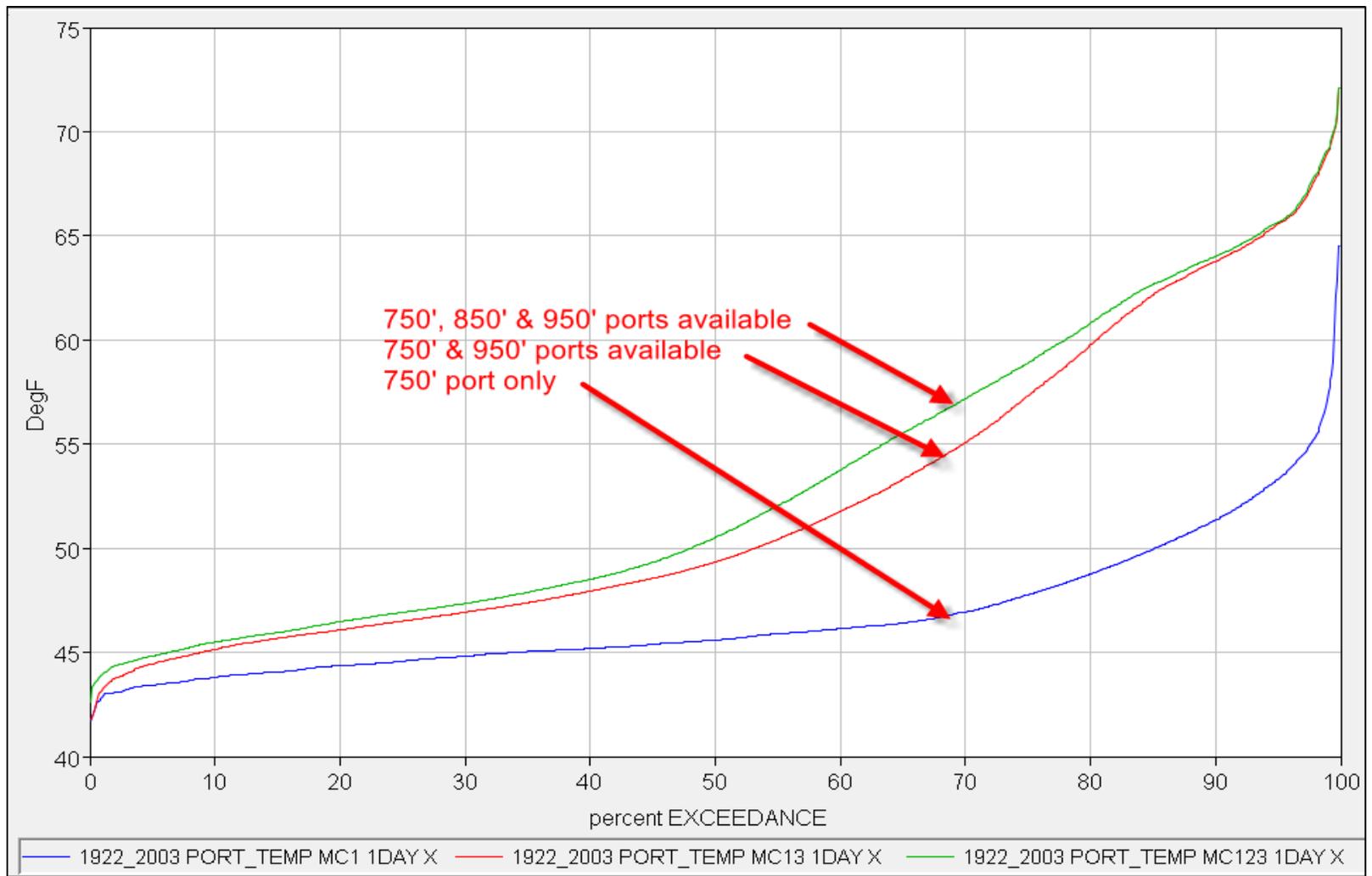


Figure 8. Exceedance of the City's Withdrawal Temperature over the Simulation Period for Scenario C Operation and Three Intake Port Options

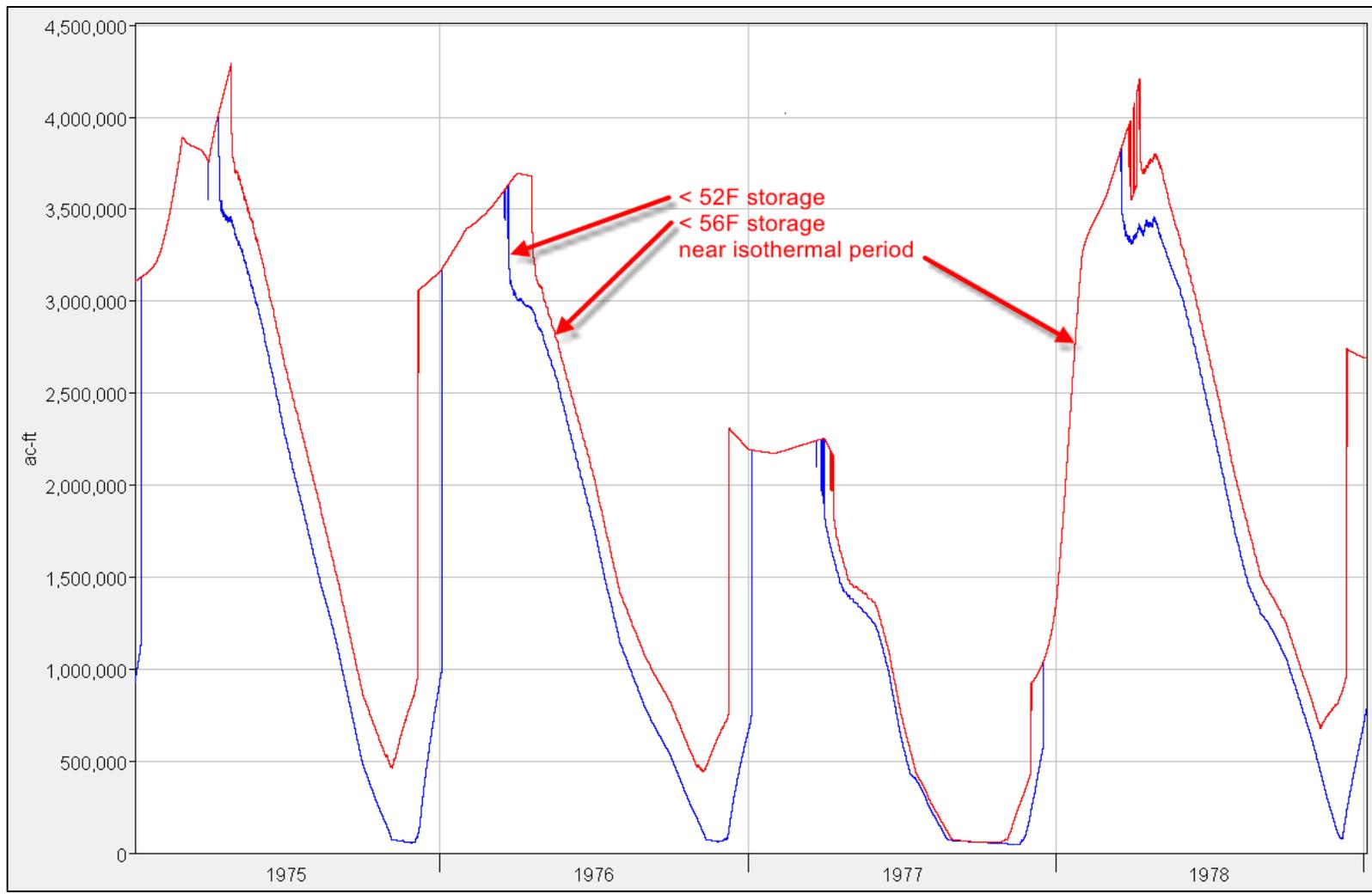


Figure 9. Lake Shasta Storage Volume below 52F and 56F during the 1975 – 1978 Period (Only Option C123 is Plotted since There is no Visual Difference Detectable between Alternatives)

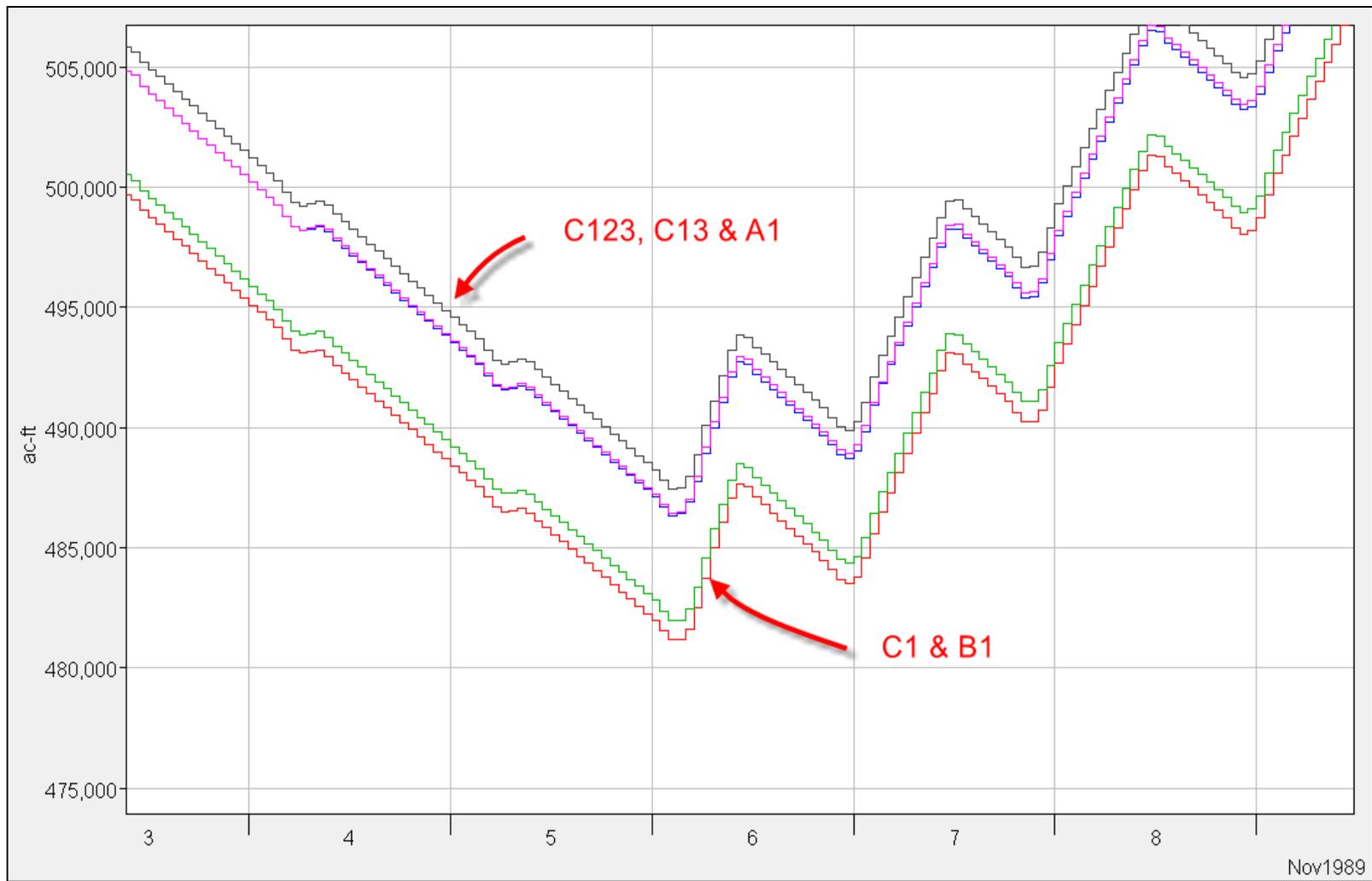


Figure 10. Lake Shasta Storage Volume below 56F during Early November for each of the Five Alternatives

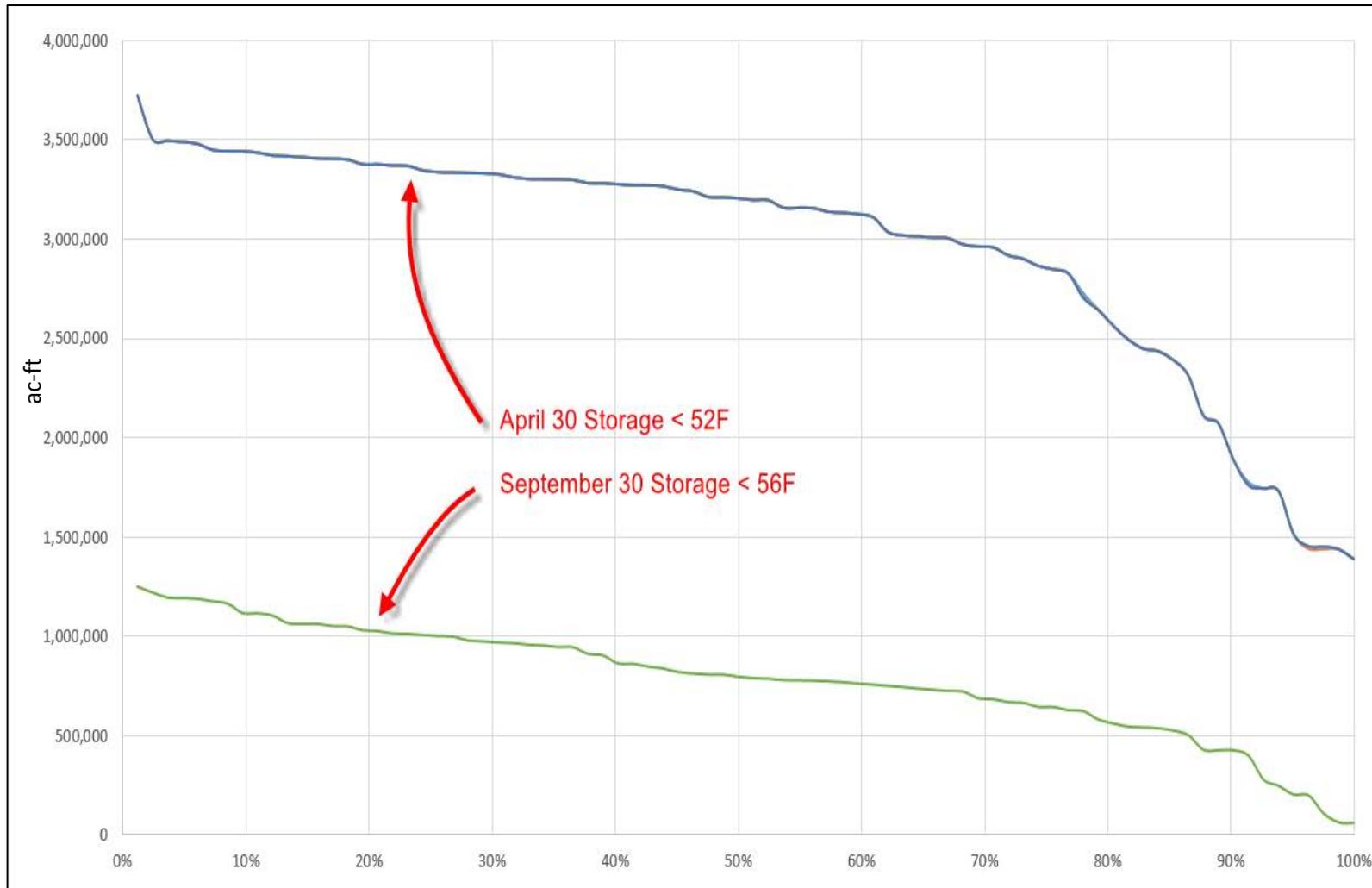


Figure 11. Lake Shasta Storage Volume below 52F and 56F for the end of April and September Versus Percent Exceedance, all Five Alternatives are Plotted with no Visual Difference Detectable between Alternatives



Figure 12. Computed Maximum Temperature at Keswick Dam for all Five Alternatives during 1934



Figure 13. Computed Maximum Temperature at Keswick Dam for all Five Alternatives during 1992



Figure 14. Computed Maximum Temperature at Clear Creek for all Five Alternatives during 1934



Figure 15. Computed Maximum Temperature at Clear Creek for all Five Alternatives during 1992, all Five Alternatives are Plotted with no Visual Difference Detectable between Alternatives

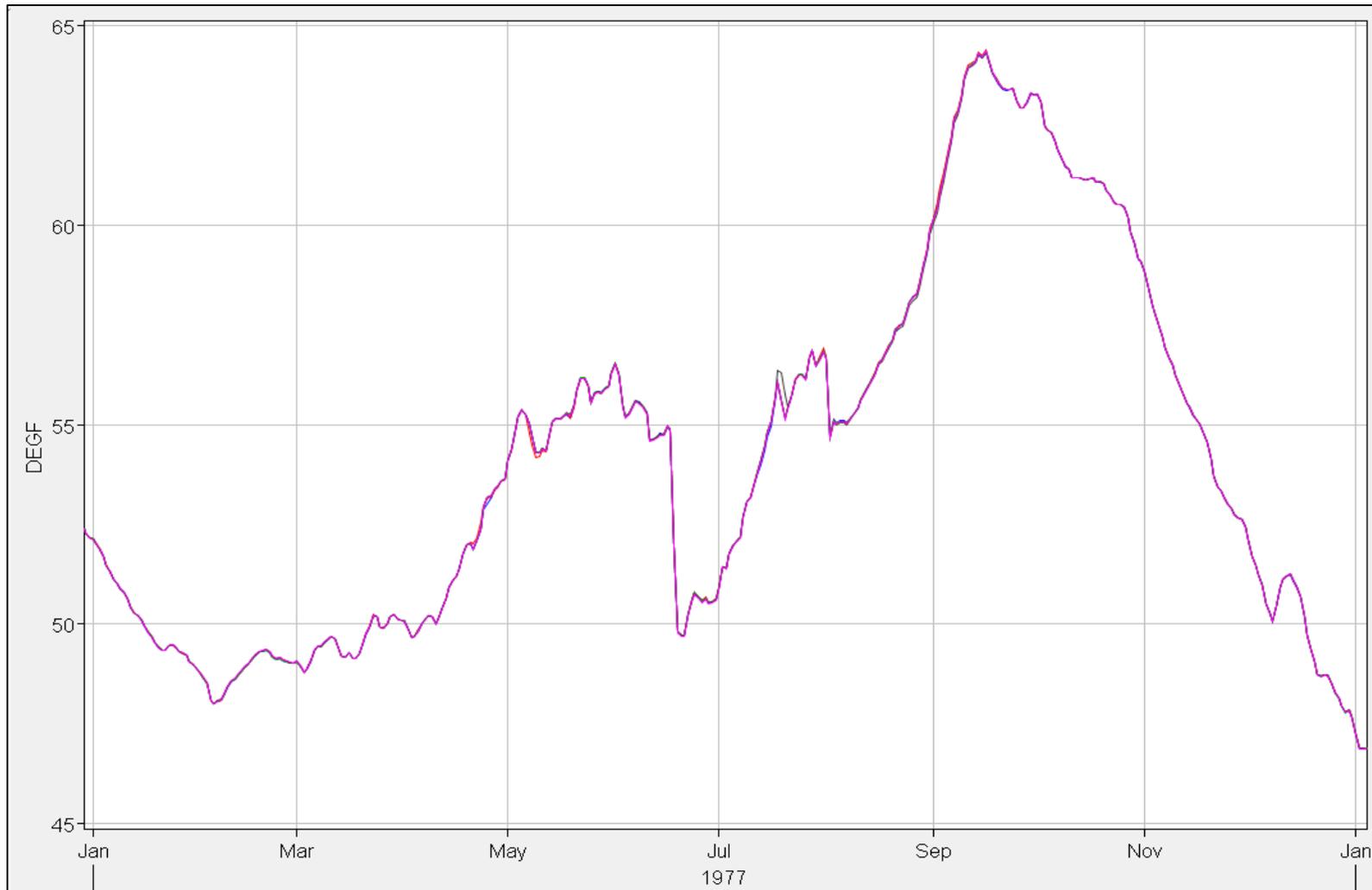


Figure 16. Computed Maximum Temperature at Keswick Dam for all Five Alternatives during 1977, all Five Alternatives are Plotted with no Visual Difference Detectable between Alternatives

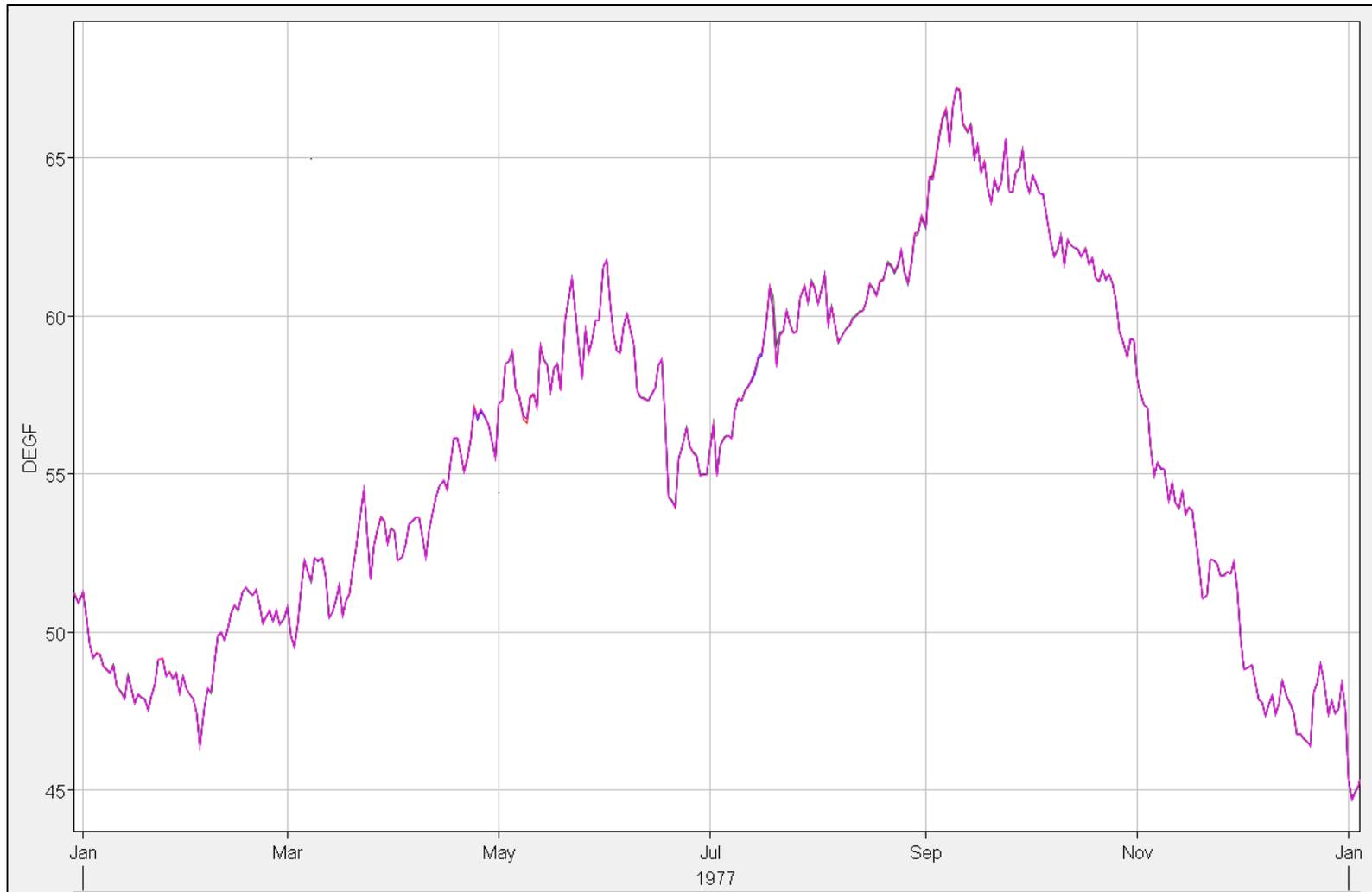


Figure 17. Computed Maximum Temperature at Bend Bridge for all Five Alternatives during 1977, all Five Alternatives are Plotted with no Visual Difference Detectable between Alternatives

Differences in simulated river temperatures can be quantified since temperatures are computed to 0.0001 F. **Table 7** lists the 82-year simulation period average daily temperature at various Sacramento River locations for each simulation. **Table 8** lists the 82-year simulation period average of maximum daily temperature at the same locations. The difference between Scenario C123 and Scenario A, Scenario C123 and Scenario B, and Scenario C13 and C123 are calculated. The difference between Scenario C123 and C13 is included as a measure of the temperature benefit of the additional intake at 850 feet.

Table 7. 1922-2013 Simulation Period Average Daily Temperatures at Various Sacramento River Locations for each Alternative

Location	Daily Average Temperature (F)					Change (F)		
	A1	B1	C1	C13	C123	C123 minus A1	C123 minus B1	C123 minus C13
Keswick Dam	50.5967	50.6005	50.5994	50.6005	50.6003	0.0036	-0.0002	-0.0003
Clear Creek	51.0892	51.0928	51.0919	51.0930	51.0927	0.0035	-0.0001	-0.0002
Cow Creek	51.3075	51.3108	51.3100	51.3111	51.3109	0.0034	0.0001	-0.0002
Balls Ferry	51.3943	51.3975	51.3968	51.3978	51.3977	0.0034	0.0002	-0.0002
Jelly Ferry	51.8478	51.8506	51.8500	51.8511	51.8510	0.0032	0.0004	-0.0001
Bend Bridge	52.1919	52.1945	52.1940	52.1950	52.1950	0.0031	0.0005	-0.0001
Red Bluff	52.5198	52.5222	52.5218	52.5228	52.5227	0.0029	0.0005	-0.0001

Table 8. 1922-2013 Simulation Period Average of Daily Maximum Temperatures at Various Sacramento River Locations for each Alternative

Location	Average of Daily Maximum Temperatures (F)					Change (F)		
	A1	B1	C1	C13	C123	C123 minus A1	C123 minus B1	C123 minus C13
Keswick Dam	50.7892	50.7930	50.7919	50.7930	50.7928	0.0036	-0.0002	-0.0003
Clear Creek	52.3587	52.3622	52.3613	52.3624	52.3621	0.0034	-0.0001	-0.0002
Cow Creek	52.6925	52.6957	52.6949	52.6960	52.6958	0.0033	0.0001	-0.0002
Balls Ferry	52.7309	52.7340	52.7333	52.7343	52.7342	0.0032	0.0001	-0.0002
Jelly Ferry	52.9950	52.9978	52.9972	52.9982	52.9980	0.0030	0.0003	-0.0001
Bend Bridge	53.2070	53.2096	53.2091	53.2101	53.2100	0.0030	0.0004	-0.0001
Red Bluff	53.0420	53.0443	53.0440	53.0449	53.0449	0.0029	0.0005	-0.0001

Conclusions

Technical analysis of the effects of the City taking delivery of water under existing water transfer agreements, with the use of a new proposed intake at Shasta Dam, show the changes in operation of Shasta Lake, as represented through change in storage, to be less than 6,000 acre-feet. The relatively small changes in City diversions, Shasta storage, and releases from Shasta to the Sacramento River, result in changes in simulated temperature that are less than approximately 0.0036 F. These changes are calculated as the difference between Scenario C and Scenario A; however, as described in the description of scenarios, Scenario A is not the existing condition operation. Therefore, the actual effects of the City taking delivery of water under the existing water transfer agreements would be less, and closer to the differences between Scenario C and Scenario B. These changes are too small to have meaning in temperature management operations at Shasta Dam and on the upper Sacramento River.

Analysis also shows there is no real temperature benefit of constructing an additional intake at 850 feet for the City to divert water. Differences in daily average temperature and average daily maximum temperature at Keswick for Scenarios C123, with the 850-foot intake, and Scenario C13, with only existing intakes, are essentially zero. Additionally, the change in withdrawal temperature (**Figure 8**) and cold-water pool (**Figure 10**) are relatively small under Scenario C123 as compared to C13. A more significant temperature benefit can be achieved with the use of both the existing intakes. This is shown in **Figure 8** as the difference in withdrawal temperature between Scenario C13 that simulates use of intakes at both 750 feet and 950 feet, as compared to Scenario C1 that uses only the 750-foot intake.



Report and Recommendations
Reviewed and Approved

3.3

City Manager

AGENDA ITEM City Council Meeting

TO: John N. Duckett, Jr., City Manager
FROM: Jessaca Lugo, Community and Economic Development Manager
DATE: 04/18/2017
SUBJECT: Outside Agency Donation Reports FY 2016-2017
FILE NO:

RECOMMENDATION:

Presentations By:

Shasta Lake Food Pantry
Shasta Lake Chamber of Commerce

BACKGROUND

The City of Shasta Lake provides annual donations to various outside agencies for services that will be utilized towards the benefit of our community. Council has requested periodically to receive written/verbal reports on the expenditure status of the donated funds. Staff notified various agencies of the schedule council meeting these agencies will have a member report on the status of funding expenditures.

FISCAL IMPACTS:

None

ATTACHMENTS:

None

DISTRIBUTION:

City Council



MEETING OF THE CITY OF SHASTA LAKE
CITY COUNCIL & SUCCESSOR AGENCY

**MINUTES OF THE REGULAR MEETING
HELD TUESDAY, APRIL 4, 2017 AT THE
CITY COUNCIL CHAMBERS, 4488 RED BLUFF ST, SHASTA LAKE, CALIFORNIA**

1.0 5:30 PM - CITY COUNCIL/SUCCESSOR AGENCY MEETING

Call to order

ADJOURN MEETING TO CLOSED SESSION

**CLOSED SESSION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8,
CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Property: Industrial Park expansion area, APN 064-160-007

**Agency Negotiators: Jessaca Lugo, Economic & Community Development Manager, Farhad
Mortazavi, Development Services Director, John Kenny, City Attorney, John Duckett, City
Manager, Ken Murray**

**Negotiating Parties: Successor Agency to the former Shasta Lake Redevelopment Agency and
Tim and Mike Enterprises – Tim Wright and Mike Myro**

Under Negotiation: Price and Terms

6:00 CALL TO ORDER - Regular Session

Mayor Kern called the regular session to order at 6:00 pm and announced that action was taken during closed session to approve the Resolution under item 6.3. Motion made by Farr, seconded by Morgan, and approved unanimously.

Council Members present: Farr, Kern, Morgan, Powell, Watkins

Council Members absent: None

2.0 AWARDS AND RECOGNITIONS

2.1 Proclamation declaring the month of April as Child Abuse Prevention Month was read into the record by Council Member Watkins.

2.2 Proclamation declaring the month of April as Sexual Assault Awareness Month was read into the record by Council Member Powell.

3.0 COMMUNICATIONS

3.1 Presentations: None

3.2 Public Comment Period:

Gracious Palmer of Shasta Lake spoke regarding the need for the Disc Golf Project to come before the Planning Commission before Council action.

William Gilbert spoke regarding zoning and Proposition 64.

Michael Bingham Jr. spoke regarding allowing residential Marijuana grows for supplemental income.

3.3 Commission and Committee Reports: None

Darlene Brown, Shasta Lake Heritage and Historical Society – reported on the work being done in anticipation for their move to the John Beaudet Center.

Ann Morningstar, Mosquito & Vector Control Board – brief report.

4.0 **CONSENT AGENDA**

4.1 Acceptance of the regular meeting minutes of March 21, 2017.

4.2 Item pulled from Consent to be acted upon separately.

4.3 Resolution CC-17-26 authorizing the City Manager to execute and submit grant and loan applications and related documents through the State Water Resources Control Board Clean Water State Revolving Fund.

4.4 Resolution CC-17-27 expressing the City Council's interest in using a portion of the John Beaudet Community Center and the storage outbuilding in Clair Engle Park for a permanent public museum and in working with the Shasta Lake Heritage and Historical Society as they apply for grant funding for such a museum.

4.5 Check Register Information Item:
03/02/2017 Checks, Wires and E-payments \$421,395.90
03/09/2017 Checks, Wires and E-payments \$412,784.28
03/16/2017 Checks, Wires and E-payments \$166,592.31
03/31/2017 Payroll \$133,446.19

Motion/Vote

By motion made/seconded (Farr/Powell) and carried, the consent agenda was approved.

4.2 Resolution to declare MDS Engineering and Construction, Inc. the lowest responsive, responsible bidder, award a construction contract in the amount of \$87,899 to MDS Engineering and Construction, Inc. for construction of the Wastewater Treatment Plant (WTP) Retaining Wall Replacement Project, and approve total expenditure for construction not to exceed \$100,000.

Motion/Vote

By motion made/seconded (Morgan/Farr) and carried, Resolution CC-17-28 was approved. No: Watkins

5.0 **PUBLIC HEARINGS:** None

6.0 REGULAR AGENDA:

- 6.1 Discussion and possible action on a Resolution to award the Wastewater Treatment Facility Construction Management and Field Inspection Services Contract to Carollo Engineers of Sacramento, CA in the amount of \$973,950 and approve a budget not to exceed of \$1,000,000 to allow for a contract contingency, contingent upon City Council approval of a funding agreement between the City of Shasta Lake and the State Water Resources Control Board Clean Water State Revolving Fund Program.

Motion/Vote

By motion made/seconded (Morgan/Farr) and carried, Resolution CC-17-29 was approved.

- 6.2 Discussion and possible direction on the development of a Disc Golf Course project to be located on City of Shasta Lake owned parcel APN 006-790-015, located adjacent to Polf Park.

Item was pulled to be placed on a future agenda.

Motion/Vote

By motion made/seconded (Watkins/Morgan) and carried, Resolution CC-17-23 was approved.

- 6.3 Resolution CC-17-25 of the Successor Agency to the Former Shasta Lake Redevelopment Agency Approving a Purchase and Sale Agreement for the sale of 142 acres (Industrial Park Expansion Area) as outlined in the Successor Agency's Long Range Property Management Plan (APN 064-160-007).

Motion/Vote

By motion made/seconded during Closed Session (Farr/Morgan) and carried, Resolution CC-17-25 was approved.

7.0 COUNCIL/STAFF REPORTS/COMMENTS

- 7.1 Staff Comments/Reports: Miscellaneous

Council Comments/Reports: Miscellaneous

8.0 ADJOURNMENT

With no further business to come before the City Council, Mayor Kern adjourned the meeting at 7:35 PM.

TONI M. COATES, CMC, City Clerk



Report and Recommendations
Reviewed and Approved

4.2

City Manager

AGENDA ITEM City Council

TO: John N. Duckett, Jr.
FROM: Toni M. Coates, CMC, City Clerk
DATE: March 21, 2017
SUBJECT: Resolution calling for a Special Election and a Measure to adopt an Ordinance imposing a Special Tax for Local Law Enforcement Funding.
FILE NO.: New

RECOMMENDATION:

Staff recommends City Council approve Resolution CC-17-23 as revised.

BACKGROUND:

After review, County Counsel has requested that the City Council adopt a revised Resolution replacing the language in Section 5 to better comply with Elections Code 10002.

~~SECTION 5. Upon approval of the Shasta County Board of Supervisors, notice of the time and place of holding the election, as well as all other notices will be given by the County Clerk. The County Clerk of the County of Shasta is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.~~

SECTION 5. Upon approval of the Shasta County Board of Supervisors, the City requests that the County of Shasta's Elections Clerk take all actions necessary and to provide any services required to conduct a Special Municipal Election for the City of Shasta Lake on August 29, 2017.

FISCAL IMPACT:

None

RESOLUTION CC 17-23

A SHASTA LAKE CITY COUNCIL RESOLUTION CALLING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, AUGUST 29, 2017 TO PRESENT TO THE VOTERS THE ORDINANCE REPLACING CHAPTER 3.17 TO THE CITY OF SHASTA LAKE MUNICIPAL CODE, TO IMPOSE A SPECIAL TAX ON COMMERCIAL CANNABIS BUSINESSES TO FUND LOCAL LAW ENFORCEMENT/CODE ENFORCEMENT

WHEREAS, the City Council of the City of Shasta Lake has called for a Special Municipal Election, to be held on August 29, 2017; and

WHEREAS, The City Council also desires to submit to the voters, subject to approval of the special election by the Shasta County Board of Supervisors, a special tax measure relating to a business tax on commercial cannabis businesses operating in the City of Shasta Lake; and

WHEREAS, the tax provided by the proposed Ordinance shall be enacted solely to raise revenue for specific purposes and shall be used to fund local law enforcement/code enforcement; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHASTA LAKE DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS, THAT:

SECTION 1. The City Council, pursuant to California Elections Code Sections 9222 and 10201, does hereby order to be submitted to the voters at a Special Municipal Election to be held on August 29, 2017, the following question:

CITY OF SHASTA LAKE COMMERCIAL CANNABIS BUSINESS TAX	
Shall an ordinance be adopted imposing a cannabis business tax on cultivation up to \$26 per square foot, on manufacturing up to \$25 per square foot, and on other cannabis businesses up to 12% gross receipts to provide funding for local law enforcement/code enforcement within the City of Shasta Lake?	YES
	NO

SECTION 2. The City Council hereby approves proposed Ordinance, in the form attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a special tax as defined in Article XIII C of the California Constitution and shall not take effect unless and until approved by a vote of at least 2/3 majority of the voters voting on the question in the election.

SECTION 3. The City Attorney is directed to submit an impartial analysis of the measure pursuant to Elections Code Section 9280.

SECTION 4. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 5. Upon approval of the Shasta County Board of Supervisors, the City requests that the County of Shasta's Elections Clerk take all actions necessary and to provide any services required to conduct a Special Municipal Election for the City of Shasta Lake on August 29, 2017.

SECTION 6. The City Clerk is hereby directed to file a certified copy of this Resolution with the Shasta County Board of Supervisors and the Shasta County Registrar of Voters.

PASSED, APPROVED, AND ADOPTED this 18th day of April, 2017 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD KERN, Mayor

ATTEST:

TONI M. COATES, CMC
City Clerk



Report and Recommendations
Reviewed and Approved

4.3

City Manager

AGENDA ITEM City Council Meeting

TO: John N. Duckett, Jr., City Manager
FROM: Kevin Estabrook, Electric Operations Manager
DATE: April 11, 2017
SUBJECT: Authorization to file a Notice of Completion for 2016-2017 Tree Trimming Contract

RECOMMENDATION:

Staff recommends that City Council accept the second year of Tree Trimming Contract as complete. Utility Tree Service, Inc. completed the project for the original bid of \$82,755.54 with no change orders. The project has been inspected by the City, and Utility Tree Service, Inc. has fulfilled their contract obligations.

BACKGROUND:

An annual contract is awarded for Tree Trimming by the City of Shasta Lake for the 60 miles of distribution and 15 miles of transmission that it maintains. In 2015 the City went out to bid for a five year contract, with each year being broken down into separate amounts. The second year of the five year contract was for \$82,755.54.

FISCAL IMPACTS

Utility Tree Service, Inc. completed the project for \$82,755.54, which was budgeted in 02-02-5575.

ATTACHMENTS:

Resolution

DISTRIBUTION:

Tom Miller, Assistant City Manager
City Council

RESOLUTION NO.

**A RESOLUTION OF THE CITY OF SHASTA LAKE CITY COUNCIL TO ACCEPT
2016-2017 TREE TRIMMING CONTRACT AS COMPLETE AND TO AUTHORIZE
THE FILING OF A NOTICE OF COMPLETION**

WHEREAS, the City of Shasta Lake entered into a contract with UTILITY TREE SERVICE, INC. for trimming of trees around electric lines; and

WHEREAS, UTILITY TREE SERVICE, INC., has completed the project to the satisfaction of City staff.

NOW, THEREFORE, BE IT RESOLVED THAT the City of Shasta Lake City Council hereby accept the UTILITY TREE SERVICE, INC. 2016-2017 contract as complete, and authorize staff to file a notice of completion.

PASSED, APPROVED, AND ADOPTED this 18th day of April, 2017, by the following vote:

AYES:

NOES:

ABSENT:

RICK KERN, Mayor

ATTEST:

TONI M. COATES, CMC
City Clerk

Final Check List
CITY OF SHASTA LAKE

Bank : tcbnk TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
3089	03/23/2017	002109 Voucher:	PUBLIC EMPLOYEE'S RETIRE3/17/17	03/17/2017	PERS EMPEE CONT	27,317.79	27,317.79
59448	03/20/2017	002764 Voucher:	ACE HARDWARE 4001	02/25/2017	2/17 GENERAL OP SUPPLIES	772.98	772.98
59449	03/23/2017	001662 Voucher:	AFLAC, ATTN: REMITTANCE P519518	03/23/2017	3/17 INS PREMIUMS - EMPEE	349.67	349.67
59450	03/23/2017	003094 Voucher:	BALANCING AUTHORITY OF NBANC-3-17-002	02/22/2017	MEMBER FEES	12,500.00	12,500.00
59451	03/23/2017	004444 Voucher:	BIRD, PETER 5565	03/16/2017	REIMB CEQA TRAINING	436.77	436.77
59452	03/23/2017	007601 Voucher:	CA DEPT OF FISH AND WILD003865	03/23/2017	PERMIT APP FEE WWTF	5,000.00	5,000.00
59453	03/23/2017	000747 Voucher:	CITY OF SHASTA LAKE- UTILI'3/03/17	03/03/2017	UTILITIES 3/03/17	26,548.81	26,548.81
59454	03/23/2017	000737 Voucher:	CITY OF SHASTA LAKE-GEN F5836	03/23/2017	SHARES	125.00	125.00
59455	03/23/2017	000749 Voucher:	CITY OF SHASTA LAKE-PETTY005835	03/21/2017	PETTY CASH	87.34	87.34
59456	03/23/2017	000237 Voucher:	CONSOLIDATED ELECTRICAL6084-703014	03/17/2017	CONDUIT	416.02	416.02
59457	03/23/2017	007602 Voucher:	CONSOLIDATED FABRICATOF184079	03/08/2017	DEWATERING FACILITY DUM	4,508.18	4,508.18
59458	03/23/2017	000238 Voucher:	CROWN MOTORS 5393508	03/14/2017	BRAKE LINING	192.96	192.96
59459	03/23/2017	007595 Voucher:	DELATORRE, SERAFIN webinvoice	03/16/2017	UTILITY REFUND	12.91	12.91
59460	03/23/2017	000291 Voucher:	FEDEX 5-740-57243	03/17/2017	SHIPPING	1,019.28	1,019.28
59461	03/23/2017	007593 Voucher:	GARMAN, JANET webinvoice	03/16/2017	UTILITY REFUND	35.15	35.15
59462	03/23/2017	001316 Voucher:	GRAINGER 9385047189	03/13/2017	WATER COOLER	75.60	75.60
59463	03/23/2017	007594 Voucher:	GRILLS, BILL webinvoice	03/16/2017	UTILITY REFUND	88.33	88.33

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59464	03/23/2017	003287 Voucher:	HANSEN PRESSURE WASHEF1294	03/14/2017	MOWER BLADES	67.12	
			1305	03/16/2017	MOWER PARTS	39.12	106.24
59465	03/23/2017	000394 Voucher:	I.B.E.W. 3/31/17	03/23/2017	UNION DUES - EMPEE PAID	1,102.00	1,102.00
59466	03/23/2017	007603 Voucher:	INTERNATIONAL TRAINING & 3981	03/21/2017	NASSCO TRAINING	1,600.00	1,600.00
59467	03/23/2017	007598 Voucher:	JARRETT, ELIZABETH webinvoice	03/22/2017	UTILITY REFUND	145.00	145.00
59468	03/23/2017	001798 Voucher:	JOE RODOLA'S DEBT CONSUMARCH 2017	03/23/2017	SEMINAR FEES	75.00	75.00
59469	03/23/2017	007596 Voucher:	KIBLER, MADELINE webinvoice	03/16/2017	UTILITY REFUND	16.36	16.36
59470	03/23/2017	007604 Voucher:	KNIFE RIVER CONSTRUCTION178533	03/15/2017	ASPHALT	922.24	922.24
59471	03/23/2017	007472 Voucher:	MBK ENGINEERS 17-02-4943.0	03/13/2017	WATER TEMP MODELING	920.00	920.00
59472	03/23/2017	002557 Voucher:	MDS CONSTRUCTION 2016-03	03/17/2017	RETENTION RELEASE PS1 R	20,968.90	20,968.90
59473	03/23/2017	002249 Voucher:	MUNICIPAL MAINT EQUIPMEN0117327-IN	03/16/2017	FUEL FILTER, CANNISTER	345.67	345.67
59474	03/23/2017	007599 Voucher:	NETTLETON, RICHARD webinvoice	03/23/2017	UTILITY REFUND	78.29	78.29
59475	03/23/2017	000566 Voucher:	NORTHERN CALIF GLOVES 200362	03/10/2017	SAFETY VESTS	117.98	
			200535	03/15/2017	HARDHAT	16.09	134.07
59476	03/23/2017	001900 Voucher:	NORTHERN CALIF JOINT, POI1031	03/15/2017	MEMBER DUES	670.96	670.96
59477	03/23/2017	006962 Voucher:	ON COURSE 4872	03/14/2017	2 INSERTS	20.80	20.80
59478	03/23/2017	001419 Voucher:	PAPERWORLD 20422	03/19/2017	CITATION FORMS	709.95	709.95
59479	03/23/2017	007605 Voucher:	RECORD, BRYCE 3973	03/23/2017	BUSINESS INCENTIVE PROG	1,014.20	1,014.20
59480	03/23/2017	005301 Voucher:	REDDING RECORD SEARCHL1463486	03/23/2017	JOB POSTING	475.20	475.20

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59481	03/23/2017	007606 Voucher:	REDDING VETERINARY CLINI	03/23/2017	SPAY CERT	15.00	15.00
59482	03/23/2017	005927 Voucher:	SHASTA CO FLEET MGMT	03/13/2017	PISTOL SAFES	150.01	150.01
59483	03/23/2017	002186 Voucher:	SHN CONSULTING ENGINEER	03/09/2017	PINE GROVE MAIN REALIGN	7,935.00	7,935.00
59484	03/23/2017	007607 Voucher:	SWRCB	03/23/2017	PERMIT APPLICATION FEE	720.00	720.00
59485	03/23/2017	007591 Voucher:	TANE, MICKEY	03/16/2017	UTILITY REFUND	39.76	39.76
59486	03/23/2017	007316 Voucher:	TAYLOR MADE LANDSCAPING	02/25/2017	LANDSCAPE MAINTENANCE	1,700.95	1,700.95
59487	03/23/2017	003946 Voucher:	TEAMSTERS LOCAL #137	03/23/2017	UNION DUES - EMPEE PAID	1,178.00	1,178.00
59488	03/23/2017	007592 Voucher:	THEUBET, SARAH M	03/16/2017	UTILITY REFUND	163.84	163.84
59489	03/23/2017	007600 Voucher:	TOOLE, LARRY	03/23/2017	UTILITY REFUND	86.35	86.35
59490	03/23/2017	000264 Voucher:	TYLER TECHNOLOGIES, INC.	03/23/2017	UTILITY ONLINE BILL PAY	176.00	176.00
59491	03/23/2017	003060 Voucher:	VERIZON WIRELESS	02/28/2017	2/17 CELL PHONES	1,719.07	1,719.07

Sub total for TRI COUNTIES BANK: 122,675.65

45 checks in this report.

Grand Total All Checks: 122,675.65

Finance

PAYMENT AUTHORIZED BY

Jamie Powell 3/27/17

DATE

Lameya Anne Morgan 4/3/17

DATE

STAMPED SIGNATURES AUTHORIZED BY

Kurt Hammer 3-24-17

DATE

D. [Signature] 3/27/17

DATE

03/30/2017 3:30:13PM

CITY OF SHASTA LAKE

Bank : tcbnk TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
3090	03/30/2017	002109 Voucher:	PUBLIC EMPLOYEE'S RETIRE325	03/30/2017	PUBLIC EMPLOYEES RETIRE	27,304.27	27,304.27
3091	03/30/2017	002390 Voucher:	CARDMEMBER SERVICE 3928	03/21/2017	2/22/17-3/21/17 VISA CHARGE	9,430.53	9,430.53
59492	03/30/2017	000025 Voucher:	AMERICAN PUBLIC POWER A 7235	03/29/2017	2016 PUBLIC POWER CUSTO	55.50	55.50
59493	03/30/2017	001637 Voucher:	APEX TECHNOLOGY MANAGEAPXQ24876	03/09/2017	MS OFFICE 2016	348.81	
59494	03/30/2017	001042 Voucher:	BASIC LABORATORY APXQ24881	03/09/2017	ADOBE ACROBAT GOVT UPD	149.81	498.62
59495	03/30/2017	007489 Voucher:	BUECHNER, DALE 1702061-170283	03/30/2017	WATER AND WASTEWATER 1	2,625.00	2,625.00
59496	03/30/2017	007251 Voucher:	BUTLER, CHET 4808	03/27/2017	REBATE/DUCTLESS MINI SPL	956.25	
59497	03/30/2017	007608 Voucher:	C & A RUBBER STAMPS 4808	03/30/2017	REBATE- HEAT PUMP	956.25	1,912.50
59498	03/30/2017	005547 Voucher:	CA STATE DISB UNIT 5853	03/30/2017	REIMB TRAINING W UNDERG	1,196.83	1,196.83
59499	03/30/2017	000354 Voucher:	CALCPA 960672	03/13/2017	CVP NAME PINS	19.19	19.19
59500	03/30/2017	000354 Voucher:	CALCPA 975711	03/30/2017	CASE 642381	138.46	138.46
59501	03/30/2017	000140 Voucher:	CALIFORNIA SAFETY 350131	03/13/2017	MEMBER DUES FOR FINANC	410.00	410.00
59502	03/30/2017	001700 Voucher:	CITY OF REDDING 117390.355	03/13/2017	MEMBER DUES FOR FINANC	340.00	340.00
59503	03/30/2017	001700 Voucher:	CITY OF REDDING 977258	03/30/2017	REPL KENNEL CAMERA AT AP	529.50	529.50
59504	03/30/2017	000747 Voucher:	CITY OF SHASTA LAKE- UTILI'31217	03/09/2017	2/17 POWER PURCHASE	251,213.50	251,213.50
59505	03/30/2017	000747 Voucher:	CITY OF SHASTA LAKE- UTILI'05027301	03/08/2017	4/17 FLANAGAN OP COSTS	3,017.00	3,017.00
59506	03/30/2017	000737 Voucher:	CITY OF SHASTA LAKE-GEN F5837	03/12/2017	3/12/17 UTILITY BILLS	770.34	770.34
				03/12/2017	3/12/17 UTILITY BILL	69.50	69.50
				03/30/2017	SHARES	500.00	500.00

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59507	03/30/2017	000237 Voucher:	CONSOLIDATED ELECTRICAL 6084-6957777 6084-701782	02/14/2017	16 CIR LOAD CENTER	2,022.36	
			6084-702762	02/22/2017	ANIMAL SHELTER OUTSIDE L	232.87	
			6084-703465	03/21/2017	30 DUCT SEALING AND 50 ST	119.17	
59508	03/30/2017	000225 Voucher:	COOK CONCRETE PRODUCTS 133010	03/24/2017	12- CLAMPS	62.11	2,436.51
				03/14/2017	BOX LIDS-6	72.39	72.39
59509	03/30/2017	007501 Voucher:	CORARRUBIAS, MARIA 2322	03/30/2017	REBATE FOR TOILET	91.36	91.36
59510	03/30/2017	004632 Voucher:	DRENON, TRENT 5565	03/30/2017	REIMB TRAINING COST W UP	780.51	780.51
59511	03/30/2017	005446 Voucher:	ECO SHELL INC 30624	03/21/2017	PELLET LITTER FOR ANIMAL	165.37	165.37
59512	03/30/2017	005790 Voucher:	EFFICIENCY SERVICES GRO 1393	02/28/2017	2/17 REBATE SERVICES	4,006.70	4,006.70
59513	03/30/2017	002373 Voucher:	GOVT FINANCE OFFICERS AS 2848980	03/27/2017	BUDGETING & FISCAL POLIC	85.00	170.00
			2848989	03/27/2017	BUILD A BETTER BUDGET-CL	85.00	276.93
59514	03/30/2017	005676 Voucher:	HARPER, SHERRY 5852	03/30/2017	CASE 163943	276.93	
59515	03/30/2017	007613 Voucher:	HARRIS, JEFF 3849	03/30/2017	REBATE-WINDOWS	815.68	815.68
59516	03/30/2017	007610 Voucher:	HOLDEN, JAMES 2410	03/30/2017	REBATE FOR FRIDGE	100.00	100.00
59517	03/30/2017	007614 Voucher:	HULSEY, SEAN & KAYLA 3669	03/30/2017	REBATE	100.00	100.00
59518	03/30/2017	000786 Voucher:	IDEXX DISTRIBUTION INC 3013797597	03/30/2017	200PK OF VESSELS	160.65	160.65
59519	03/30/2017	006026 Voucher:	KEITH'S TOWING 97198	03/05/2017	FLAT TIRE - SHERIFF	45.00	45.00
59520	03/30/2017	007150 Voucher:	LAWSON, ROGER AND LAUR/3974	03/30/2017	LEASE PAYMENT SUITE H & L	744.00	744.00
59521	03/30/2017	000509 Voucher:	MAUI BOB'S OFFICE CLEANIN 15939 16030-33	03/20/2017	OFFICE CLEANING	3,460.00	3,460.00
59522	03/30/2017	007229 Voucher:	NATIONAL DRIVE 5854	03/30/2017	VOLUNTARY CONTRIBUTION	10.00	10.00

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59523	03/30/2017	001455 Voucher:	NATIONWIDE RETIREMENT S32517	03/30/2017	DEF COMP PPE 3/25/17	6,421.33	6,421.33
59524	03/30/2017	000549 Voucher:	NICHOLS, MELBURG, ROSET 26480	03/24/2017	JB COMM CENTER PH11 REF	7,800.00	7,800.00 ✓
59525	03/30/2017	006043 Voucher:	OFFICE DEPOT	03/04/2017	ZIP BAGS	87.72	
59526	03/30/2017	007545 Voucher:	ROSSIE, JOHN	03/02/2017	TRIANGLE SCALE -2	33.23	120.95
59527	03/30/2017	007609 Voucher:	SAETERN, CHAN	03/30/2017	TECH SERVICES FOR WWTP	700.00	700.00
59528	03/30/2017	002110 Voucher:	SHASTA BOOT COMPANY	03/30/2017	REFUND DEPOSIT FOR COM	500.00	500.00
59529	03/30/2017	001754 Voucher:	SHASTA COUNTY AUDITOR, C3927	03/23/2017	BOOTS FOR WWTP - PER MC	241.30	241.30
59530	03/30/2017	001754 Voucher:	SHASTA COUNTY AUDITOR, C3928	03/30/2017	REMIT 9/16-12/16 PARKING C	62.50	62.50
59531	03/30/2017	004636 Voucher:	SIGNSATIONS	03/30/2017	REMIT 2/17 PARKING CITATIC	12.50	12.50
59532	03/30/2017	000770 Voucher:	STANDARD INSURANCE CO. 417	03/23/2017	2- SIGNS / CAUTION EYE & E	64.35	64.35
59533	03/30/2017	004907 Voucher:	STERLING WATER TECHNOLOG(6451	03/30/2017	4/17 PREMIUMS	5,040.35	5,040.35
59534	03/30/2017	007058 Voucher:	SUNBLOCKERS	03/09/2017	4- SWT 2000	1,752.00	1,752.00
59535	03/30/2017	000805 Voucher:	TIMBERLINE HEAT & AIR INC	03/24/2017	TINT ENTRY DOOR AND WINI	227.00	227.00
59536	03/30/2017	007611 Voucher:	URIARTE, BOB	03/10/2017	CITY HALL /FULL MAINT HVAC	404.00	
59537	03/30/2017	000850 Voucher:	VISION SERVICE PLAN	03/16/2017	ELEC/MP FULL MAINT ON ALI	363.00	
				03/08/2017	WWTP HVAC MAINT & REPL (234.90	
				03/10/2017	JB COMM CENTER-HVAC SV(226.00	
				03/09/2017	LEC- HVAC ADDED REFRIGEI	219.00	
				03/13/2017	ANIMAL SHELTER /FULL MAIN	110.00	1,556.90
				03/30/2017	REBATE FOR FRIDGE	100.00	100.00
				03/30/2017	3/17 PREMIUMS	1,763.60	1,763.60

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59538	03/30/2017	002197 WASTE MANAGEMENT Voucher:	217	02/28/2017	2/17 SW COLLECTIONS	67,648.69	67,648.69 ✓
59539	03/30/2017	007612 YOUNNING-BROWN, MERRI Voucher:	4054	03/30/2017	REBATE	100.00	100.00
59540	03/30/2017	004444 BIRD, PETER Voucher:	5565	03/16/2017	REIMB CEQA TRAINING	414.79	414.79
Sub total for TRI COUNTIES BANK:						407,992.10	

51 checks in this report.

Grand Total All Checks:

407,992.10

PAYMENT AUTHORIZED BY

Camelyn Anne Morgan 4/3/17
DATE

Javiese Powell 4/11/17
DATE

STAMPED SIGNATURES AUTHORIZED BY

Kurt Jensen 3-31-17
DATE

D. Powell 4-11-17
DATE

CITY OF SHASTA LAKE

Bank : tcbnk TRI COUNTIES BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
3092	04/06/2017	002109 Voucher:	PUBLIC EMPLOYEE'S RETIRE 417	04/06/2017	4/17 PERS COST ALLOCATIOI	22,120.29	22,120.29
59541	04/06/2017	007489 Voucher:	BUECHNER, DALE 4808	03/27/2017	REBATE/DUCTLESS MINI SPL	956.25	956.25
59542	04/06/2017	005761 Voucher:	ASBURY ENVIROMENTAL SVC150000161242	03/17/2017	180 GALLONS OF USED OIL I	120.00	120.00
59543	04/06/2017	001998 Voucher:	BRADLEY J. BRUNETT, BRUNI20171255	03/29/2017	3/17 VIDEOTAPE COUNCIL MI	596.15	596.15
59544	04/06/2017	006056 Voucher:	CA UTILITIES EMERGENCY AS1718028	03/29/2017	CUEA ANNUAL DUES	500.00	500.00
59545	04/06/2017	003092 Voucher:	CARE ANIMAL HOSPITAL 31617	03/16/2017	ANIMAL CONTROL VET CARE	746.22	746.22
59546	04/06/2017	000176 Voucher:	CAROLLO 0156263	03/14/2017	1/17 WATER MASTER PLAN U	6,702.25	6,702.25
59547	04/06/2017	007438 Voucher:	CERAMI & BROWNING CONS' 1602	04/06/2017	CITY HALL & COMMUNITY CE	30,705.90	30,705.90
59548	04/06/2017	001280 Voucher:	CHANDLER ASSET MGMT INC1703SHASTALA	04/04/2017	3/17 INVESTMENT MGMT	1,505.26	1,505.26
59549	04/06/2017	002971 Voucher:	CHARTER COMMUNICATIONS8751150040175	04/06/2017	SPECTRUM 4/17 LEC/CC	169.99	169.99
59550	04/06/2017	000747 Voucher:	CITY OF SHASTA LAKE- UTILI'31917	04/06/2017	SPECTRUM 4/17 CITY HALL	89.99	89.99
59551	04/06/2017	000737 Voucher:	CITY OF SHASTA LAKE-GEN F5838	03/19/2017	3/19/17 UTILITY BILLS	5,568.65	5,568.65
59552	04/06/2017	000237 Voucher:	CONSOLIDATED ELECTRICAL6084-703785	04/06/2017	SHARES	375.00	375.00
59553	04/06/2017	001289 Voucher:	CONTECH 14786230	03/30/2017	12- LAMPS CLEAR	263.45	263.45
59554	04/06/2017	005817 Voucher:	CVHS SOBER GRADUATION, 3976	02/28/2017	FLUKES	176.84	176.84
59555	04/06/2017	007615 Voucher:	DODGE, TYLER webinvoice	02/28/2017	BALLAST	51.93	492.22
				04/23/2017	BAND H12 GALV 16G 15" +	640.28	640.28
				04/06/2017	FINANCIAL SUPPORT	1,500.00	1,500.00
				04/03/2017	UTILITY REFUND	205.00	205.00

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59556	04/06/2017	004417 ESTABROOK, KEVIN Voucher:	5870	04/06/2017	CALFIRE REIMB FOR CLEARI	2,104.12	2,104.12
59557	04/06/2017	000288 FARR, LARRY Voucher:	5875	04/06/2017	REIMB 1Q SS & MEDICARE C	33.46	33.46
59558	04/06/2017	004119 FASTENAL COMPANY Voucher:	CARE143410	03/21/2017	INVERTED MARKING PAINT F	100.44	100.44
59559	04/06/2017	002399 FIRST AMERICAN TITLE Voucher:	1540 154010133	01/19/2017	EXPRESS POLICY FILE # 450:	110.00	110.00
59560	04/06/2017	000320 GENERAL PACIFIC INC. Voucher:	1278921	03/28/2017	4000 PADLOCK SEALS	781.85	781.85
59561	04/06/2017	001361 GILES LOCK Voucher:	812594	03/08/2017	4 KEYS FOR AUTOS	13.51	
59562	04/06/2017	007616 HARVEST PRINTING Voucher:	810203	01/06/2017	KEY FOR COUNCIL CHAMBER	4.29	17.80
			122166	03/30/2017	500 VEHICLE EQUIP REPAIR I	141.57	
			122147	03/29/2017	250 LASER CHECKS	116.90	
			122165	03/29/2017	100- MAINT & SAFETY INSPEI	58.99	317.46
59563	04/06/2017	000410 J & S AUTO PARTS, NAPA AUT Voucher:	122165	03/24/2017	3/17 AUTO PARTS	876.20	876.20
59564	04/06/2017	001624 KENNY, SNOWDEN & NORINE Voucher:	94650	03/16/2017	LEGAL SVCS 2/17	5,071.56	
59565	04/06/2017	005363 KERN, RICHARD Voucher:	5874	03/16/2017	LEGAL SVCS CASE 760-8277	668.22	5,739.78
				04/06/2017	REIMB 1Q SS & MEDICARE C	68.85	68.85
59566	04/06/2017	007617 MCCARTHY, LAURA Voucher:	5855	04/06/2017	REFUND COMM CENTER DEF	150.00	150.00
59567	04/06/2017	003429 MORGAN, PAM Voucher:	5873	04/06/2017	REIMB 1Q SS & MEDICARE C	68.85	68.85
59568	04/06/2017	002249 MUNICIPAL MAINT EQUIPMEN Voucher:	0117820-IN	04/03/2017	CATCH BASIN	168.47	168.47

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59569	04/06/2017	006043 Voucher:	915090986001	03/22/2017	BINDERS/ENVELOPES AND 5	72.78	
			912433270001	03/13/2017	STAPLER AND STAPLES	68.62	
			912639026001	03/13/2017	2 DOOR STOPS AND FOLDEF	55.90	
			915983289001	03/24/2017	FOLDERS	51.23	
			914872839001	03/21/2017	12-STAYPUT PENS FOR CUS	34.91	
			908573321001	02/23/2017	PHONE CASE	33.77	
			914872732001	03/22/2017	HDMI MALE TO VGA FEMALE	16.58	
			914872838001	03/21/2017	LUMBAR SUPPORT FOR CHA	5.65	
			914039754001	03/24/2017	CREDIT FOR RETURN	-33.77	305.67
59570	04/06/2017	001509 Voucher:	37712	04/06/2017	TENTATIVE MAP PREP FOR E	427.50	427.50
59571	04/06/2017	000605 Voucher:		03/26/2017	3/17 GAS SVC FOR COMM CE	293.90	
				03/26/2017	3/17 GAS SVC FOR IND PK S1	20.48	
				03/26/2017	3/17 GAS SVC FOR WATER FI	7.84	322.22
59572	04/06/2017	007527 Voucher:	872	04/06/2017	REIMB 1Q SS & MEDICARE C	68.85	68.85
59573	04/06/2017	003417 Voucher:	5176	03/06/2017	PATCH TARP	56.25	56.25
59574	04/06/2017	007230 Voucher:	10	04/03/2017	WTP SOLIDS DEWATERING F	6,239.99	6,239.99
59575	04/06/2017	001554 Voucher:		03/03/2017	2/17 LAW ENFORCEMENT	230,131.39	230,131.39
59576	04/06/2017	004235 Voucher:		04/06/2017	CERTIFICATE RENEWAL	230.00	230.00
59577	04/06/2017	007316 Voucher:		03/25/2017	3/14 LANDSCAPE MAINT	1,700.95	1,700.95
59578	04/06/2017	000805 Voucher:		03/22/2017	HVAC CITY HALL BLOWER M	191.00	191.00
59579	04/06/2017	002265 Voucher:	183294	02/16/2017	3- HARD HATS & WINDSOCK	114.75	114.75
59580	04/06/2017	001293 Voucher:		03/18/2017	REMOVE LARGE DIGGER PIN	989.28	989.28
59581	04/06/2017	000245 Voucher:		03/08/2017	4/17 FLANAGAN OP COSTS	3,017.00	3,017.00

Bank : tcbnk TRI COUNTIES BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
59582	04/06/2017	004750 WATKINS, GREG	5871	04/06/2017	REIMB 1Q SS & MEDICARE C	68.85	68.85
59583	04/06/2017	001219 WILLDAN FINANCIAL SERVICES	010-33895	03/31/2017	FACILITIES DIST ADMN 4/17-€	1,173.41	1,423.41
		Voucher:	010-33897	03/31/2017	ANNUAL DIST ADMN 1/17-3/17	250.00	
Sub total for TRI COUNTIES BANK:						328,817.84	

44 checks in this report.

Grand Total All Checks:

328,817.84

PAYMENT AUTHORIZED BY

Carolee Anne Morgan 4/10/17
DATE

Jamiece Powell 4/11/17
DATE

STAMPED SIGNATURES AUTHORIZED BY

[Signature] 4-7-17
DATE

[Signature] 4-11-17
DATE



Report and Recommendations
Reviewed and Approved

5.1



City Manager

AGENDA ITEM
City Council
April 18, 2017, Agenda

TO: John N. Duckett, Jr., City Manager
FROM: Farhad Mortazavi, Development Services Director
DATE: April 18, 2017
SUBJECT: Z-17-01
Proposed Amendments to Shasta Lake Municipal Code Title 17 (Zoning)
Amendments address commercial cannabis land-uses within the City zoning districts.

RECOMMENDATION:

On March 30, 2017, the Planning Commission reviewed the attached Ordinance and approved Resolution 17-01 (attached) that had the proposed Ordinance attached.

BACKGROUND:

The City has started the necessary actions to regulate cannabis businesses in Shasta Lake. With the approval of Proposition 64 in November of 2016, which decided how recreational/commercial marijuana businesses will be regulated by the State, the City has now proposed three different ordinances that relate to cannabis. One of the Ordinances covers a “regulatory” license and the associated fees and requirements for establishing the businesses (found elsewhere in tonight’s agenda). A second ordinance established a date for a sales tax election (March)

Attached is the Zoning (land use) Ordinance which provides a text amendment to add language which defines those land use activities and indicates where the various cannabis commercial uses can (or cannot) be located.

Within the Ordinance is a Land Use Table which summarizes land use designations and commercial / recreational cannabis businesses and their permitted/use permitted locations. That Table will be used to look at specific properties and their associated zoning to determine what cannabis uses may locate there.

Beyond the land use designations (zoning) for cannabis this ordinance also references what other requirements are required. For each property the land use must meet the standards and setbacks, etc. for that specific zoning district.

ENVIRONMENTAL DETERMINATION

The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and staff has determined that the establishment of regulations for indoor cannabis cultivation, dispensary/collective distribution manufacturing, testing, , and transportation commercial cannabis businesses does not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact.

According to the “general rule exemption” (Section 15061(b) (3) of the CEQA Guidelines - projects which have no potential for causing a significant effect on the environment are not subject to CEQA. Thus, no further environmental analysis is required. Any use that requires a Use Permit will have to provide a separate environmental clearance at the time of application and review.

FISCAL IMPACTS:

No fiscal impacts will occur as a result of the proposed action with the exception of staff time.

ATTACHMENTS:

Planning Commission Staff Report
Planning Commission Draft Minutes (March 30, 2017)
Planning Commission Res 17- 01
ATTACHMENT A - Ordinance 17- (recommended by the Planning Commission)
11 x 17 Map – Commercial Cannabis Land Use

DISTRIBUTION:

City Council



CITY OF SHASTA LAKE

PLANNING COMMISSION MEETING STAFF REPORT

March 30, 2017

Staff: Farhad Mortazavi, Development Services
Director

Project:	Proposed Amendments to Shasta Lake Municipal Code Title 17 (Zoning) Amendments address commercial cannabis land-uses within the City zoning districts.
File:	Z -17-01
Location:	See Attached Map
Applicant:	City of Shasta Lake
Significant/ Applicable Legal/ Authority:	State Planning and Zoning Act (Government Code) California Environmental Quality Act (Public Resources Code)
Environmental Determination:	General Exemption from CEQA

Background

With the passage of the Medical Cannabis Regulatory Safety Act (MCRSA) legislation early in 2015, and the affirmative vote for the Adult Use of Marijuana Act (AUMA) on November 8, 2016, the City will be now be involved in local regulation and licensing for the activities referenced in the acts. Some cannabis regulations are currently in place for collectives/cooperatives and for personal cultivation.

To assist with complying with the passage of the new laws and regulations, the City retained SCI Consulting Group on December 20, 2016 to help in the development of a final comprehensive regulatory ordinance(s), cannabis tax measure (ballot initiative), and development of regulatory fees for cannabis monitoring and compliance.

Development Services staff has created the commercial cannabis land-use table to assist future related proposals. A copy of the table is in Attachment A, the proposed ordinance, to be reviewed and approved by the Planning Commission for recommendation to the City Council for final approval.

Proposal

The proposal is to regulate the cultivation, distribution, dispensary/collective, manufacturing, nursery, testing, and transport of commercial cannabis in order to ensure the health, safety, and welfare of the residents of the City of Shasta Lake.

The Table defines where those uses may occur as either permitted uses or allowed with a conditional use permit.

It is common practice that land use designations within a Zoning district meet several tests:

1. That the land use is similar to and will not impact other uses already allowed within a zoning district; and
2. That if the proposed land use may impact land uses already permitted within the zoning district that there is consideration of the use as a conditionally permitted use (CUP)

Zoning districts are constructed as a hierarchy both between zones and within a zoning district. So for example, industrial zoning districts contain heavier uses and uses that may have impacts not tolerated by any uses except those that are similar. The table follows that construction.

For all zoning districts not listed in the table in the ordinance, the proposed uses are not allowed.

Other issues

Consistency findings/evidence

1. State Planning and Zoning Act

California's Government Code addresses the process for amendment to local zoning ordinances. The City's Municipal Code follows closely the requirements outlined in the Government Code for example review and recommendation by the Planning Commission, after conducting a Public Hearing, the proposal is to be forwarded to the City Council for their review and action. The City Council has two readings with a public hearing as part of the First Reading.

2. California Environmental Quality Act (CEQA)

The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and staff has determined that the establishment of regulations for indoor cannabis cultivation, dispensary/collective distribution manufacturing, testing, , and transportation commercial cannabis businesses does not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the "general rule exemption" (Section 15061(b)(3) of the CEQA Guidelines - projects which have no potential

for causing a significant effect on the environment are not subject to CEQA. Thus, no further environmental analysis is required.

3. General Plan

The proposal is consistent with the City of Shasta Lake General Plan as the proposed ordinance will not require any amendment to and has no impact on the General Plan.

4. Municipal Code

The proposed text amendment follows the Municipal Code requirements for text amendments to the Zoning portion of the Code. The Planning Commission will consider the proposed amendments and then determine whether they want to recommend approval of the text amendments to the City Council. There is not anything in the Municipal Code generally that would preclude the proposed uses with regulation.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission review the attached Resolution and Attachment A with the Ordinance language proposed for City Council approval. The Commission should hear any comments during the Public Hearing and the Public Hearing closed before taking action on the proposed recommendation to the City Council.

The proposed text amendment as described in the attached Resolution and Ordinance (Attachment A) has been developed by City staff to closely meet the City's needs.

ATTACHMENTS

Planning Commission Resolution
Attachment A – Proposed Ordinance with Text Amendments
Map of affected zones



SHASTA LAKE PLANNING COMMISSION SPECIAL MEETING MINUTES

March 30, 2017

1.0 CALL TO ORDER

1.1 **Chair Cherrel Kirkland** stated for the record that Planning Commissioners Darrel Walter, Heather Pearson, Gracious Palmer, Kerry Jarvis, Darlene Brown and Tony Cota were present.

Staff members present: Development Services Director Farhad Mortazavi, Electric Utilities Director and Assistant City Manager Tom Miller, Senior Planner Debbie Israel, Assistant Planner Peter Bird, Administrative Assistant Sandra Castello and City Attorney John Kenny.

1.2 **Commissioner Brown** led the Pledge of Allegiance.

2.0 APPROVAL OF MINUTES/ MEETING STATUS

2.1 **A motion was made / seconded (Palmer / Pearson) and passed unanimously** to approve the Minutes for the March 16, 2017 meeting of the Shasta Lake Planning Commission with the addition of "Ray" (Ray Duryee) to paragraph nine on page 3 of the minutes.

3.0 REPORTS

3.1 Planning Commissioner's Comments / Correspondence
NONE

4.0 PUBLIC COMMENT PERIOD

NO PUBLIC COMMENT

5.0 UNFINISHED BUSINESS

NONE

6.0 PUBLIC HEARINGS

6.1 **Z-17-01: Proposed Amendments to Shasta Lake Municipal Code Title 17 (Zoning)**

Director Farhad Mortazavi presented a brief staff report and the Planning Commission reviewed a proposed Ordinance of the City of Shasta Lake amending City's Municipal Code to identify where recreational/commercial cannabis activities can occur.

The proposed Ordinance would be an Amendment to Title 17, Zoning, and identifies where such land uses are or are not allowed and areas where a Conditional Use Permit is required. Other amendments relative to cannabis operations will be made separately by the City Council to other portions of the Municipal Code regulating licensing and financial requirements for these uses.

The project is exempt from CEQA.

The City has retained the SCI Consultant Group to assist with this process. Staff has been working with the consultant. The purpose of this Ordinance is to regulate the establishment, cultivation, dispensary operation, distribution, manufacturing, sale, and testing of commercial cannabis as land uses. The Table provided is by reference incorporated herein to illustrate the proposed allowed uses and required use permits as pertains to each commercial/industrial zoning district.

Staff has reviewed the proposed land uses and determined where similar land uses exist and that they would not be a significant increase in impact beyond what is currently allowed within those zoning districts.

For all zoning districts not listed in the table in the ordinance, the proposed uses are not allowed.

Mr. Mortazavi noted that the proposed text amendment follows the Municipal Code requirements for text amendments to the zoning portion of the Code. The Planning Commission will consider the proposed amendments and determine whether to recommend approval to City Council.

STAFF RECOMMENDATION

Staff recommended the Planning Commission review the attached Resolution and Attachment A with the Ordinance language proposed for City Council approval.

Mr. Mortazavi specified additional changes to the proposed Resolution proposed by City staff and the Ordinance Amendment "Attachment A" and requested that the Planning Commissioners make the changes to their copies. He explained the changes came as a result of a meeting with City Manager John Duckett, consultant Neil Hall, and City Attorney John Kenny.

The Planning Commissioners suggested adding "visitors" and conforming the wording of the Resolution and Ordinance, resulting in further changes to both documents.

The Resolution changes included:

1. Page 1, Title paragraph should read: A Resolution of the Planning Commission of the City of Shasta Lake recommending to the City Council approval of Application Z 17-01 Amending Municipal Code Title 17 (Zoning) to add Chapter 17.10 to establish zoning for the cultivation, distribution, dispensing, manufacturing, nursery, testing and transport of commercial cannabis within the City of Shasta Lake.
2. Page 2, Section 1, 2: to "...protect public health, safety and welfare of residents and business owners..." add visitors.
3. Page 2, Section 2, 1: delete the word "Regulation."

Changes to Attachment A, proposed Ordinance, included:

1. Page 1, Title paragraph to conform with the Resolution: An Ordinance of the City Council of the City of Shasta Lake Amending the City of Shasta Lake Municipal Code to add Chapter 17.10 establishing zoning for the cultivation, distribution, dispensing, manufacturing, nursery, testing and transport of commercial cannabis within the City of Shasta Lake.
2. Page 2, paragraph 2, adding "visitors."
3. Page 2, Section 1: omit "Regulation."

4. Page 2, Title heading: Chapter 17.10 Cannabis Business Land Use, *omit "Regulations"*
5. Page 3, 17.10.020, Land Use Table: *Add square footages to commercial greenhouse classifications: A = 0 - 5,000 sq. ft.; B = 5,000 – 10,000 sq. ft.; C = 10,000 – 22,000 sq. ft.*
6. Table, Use Type: *delete "Collective"*
7. Footnotes: *1. No more than three dispensaries may be permitted. Each must be located on Shasta Dam Boulevard or in a previously established location housing an existing dispensary in operation at the time this Ordinance is adopted.*
8. Page 4, C. Cannabis: *...or preparation of the plant, its seeds, or resin. Delete the rest of the sentence.*
9. Page 5, I. Cultivation and/or Cultivate: *...cannabis plants or any part thereof. Delete the rest of the sentence.*
10. Page 5, K. Distribution means the procurement, sale, and transport of cannabis and cannabis products between licensed entities. *Delete the rest of the sentence.*
11. Page 6 L. Distributor means a person licensed to engage in the business of purchasing cannabis products from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed dispensary. *Delete the rest of the sentence.*
12. Page 6 N. Indoor Cultivation Facility...*wholesale of cannabis to cannabis manufacturing facilities or cannabis dispensaries. Delete the rest of the sentence.*

Mr. Neil Hall made a brief presentation on behalf of the consulting firm, SCI Consultant Group. His firm has been assisting cities in implementing and creating cannabis Ordinances. They have conducted workshops and webinars up and down the State. They are currently working with several cities on these issues.

The firm looked at the public's preferences, hosted stakeholder meetings in Shasta Lake, and consulted with staff. They have also spoken with existing cannabis related businesses and those interested in opening a cannabis related business.

There were three pieces of legislation which regulate cannabis here in the state: AB266, AB243, and SB643 passed by the legislature to regulate medical marijuana. These were amended by SB837, which was a budget rider, in 2015. Last November Proposition 64 was passed to regulate and legalize adult use of recreational marijuana.

A lot of cities in the state are moving in this direction. However, Shasta Lake is moving ahead of most of the cities here in this area and you are one of the only cities to allow this type of activity on a commercial basis.

The Zoning Ordinance is coming before you and we are preparing regulatory Ordinances that incorporate not only the State law but also the preference of the community regarding cannabis. There will be a Tax Ordinance also.

SCI has examined statistics related to use of alcohol, tobacco and cannabis in other counties. It was much harder for the kids to get tobacco and alcohol than it was cannabis because they are regulated.

They will also examine the application process, cost recovery, and regulatory fees. The goal is to produce a tax ordinance to support enforcement activities and monitoring of compliance with regulations.

This Ordinance is about the Zoning of these activities, where you want them to occur. The Ordinance is specific to Shasta Lake. There was not any borrowed language from another jurisdiction.

There are three primary activities: retail, cultivation, and manufacturing. Support activities include distribution, transportation and testing. These are included in your zoning ordinance.

Mr. Hall stated his firm is drafting a Regulatory Ordinance and a Tax Ordinance. There is a deadline. The state will give priority to any local licensees in place before January 1, 2018. They would like the commercial activities to be in place by that date so that they have that priority for State licensing.

Commissioner Jarvis asked about testing facilities. **Mr. Hall** responded the testing laboratories are required to have particular certifications. There are very few that currently have that certification. There are testing labs in Berkley, Oakland, and Santa Cruz.

California produces about 70% of the United States' supply of cannabis. There are other states that will be participating in that and there will be a large quantity of cannabis requiring testing and a demand for those testing labs.

Commissioner Palmer asked for clarification of the definition of "Manager" on page 5 of Attachment A. She had recalled we had required security checks for persons operating a Collective. **Attorney John Kenny** responded the definitions only apply to the zoning ordinance and not to the regulatory ordinance which will be reviewed by City Council.

Chair Kirkland opened the Public Hearing.

Jamie Kerr, business owner of 530 Collective spoke on behalf of the recently created Shasta Cannabis Industry Commission in support of the zoning ordinance. **Ms. Kerr** named the members of Shasta Cannabis Industry Coalition: Todd Breed and Sonia Brusch of NorCal Nectar, Tim Wright of Queen of Dragons, Stacy Lidie of Leave It to Nature, Jamie Kerr of 530 Collective, acting as spokesperson, and Brian Hicks.

She requested a change to page 3, Footnotes: located on or adjacent to Shasta Dam Boulevard. **Mr. Kenny** suggested adding "existing collectives." **Ms. Kerr** in turn suggested "where an existing dispensary is operating at the time this ordinance is adopted."

Chair Kirkland closed the Public Hearing at 6:53 P.M.

Chair Kirkland asked if the definition of cultivation on page 5 was related to plants; nurseries and seedlings. **Mr. Mortazavi** said yes, it was. **Mr. Kenny** added that nurseries raise and house starter plants.

Chair Kirkland asked for a description of activities by a distributor. **Mr. Hall** explained there would be a state issued transporter license and the party would pick up and deliver to and from cultivators, manufacturers, testing labs, and dispensaries; and, would store the product. **Commissioner Palmer** asked if the distributor could have a warehouse. **Mr. Hall** confirmed they could and reiterated the state will have regulations governing distributors. This is a license type the state is requiring to move cannabis between commercial entities.

Chair Kirkland observed the cultivator types listed in section 17.10.020 - Land Use Table and asked for an explanation of the classifications A, B, and C for those cultivator types.

Mr. Hall said each category indicated the size in total square footage of the cultivation site. Category A indicates a total cultivation area of zero to 5,000 square feet; Category B, 5,001 to 10,000 square feet; Category C, 10,000 to 22,000 square feet.

17.10.020 – Land Use Table

The Land Use Table shall be used to determine whether a cannabis business is permitted (P), not permitted (NP), or permitted with a Conditional Use Permit (CUP). If a Zoning District in Title 17 is not listed in the Land Use Table in this section then the use is expressly not permitted.

City of Shasta Lake Municipal Code – Zoning Chapter 17.10.20							
Use Type	Land Use Class.	Permit Required					
		R	VC /C-2	CM	ML	M	SGIP-PD/DR
Cultivator	Greenhouse, commercial - A	NP	NP	CUP	P	P	P
Cultivator	Greenhouse, commercial - B	NP	NP	CUP	P	P	P
Cultivator	Greenhouse, commercial - C	NP	NP	CUP	P	P	P
Dispensary/Collective	Retail/pharmaceutical	NP	P ¹	NP	NP	NP	NP
Distributor	Warehouse/distributor	NP	P ²	CUP	P	P	P
Manufacturer	Manufacturing/processing (volatile)	NP	NP	NP	NP	NP	NP
Manufacturer	Manufacturing/processing (non-volatile)	NP	NP	CUP	CUP	P	P
Nursery	In Building (Retail)	NP	NP	P/CUP ³	CUP	NP	NP
Testing	Laboratory (No Retail)	NP	CUP	CUP	P	P	P
Transporter	Freight / transport	NP	NP	CUP ⁴	P	P	P

Footnotes

1 – Three total collectives are permitted: each must be located on Shasta Dam Boulevard or in a previously established location housing an existing dispensary in operation at the time this Ordinance is adopted.

2 - Permitted use for distribution only. Must be less than 2000 sq. ft. and have no warehouse.

3 - Permitted use for buildings under 2,000 sq. ft. subject to CUP for buildings over 2000 sq. ft.

4 - CUP/for use on parcels no less than 2 acres

Land Use Classifications:

Greenhouse, commercial A - permitted cultivation area: 0 to 5,000 square feet

Greenhouse, commercial B – permitted cultivation area: 5,001 to 10,000 square feet

Greenhouse, commercial C – permitted cultivation area: 10,000 to 22,000 square feet

Chair Kirkland asked if every lot where cultivation was allowed were used, how many would there be. Mr. Mortazavi explained that certain zoning would require a conditional use permit. In addition, if an applicant wished to subdivide and gain more lots in order to place a 22,000 square foot facility on each one, they would be required to go through the subdivision process and comply with all requirements of the Subdivision Map Act. That process would require a public meeting. Multiple buildings totaling 22,000 square feet could be located on each parcel, but the total square footage allowed would still be 22,000 square feet.

Mr. Kenny explained the zoning ordinance described the areas in which certain activities would be permitted. The number of those activities will be regulated by other factors: economic factors, the City’s regulations, and the State’s regulations. If you wish to state a limit of three dispensaries you could consider doing so, he was not aware of any reason to do that.

Commissioner Brown clarified the only thing the Resolution does is to define the area, the zoning districts. **Mr. Kenny** affirmed and stated and all uses that would require a permit.

Commissioner Jarvis noted the definition of Canopy on page 4 and asked if we were allowing outdoor growing. **Mr. Hall** stated cultivation is addressed in the Regulatory Ordinance and that ordinance does not allow outdoor cultivation. If it is decided there will be no outdoor cultivation the definition can be changed to reflect that.

Commissioner Palmer thanked Staff and the consultant, Mr. Hall. She agreed the City should have no more than three dispensaries and thanked Staff for including that.

Commissioner Brown had some concern with smaller parcels and asked about Use Permits. **Mr. Mortazavi** explained to obtain a Use Permit involves an application to the Planning Department and a public process. There would be a public hearing and a vote by the Planning Commission. **Mr. Kenny** commented it is not likely a use permit would be approved. The Planning Commission makes the final decision.

Commissioner Walter asserted we don't want marijuana grown outside in the City. **Mr. Kenny** assured this Ordinance won't allow outdoor cultivation. This ordinance is for commercial and commercial growing will not be allowed in a residential zone. **Commissioner Walter** was not happy with the direction we seem to be heading.

Mr. Kenny said the residential grow was an area that was subject to a lot of complaints and it is something that the Commission and City Council may have to address.

Chair Kirkland asked if the only growing the Commission was looking at was greenhouse grows. **Mr. Kenny** said grows could eventually be outdoor if that were permitted.

Commissioner Palmer announced for the members of the public that all the information presented to the Planning Commission was available on the City website.

Mr. Mortazavi stated the Ordinance was tentatively scheduled for presentation to City Council on April 18, 2017.

A motion was made / seconded (Palmer / Cota) and passed unanimously to adopt Resolution PC 17-01 of the Planning Commission of the City of Shasta Lake, as proposed and amended, recommending to the City Council approval of application Z 17-01, amending Municipal Code Title 17 (Zoning) to add Chapter 17.10 to establish zoning for the cultivation, distribution, dispensing, manufacturing, nursery, testing and transport of commercial cannabis within the City of Shasta Lake.

7.0 NEW BUSINESS

NONE

8.0 ADJOURNMENT

A motion to adjourn was made / seconded (Palmer / Cota) and passed unanimously at 7:25 P.M.

Farhad Mortazavi, APA
Development Services Director
and Planning Commission Secretary

DATE

RESOLUTION PC 17-01

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SHASTA LAKE
RECOMMENDING TO THE CITY COUNCIL APPROVAL OF APPLICATION Z 17-01
AMENDING MUNICIPAL CODE TITLE 17 (ZONING), TO ADD CHAPTER 17.10 TO
ESTABLISH ZONING FOR THE CULTIVATION, DISTRIBUTION, DISPENSARY,
MANUFACTURING, NURSERY, TESTING AND TRANSPORT OF COMMERCIAL
CANNABIS WITHIN THE CITY OF SHASTA LAKE**

WHEREAS, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended on June 27, 2016 as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and

WHEREAS, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and

WHEREAS, Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis dispensaries and cultivation; and

WHEREAS, although the Appellate Court determined the issuance of permits was preempted by federal law, the Court did not conclude whether the sections of the ordinance establishing limitations and prohibiting certain conduct were preempted by federal law (e.g., limiting hours of operation, prohibiting a person under the age of 18 from being on the premises unless that person is a qualified patient accompanied by his/her physician, parent or guardian; prohibiting the use from permitting the consumption of alcohol on the property or in its parking area, etc.); and

WHEREAS, the City would retain the authority to determine the existence of a public nuisance for any issues that may arise with a cannabis business facility and could take action pursuant to Chapter 8.16 (Abatement of Dangerous Buildings, Substandard Buildings and Public Nuisances); and

WHEREAS, it is the City's intention that nothing in this Chapter shall be deemed to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. Section 841, to otherwise allow any activity that is lawfully and constitutionally prohibited under that Act; and

WHEREAS, it is the City's intention that nothing in this Chapter shall be construed to (1) allow persons to engage in conduct that endangers others or causes a public nuisance; (2) allow the use of marijuana for nonmedical purposes; or (3) allow any activity relating to the manufacture or processing of marijuana that is otherwise illegal.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of Shasta Lake:

SECTION 1: Makes the following findings:

1. The proposed Text Amendment is consistent with the objectives, policies, general land uses, and programs of the City of Shasta Lake General Plan and Zoning section of the City of Shasta Lake Municipal Code.
2. Regulations and guidelines pertaining to commercial cannabis are needed to protect the public health, safety, and welfare of residents, visitors and business owners in the City of Shasta Lake. The establishment of commercial cannabis facilities without appropriate rules and regulations could result in the creation of negative secondary effects.
3. The proposed ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15070 (Title 14, of the California Code of Regulations) because it does not have the potential for resulting in physical change to the environment, directly or indirectly. Individual facilities which are required to have a Conditional Use Permit will have additional environmental review for the specific facility proposed.

SECTION 2: Recommends to City Council adoption of Z-17-01 amending Title 17 of the Shasta Lake Municipal Code as follows:

1. Addition of Chapter 17.10 entitled "Cannabis Business Land Use" as outlined in Attachment "A" to this Resolution.

DULY PASSED AND ADOPTED this 30th day of March 2017 by the following vote:

AYES: Walter, Pearson, Palmer, Jarvis, Brown, Cota, Kirkland
NOES: None
ABSENT: None



Cherrel Kirkland, Chair
Planning Commission, City of Shasta Lake
State of California

ATTEST:
Farhad Mortazavi, APA
Planning Commission Secretary

ATTACHMENT A

As amended at the planning commission at the request of city staff

ORDINANCE NO. 17 – _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHASTA LAKE
AMENDING THE CITY OF SHASTA LAKE MUNICIPAL CODE TO ADD CHAPTER
17.10 TO ESTABLISH ZONING FOR THE CULTIVATION, DISTRIBUTION
, DISPENSARY, MANUFACTURING, NURSERY, TESTING AND TRANSPORT OF
COMMERCIAL CANNABIS WITHIN THE CITY OF SHASTA LAKE**

WHEREAS, in 1996, the California electorate approved Proposition 215, the Compassionate Use Act of 1996, which allows a patient, with a doctor's recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and

WHEREAS, in 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and

WHEREAS, in 2005 the California Board of Equalization began issuing seller's permits for sales consisting only of medical cannabis; and

WHEREAS, in 2008 the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and

WHEREAS, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended on June 27, 2016 as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and

WHEREAS, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and

WHEREAS, Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis dispensaries and cultivation; and

WHEREAS, the City Council of the City of Shasta Lake intends that nothing in this Ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or other applicable law; and

WHEREAS, after holding a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of cannabis with respect to commercial, medical and recreational uses in dispensaries, distribution, indoor cultivation and nursery facilities, manufacturing facilities, testing facilities, and transportation facilities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses on other land uses within the City; and

WHEREAS, the City of Shasta Lake has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents, visitors and business owners, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access to cannabis to residents; and

WHEREAS, the proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for indoor cannabis cultivation, dispensing, distribution, manufacturing, testing, and transportation and businesses does not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the "general rule exemption" (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required for this ordinance; and

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

SECTION 1: Adopts Text Amendment Z-17-01 amending Title 17 of the Shasta Lake Municipal Code by adding Chapter 17.10 entitled "Cannabis Business Land Use" to read as follows:

CHAPTER 17.10 CANNABIS BUSINESS LAND USE

Sections

17.10.010 - Purpose.

The purpose of this Chapter is to define where cannabis business as a land use can be located within the identified zoning districts as called out in the Land Use Table in Section 17.10.20. For zoning districts not called out in the table it shall be presumed that the business is expressly not permitted or allowed within that zoning district.

17.10.15 - Intent

The intent of this section shall be to insure that cannabis businesses are operated in such a manner as to insure the public health and safety of the residents and businesses of the City of Shasta Lake.

17.10.020 – Land Use Table

The Land Use Table shall be used to determine whether a cannabis business is permitted (P), not permitted (NP), or permitted with a Conditional Use Permit (CUP). If a Zoning District in Title 17 is not listed in the Land Use Table in this section then the use is expressly not permitted.

City of Shasta Lake Municipal Code – Zoning Chapter 17.10.20							
Use Type	Land Use Class.	Permit Required					
		R	VC /C-2	CM	ML	M	SGIP-PD/DR
Cultivator	Greenhouse, commercial - A	NP	NP	CUP	P	P	P
Cultivator	Greenhouse, commercial - B	NP	NP	CUP	P	P	P
Cultivator	Greenhouse, commercial - C	NP	NP	CUP	P	P	P
Dispensary	Retail/pharmaceutical	NP	P ¹	NP	NP	NP	NP
Distributor	Warehouse/distributor	NP	P ²	CUP	P	P	P
Manufacturer	Manufacturing/processing (volatile)	NP	NP	NP	NP	NP	NP
Manufacturer	Manufacturing/processing (non-volatile)	NP	NP	CUP	CUP	P	P
Nursery	In Building (Retail)	NP	NP	P/CUP ³	CUP	NP	NP
Testing	Laboratory (No Retail)	NP	CUP	CUP	P	P	P
Transporter	Freight / transport	NP	NP	CUP ⁴	P	P	P

Footnotes

- 1 - Three total dispensaries are permitted; each must be located on Shasta Dam Boulevard or in a previously established location housing an existing dispensary in operation at the time this Ordinance is adopted.
- 2 - Permitted use for distribution only. Must be less than 2000 sq. ft. and have no warehouse.
- 3 - Permitted use for buildings under 2,000 sq. ft. subject to CUP for buildings over 2000 sq. ft.
- 4 - CUP/for use on parcels no less than 2 acres

Land Use Classifications:

Greenhouse, commercial A - permitted cultivation area: 0 to 5,000 square feet
 Greenhouse, commercial B – permitted cultivation area: 5,001 to 10,000 square feet
 Greenhouse, commercial C – permitted cultivation area: 10,000 to 22,000 square feet

ZONING DISTRICTS	
R	Residential Zoning Districts
VC	Village Commercial
C-2	Community Commercial
CM	Commercial – Light Industrial
DR	Design Review
ML	Light Industrial
M	Industrial
SGIP-PD	Shasta Gateway Industrial Park – Planned Development

17.10.030 - Definitions.

The definitions listed here are applicable throughout the Municipal Code where cannabis is referenced. All definitions are intended to comply with those in the Shasta Lake Municipal Code, State regulations, Business and Professions Code, and in the California Health and Safety Code, and as they may be amended.

- A. **Accessory Building** means a detached building subordinate to and located on the same parcel as a residence, the use of which is incidental to that of the residence. Accessory building does not include any tent, trailer, recreational vehicle, or other vehicle, or any building designed or used for human habitation.
- B. **Applicant** shall mean a person who is required to file an application for a permit or license under this chapter.
- C. **Cannabis** “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. For purposes of this Section the terms Cannabis and Marijuana shall have the same meaning.
- D. **Cannabis Dispensary** – means a premise where cannabis, cannabis products, or devices for the use of non-medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to Section 19340, cannabis and cannabis products as part of a retail sale.
- E. **Cannabis Manufacturing Site** – means the premises that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by non-volatile extraction methods, and is owned and operated by a licensee for these activities.
- F. **Cannabis Testing Facility** means a public or private laboratory licensed and certified, or approved by the Bureau of Cannabis Regulation or any other regulatory body controlling testing facilities, to conduct research and analyze cannabis, cannabis products, and cannabis concentrate for contaminants and potency.
- G. **Canopy** means the total combined canopy area for all locations on a property where medical marijuana is being cultivated, including indoor areas, outdoor areas, or a combination of both, as measured by the horizontal extent of the plant or combination of plants at the widest point and measured in a straight line.
- H. **Commercial Cannabis Business** includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis, medical cannabis or a cannabis or medical cannabis product, except as related Business and Professions Code Section 19319, and as it may be amended or Health and Safety Code Sections 11362.1 through 11362.45 and as they may be amended.

- I. **Cultivation and/or Cultivate** shall mean the planting, growing, harvesting, drying, processing, or storage of one or more cannabis plants or any part thereof.
- J. **Delivery** means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.
- K. **Distribution** means the procurement, sale, and transport of cannabis and cannabis products between licensed entities.
- L. **Distributor** means a person licensed to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed dispensary.
- M. **Employee** shall mean any person (whether paid or unpaid) who provides regular labor or regular services for a cannabis business, including but not limited to the location of a cannabis dispensary business.
- N. **Indoor Cultivation Facility** shall mean a facility which is licensed by the City of Shasta Lake and the State of California for the growing of cannabis within an enclosed building for the purposes of wholesale of cannabis to cannabis manufacturing facilities or cannabis dispensaries.
- O. **Manager** shall mean an employee responsible for management and/or supervision of a cannabis dispensary business.
- P. **Mixed Light Cultivation Facility** cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold in a permanent facility in compliance with the State Building Code as determined by the State licensing authority.
- Q. **Non-climbable Fence** means a fence with a smooth exterior surface that is not equipped with steps or other provisions for climbing.
- R. **Nursery** "Nursery" means a commercial cannabis licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- S. **Primary Caregiver** shall have the same meaning as set forth in Health and Safety Code section 11362.7(f).
- T. **Qualified Patient** shall have the same meaning as set forth in the Health and Safety Code section 11362.7(f).
- U. **School** means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

V. **Transporter** means a person who holds a license by the Bureau of Cannabis Regulation to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the bureau between licensees that have been issued a license pursuant to this chapter.

17.10.040 – Development Standards

Commercial cannabis businesses shall meet all of the standards for the Zoning District in which they are allowed and located. They shall meet the other development requirements as referenced in that zoning district and found elsewhere in the Municipal Code

17.10.050 - Permits

All commercial cannabis business allowed as shown in Section 17.10.20 are required to obtain a Business License as required by Title 5 - Business License and a Regulatory License as required by Chapter 8.06 - Commercial Cannabis Licenses and Standards.

SECTION 3: Severability: If any provision of this ordinance or the applications thereof to any person or circumstances is held invalid, the remainder of the ordinance and the applications of such provision will remain in effect to the extent permitted by law.

SECTION 3: Effective Date: This ordinance shall be effective thirty (30) days following its second reading and posting as provided for by City Code.

I HEREBY CERTIFY that the foregoing Ordinance was introduced and read at a regular meeting of the City Council of the City of Shasta Lake held on the 18th day of April 18, 2017 and was passed upon second reading at a regular meeting of the City Council of the City of Shasta Lake held on the ____ day of April, 2017.

PASSED, APPROVED, AND ADOPTED this ____ day of May, 2017 by the following vote:

AYES:
NOES:
ABSENT:

RICHARD KERN, Mayor

ATTEST:

TONI M. COATES, City Clerk

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Report and Recommendations
Reviewed and Approved

5.2



City Manager

AGENDA ITEM City Council

TO: City Council

FROM: John N. Duckett, Jr., City Manager

DATE: April 18, 2017

SUBJECT: First reading of a Regulatory Ordinance amending Title 5 of the City of Shasta Lake Municipal Code to regulate the establishment of commercial cannabis activities.

FILE NO.:

RECOMMENDATION:

Staff recommends City Council approval of the first reading of a Regulatory Ordinance amending Title 5 by adding Chapter 5.05 to the City of Shasta Lake Municipal Code to regulate the establishment, operation, cultivation, manufacturing, sale, testing and distribution of commercial cannabis.

BACKGROUND:

In 1996 California voters passed the California Compassionate Use Act (CUA), which appeared on the ballot as Proposition 215. Proposition 215 created limited immunities for individuals who used cannabis for medical purposes to use in court if they were arrested as well as calling on the legislature to regulate cannabis distribution. In 2003 the State adopted Senate Bill 420, also known as the Medical Marijuana Program Act (MMPA), broadening the CUA to certain transportation and other related offenses. The MMPA also provided limited immunity for groups of patients who form “collectives” or “cooperatives”, and created a voluntary state ID card program to identify qualified patients who register with the program.

Currently, the City of Shasta Lake allows for the sale and cultivation of medical marijuana within its jurisdiction via City medical marijuana/cannabis ordinance(s). At this time, the City has three medical marijuana collectives/cooperatives that operate within the City. Outdoor cannabis cultivation is allowed in residential zones, excluding vacant parcels, based on the size of the parcel which dictates the square footage of cultivation allowed.

With the passage of the Medical Cannabis Regulatory Safety Act (MCRSA) legislation early in 2015, and with the passage of the Adult Use of Marijuana Act (AUMA) on

November 8, 2016, there will be a number of areas concerning regulation and licensing of activities under each of the acts. A majority of the City of Shasta Lake voters passed Prop 64 Yes: 54.25% to No: 45.75%. Since the City has allowed medical marijuana collectives/cooperatives, some cannabis regulations are currently in place. To assist with complying with the passage of the new laws and regulations and to consider the addition of indoor and mixed-light cultivation, non-volatile manufacturing, distribution, transportation and testing, the City retained SCI Consulting Group on December 20, 2016 to assist with the development of a final comprehensive regulatory ordinance, cannabis tax measure (ballot initiative), and development of regulatory fees for cannabis monitoring and compliance. Despite the California State legalization, marijuana remains a Schedule I Controlled Substance under Federal law. In 2013 the United States Attorney General's Office issued what is referred to as the "Cole Memo" that it will not interfere with state laws that include "robustly enforced" and "strict regulations"

On January 23, 2017, SCI Consulting Group held a Cannabis Stakeholders and Experts Group (CSEG) meeting. The CSEG included representatives from the community and the industry to discuss concerns and goals moving forward with proposed City development of a tax ordinance, zoning ordinance and a comprehensive regulatory ordinance that seeks to regulate commercial cannabis businesses.

The City's goal in regulating commercial cannabis businesses is: 1) Reduce and eliminate the black market for cannabis; 2) Establish reasonable and comprehensive regulations that preserve the health and safety of the community; 3) Provide access to medical cannabis for those who benefit from its use; 4) Establish a new source of community funds that would benefit the entire community.

The purpose and intent of the comprehensive regulatory ordinance is to regulate the cultivation, manufacturing, testing, distribution, transportation, and sale of cannabis in order to ensure the health, safety and welfare of the residents of the City of Shasta Lake. The regulations set forth, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, the Medical Cannabis Regulations and Safety Act, Proposition 64, and the California Health and Safety Code (collectively referred to as "State Law") do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or cultivation of cannabis or medical cannabis as authorized under State Law. All commercial cannabis business shall at all times be in compliance with current State Law at a minimum.

The Ordinance establishes operational standards for all commercial cannabis business activities, creates commercial cannabis business permit application submission and selection process, and develops a framework to establish Proposition 26 compliant fees to recover costs associated with the application and permitting process and regulatory enforcement.

Staff recommends a multi-step selection process that includes a defined application period where the City would accept applications. Each application that demonstrates compliance with the application requirements will be placed on a "Qualified Applicant List". Those applications would be reviewed based on objective permit criteria related to the proposed operator's business experience, proposed operations, and reputations of the applicants. Land Use and related location/size considerations would be addressed as part of the application process as defined in the zoning ordinance.

FISCAL IMPACTS:

There is no anticipated fiscal impact to the City's General Fund from the recommendation to pass the ordinance as Proposition 26 compliant fees will be developed to ensure regulatory compliance. The fees will be imposed on commercial cannabis businesses by the City of Shasta Lake. The Proposition 26 compliant fees will be developed upon adoption of the regulatory ordinance.

DISTRIBUTION:

City Council

ATTACHMENTS:

Exhibit A, Commercial Cannabis Regulatory Ordinance

ORDINANCE NO. XXXX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHASTA LAKE
AMENDING TITLE 5 OF THE CITY OF SHASTA LAKE MUNICIPAL CODE BY
ADDING CHAPTER 5.05 TO REGULATE THE ESTABLISHMENT, OPERATION,
CULTIVATION, MANUFACTURING, SALE, TESTING AND DISTRIBUTION OF
COMMERCIAL CANNABIS**

WHEREAS, in 1996, the California electorate approved Proposition 215, the Compassionate Use Act of 1996, which allows a patient, with a doctor's recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and

WHEREAS, in 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and

WHEREAS, in 2005 the California Board of Equalization began issuing seller's permits for sales consisting only of medical cannabis; and

WHEREAS, in 2008 the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and

WHEREAS, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended on June 27, 2016 as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and

WHEREAS, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and

WHEREAS, Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis dispensaries and cultivation; and

WHEREAS, the City Council of the City of Shasta Lake intends that nothing in this Ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or other applicable law; and

WHEREAS, after studying various alternatives for the regulation of cannabis dispensaries, considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of cannabis dispensaries, cultivation facilities, manufacturing facilities, testing facilities, distribution and transportation facilities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

WHEREAS, the City of Shasta Lake has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access to cannabis to residents.

WHEREAS, the proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and City staff has determined that the establishment of regulations for indoor cannabis cultivation, manufacturing, testing, distribution, transportation and dispensing businesses does not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the “general rule exemption” (Section 15061(b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

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

SECTION 1 - The City of Shasta Lake Municipal Code shall be amended to add chapter 5.05 to read as follows.

Chapter 5.05 – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES

5.05.010 – Purpose and Intent

It is the purpose and intent of this section to regulate the cultivation, manufacturing, testing, distribution, transportation, and sale of medical cannabis in order to ensure the health, safety and welfare of the residents of the City of Shasta Lake. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, the Medical Cannabis Regulations and Safety Act, Proposition 64, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or cultivation of cannabis or medical cannabis as authorized under State Law. All commercial cannabis business shall at all times be in compliance with current State Law at a minimum.

5.05.020 – Scope of Article

The operating standards established in this article apply to any site, facility, location, use, or business currently operating in the City of Shasta Lake, or which commences operations after the effective date of this Section, that cultivates, distributes, dispenses, stores, sells, exchanges, processes, delivers, or gives away cannabis for medical or recreational purposes. Any dispensary, cultivation facility, manufacturing facility or testing facility shall operate in conformance with the operating standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution or testing facility are in compliance with California law and to mitigate the adverse secondary effects from its operations.

Persons who cultivate marijuana for their sole personal use, or qualified primary caregivers who cultivate medical marijuana on behalf of their qualified patient(s) may do so in quantities recommended by their physician and in accordance with all state and local regulations without submitting any application or permit. It is hereby declared to be unlawful and a public nuisance may also be deemed to exist if such activity is determined to be related to the cultivation of cannabis and produces:

1. Odors which are disturbing to people residing or present on adjacent or nearby property or areas open to the public.
2. Repeated responses to the property from law enforcement or other code enforcement officers (more than three times in a one-year period).
3. Repeated disruption to the free passage of persons or vehicles in the neighborhood (more than three times in a one-year period) as reported to law enforcement officers or the City Code Enforcement Officer.
4. Any other impact which adversely impacts the health, safety or general welfare of people on adjacent or nearby property or areas open to the public.

Nothing in this Chapter shall be construed as a limitation on the City's authority to abate any nuisance which may exist from the planting, growing, harvesting, drying, processing or storage of cannabis plants or any part thereof from any location.

All cannabis cultivation shall be subject to SLMC Chapter 8.12 (Summary Abatement-Immediately Dangerous Buildings and Conditions), Chapter 8.16 (Abatement of Dangerous Buildings, Substandard Buildings and Public Nuisances) and the State Housing Code (California Health and Safety Code) and other applicable provisions of local and state law.

5.05.030 – Definitions

The definitions in Ordinance Code Section 17.10.030 are incorporated herein as fully set forth and are applicable to this chapter.

5.05.040 – Separation Requirements

- a. No cannabis dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 900-foot linear footage (from property line to property line) from a school, day care home, recreational center, youth center, library or public park as required by Section 11362.768 of the Health and Safety Code.

5.05.050 – Maximum Number of Dispensaries Permitted Citywide

- a. In no case shall the City of Shasta Lake allow more than three (3) dispensaries to operate within City limits, regardless of the location's compliance with any other Section specified in this Title.
- b. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Cannabis Dispensary Permit by the City or are eligible to submit for a Cannabis Dispensary Permit.

- c. Dispensaries already operating with the City's permission in the City of Shasta Lake are deemed permitted to dispense cannabis and cannabis products provided they pay all regulatory fees and taxes and all other requirements and standards of the City of Shasta Lake's regulatory ordinance, zoning ordinance and tax ordinance and as they may be amended.

5.05.060 – Commercial Cannabis Cultivation, Testing, Manufacturing, Distribution and Dispensing Facilities

- a. Commercial cannabis cultivation shall be limited to indoor or mixed-light only.
- b. For cultivation purposes, areas not specifically involved in cultivation such as offices, restrooms, hallways, storage, and stairs shall not be counted towards the square foot limit. The cultivation area shall include the maximum anticipated extent of all vegetative growth of cannabis plants to be grown on the premises and those paths in between the canopy area, those areas used in the processing, planting, growing, harvesting, drying, curing, grading, or trimming.
- c. Cannabis manufacturing facilities shall not be permitted to use volatile solvents in the manufacturing process as defined in the California Health and Safety Code 11362.3(d) and as further defined in the California Health and Safety Code 11362.775(b)(1)(A) and as they may be amended.
- d. Cannabis cultivation, manufacturing or testing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
- e. Cannabis cultivation, manufacturing, dispensary, testing and distribution facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility, if the use occupies only a portion of a building.

5.05.070 – Commercial Cannabis Business Permit Required

- a. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Shasta Lake prior to operation. The Applicant shall pay a non-refundable fee in an amount established by the City Council.
- b. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- c. A Commercial Cannabis Business Permit shall be valid for one (1) year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.

- d. All owners shall comply with California residency requirements as defined in Business and Professions code 26054.1(a)(b).

5.05.080 – Commercial Cannabis Business Permit

- a. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity associated with an individual, who has violated California Health & Safety Code Section 11590 and its provisions.
- b. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- c. A Commercial Cannabis Business Permit does not transfer with the land and does not transfer with the transfer of the property.
- d. Commercial cannabis businesses may sell, transfer or assign their business only if all fees, applications, permits and background checks as required by this ordinance and any other governing ordinance are met and approved by the Development Services Director or his or her designee.

5.05.090 – Commercial Cannabis Business Permit Application Submission Process

- a. The Development Services Director or his/her designee will prepare cannabis application forms and a related administrative policy. Each Applicant interested in operating pursuant to this Section may submit an application together with a non-refundable processing fee in an amount established by the City Council.
- b. The initial application period shall be 30 calendar days from the date the applications are released. Should the thirtieth day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director or his/her designee shall stop accepting applications and review all applications received.
- c. The Director or his/her designee shall determine whether each application received demonstrates compliance with the minimum requirements to be eligible to be entered into the selection process. These requirements include:
 - 1. Application was submitted during the application period
 - 2. Application is filled out completely.
 - 3. Application fee is paid
 - 4. The location indicated on the application meets the zoning criteria established in 17.10.020.
 - 5. The location indicated on the application meets the separation criteria established in 5.05.040.
 - 6. A planning and/or building permit with a receipt proving payment for processing from the City of Shasta Lake Planning Department for the property location the commercial cannabis business will occupy.
 - 7. A notarized signature from the property owner authorizing the location to be used for commercial cannabis business activity.

8. Authorization from the Management Association / CC&R's that a cannabis business use is allowed on that parcel (if applicable)
9. Business Owner(s) / Applicant(s) referenced on the application completes Live Scan background check.
10. There may be no change in applicant/business owner from the one(s) listed on the Commercial Cannabis Business Permit Application. The application must identify individual owner(s) as defined in the MCRSA 19320(b)(1. et. seq.) as may be amended.
11. All other application documents required in the City's application package instructions, the MCRSA, Proposition 64 and any other applicable regulations as they may be amended.
12. Photographs of the exterior of the building including the entrance(s), exit(s), street frontage(s) and parking area;
13. If the property is being rented, leased or purchased under contract, the lease agreement term, name of lessor or equivalent, shall be provided by a notarized signed affidavit of the property owner.
14. The name and address of the applicant's current Agent for Service of Process;
15. A copy of the applicant's Board of Equalization Seller's Permit;
16. A copy of the commercial cannabis business Operating Standards, listed in Section 5.05.130 and Section 05.05.140 if applicable containing a statement dated and signed by the Business Owner stating that under penalty of perjury that they read, understand and shall ensure compliance with the aforementioned operating standards.
17. Provide a statement, signed by the applicant under penalty of perjury, that the information provided is complete, true, and accurate.
18. Release of the City of Shasta Lake from all liability associated with the commercial cannabis business. Such a release includes indemnifying the City of Shasta Lake for claims, damages and injuries that may arise as a result of the commercial cannabis business.

5.05.100 – Commercial Cannabis Business Permit Application Selection Process

- a. The Director or his/her designee will evaluate the applications received and make a determination on the eligibility of each application. The Director of Development Services shall confer with law enforcement on the background checks of the listed managers, employees and volunteers. Each application that is complete and in compliance with chapter shall be placed on the "Qualified Commercial Cannabis Business Application List" and shall be notified in writing that they are a "Qualified Commercial Cannabis Business Applicant".
- b. Qualified Applicants will appear on the "Qualified Applicant List" in the order that they are selected during the independent selection process. The Development Services Department shall maintain the "Qualified Application List".
- c. A Qualified Commercial Cannabis Business applicant must submit a written request each year to maintain its status on the "Qualified Application List".

- d. All Cannabis applications received after the initial application period will be reviewed for completeness and compliance with this Chapter. If the application qualifies, it will be placed on a “Waitlist” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- e. Cannabis applications placed on the “Waitlist” will be moved to the “Qualified Applicant List” when the number of applicants on the “Qualified Applicant List” falls below 20 (twenty) and will be notified of the change in writing.
- f. The Director of Development Services or his/her designee, after receiving the application and aforementioned information, will grant the permit if they find:
 - 1. The required fee has been paid.
 - 2. The application conforms in all respects to the provisions of this Chapter.
 - 3. The applicant has not knowingly made a material misrepresentation in the application.
 - 4. The applicant has fully cooperated in the investigation and background checks required by this Section.
 - 5. The applicant has not had a commercial cannabis business license or other similar license or permit denied or revoked for cause by this City or any other city in the state within the last five (5) years prior to the date of the application.
 - 6. The commercial cannabis business, as proposed by the applicant would comply with all applicable laws including, but not limited to, health, zoning, fire and safety requirements.
 - 7. The applicant has demonstrated compliance with all aspects of the Medical Marijuana Regulation and Safety Act (MCRSA) and any other applicable requirements contained in the California Health and Safety Code.
- g. After all tenant improvements have been finalized by the commercial cannabis business owner, the Director of Development Services or his/her designee shall perform an inspection of the cannabis business location to confirm compliance with this Section and issue a report to the Director of Development Services to ensure compliance with the submitted application.
- h. If any of the items listed in the application process are not met, the Director shall notify the applicant of the deficiency within 10 days, after which the applicant will have 10 days from receipt of notice to correct the deficiency. If the deficiency is not corrected within 10 days, the Director may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director’s decision after which the applicant can appeal the decision in accordance with 5.05.120 (Appeal of Denial of Permit Reference).

5.05.110 – Cannabis Permit Annual Renewal

- a. Applications for the renewal of a permit shall be filed with the Director of Development Services at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be

required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.

- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Development Services who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Development Services in order to determine whether said permit should be renewed.

5.05.120 – Appeal of Denial of Permit

- a. The Development Services Director, in consultation with law enforcement, Building Official and Shasta Lake Fire Protection District, will review all Commercial Cannabis Business applications, and all other relevant information, and determine if a permit should be granted. If the Development Services Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Development Services Director will approve or deny the permit by providing written notice to the applicant.
- b. An applicant who disagrees with the Development Services Director's decision may appeal such decision to the Shasta Lake Planning Commission by submitting a written appeal within five (5) calendar days from receipt of the written denial pursuant to the requirements of Shasta Lake Municipal Code Section 17.92.050(G). A decision of the Planning Commission may be appealed to the City Council if the appeal is submitted in writing to the City Clerk within five (5) calendar days following the Planning Commission's action.

5.05.130 – Operational Standards for All Commercial Cannabis Business Activities

- a. Interior and exterior locations of the business property shall be monitored as all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on location premises. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure onsite location for a period of not less than fourteen (14) days, and be available for inspection at any time.
- b. Recordings shall be maintained, unaltered, for a period of not less than fourteen (14) days and shall be stored digitally. The City of Shasta Lake or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.

- c. A commercial cannabis business entity that remains inoperative for more than ninety (90) days shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Development Services Director or his or her designee.
- d. Establish and participate in a track and trace system for reporting the movement of commercial cannabis throughout the distribution chain.
- e. Register with the Department of Pesticide Regulation if using any pesticides.
- f. Comply with all State regulations regarding testing, labelling and storage of all cannabis products.
- g. Meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis.
- h. Conform to all State regulations requiring the use of appropriate weighing devices.
- i. Conform to all State and local regulations regarding water usage.
- j. All electrical and plumbing must comply with State and local regulations.
- k. Comply with all State insurance and security bond regulations.
- l. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- m. Meet all State deadlines for applying for a State license and receive a State license within six (6) months after the date the State begins issuing licenses. This may be waived if the State has longer delays in issuing licenses of the type the commercial cannabis business seeks.

5.05.140 – Additional Operational Standards for Dispensaries

- a. If required by the State, at all times the cannabis dispensary is open, the dispensary shall provide at least one security guard who is licensed, possesses a valid Department of Consumer Affairs “security guard card”, and has a valid City of Shasta Lake Business License.
- b. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to assure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.

1. Signage

- i. All exterior signage shall conform with existing zoning requirements. The existing dispensary signage is 'grandfathered' in as of April 1, 2017. Any additional signage modifications shall comply with existing zoning.
- ii. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary:
 - a) Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited.
 - b) No one under the age of 21 shall be allowed to enter this facility unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian.
 - c) The City of Shasta Lake has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
- c. No recommendations from a doctor for medical cannabis shall be issued on-site.
- d. Each dispensary owner shall establish minimum training standards for all employees.
- e. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol, tobacco or cannabis by patrons without prior written approval from the City.
- f. Drive through sales must be approved in writing by the City prior to implementing.
- g. The dispensary shall comply with State Department of Health requirements pertaining to use of commercial kitchen facilities for the cannabis operations.
- h. Hours of operation shall be limited to: Monday -- Sunday 10 a.m. – 8 p.m.
- i. All employees of the dispensary must wear photo identification badges clearly identifying them as employees at all times when on duty. Badges must have frontal face picture, be at least 2"X2" and of passport picture quality. Alternatively, employees must at all times on the premises wear an employer furnished uniform and name badge which clearly identifies them as an employee, and distinguishes them from customers and others.
- j. No one under 18 years of age shall be permitted to enter a dispensary unless such person is a qualified patient and is accompanied by his or her Primary Caregiver, licensed Attending Physician, parent(s) or documented legal guardian.
- k. Any commercial cannabis dispensary already in compliance and permitted by the City of Shasta Lake will be considered selected and continue to operate under the regulations of this ordinance, provided however, that in order to continue operating such commercial cannabis business must apply for a Commercial Cannabis Business Permit pursuant to this Chapter and otherwise meet all other conditions and requirements of this Chapter imposed on newly established commercial cannabis businesses. Only three such facilities exist in the City of Shasta Lake.

5.05.150 – Deliveries

- a. Deliveries may be made from a licensed dispensary or retail outlet.
- b. All employees who deliver cannabis must have a valid identification card at all times while the delivery is being made.
- c. Deliveries may only take place during normal business hours of the dispensary or retail outlet.
- d. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers.
- e. A dispensary or retail outlet shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered and any other information required by the State.
- f. A cannabis business shall only deliver cannabis in aggregate amounts tied to its members' needs. A cannabis business shall ensure compliance with State law limits as they regard cannabis and cannabis products.
- g. A manifest with all information required in this section must accompany any delivery person or delivery method at all times during the delivery process and delivery hours.

5.05.160 – Maintenance of Records

- a. A Cannabis Dispensary shall maintain records at the location accurately and truthfully documenting:
 - 1. The full name, address, and telephone number(s) of the owner, landlord, and/or lease of the location;
 - 2. The full name, address, and telephone number(s) of all members who are engaged in the management of the dispensary.
 - 3. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card for all patient members.
 - 4. All receipts of the dispensary, including but not limited to: all contributions, reimbursements, and reasonable compensation, whether in cash or in kind, and all expenditures incurred by the dispensary.
- b. These records shall be maintained for a period of seven (7) years and shall be made available by the dispensary to the law enforcement and/or Code Enforcement Officials upon request.

5.05.170 – Inspection and Enforcement Responsibilities

City Code Enforcement Officials may enter and inspect the location of any commercial cannabis business between the normal business hours to ensure compliance with this Section. In

addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with his or her violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

5.05.180 - Fees.

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following.

- a. Application Fee. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an application for the commercial cannabis business.
- b. Business License Fee. The Business Owner shall at all times maintain a current and valid business certificate and pay all business taxes required by the Shasta Lake Municipal Code.
- c. Regulatory License Fee. The Business Owner shall pay an annual regulatory license fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.

5.05.190 – Violation and Enforcement

Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's Commercial Cannabis Business Permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and persons related or associated with the cannabis business.

SECTION 2 - SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any 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 passed this ordinance, and each and every section,

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subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3 - EFFECTIVE DATE

After its adoption, this ordinance shall be in full force and effect as provided by law.

DRAFT



Report and Recommendations
Reviewed and Approved

6.1



City Manager

AGENDA ITEM City Council

TO: Mayor and City Council Members

FROM: John Duckett, City Manager

DATE: April 6, 2017

SUBJECT: State Water Resources Control Board
Funding Agreement No. D16-01029
City of Shasta Lake Wastewater Treatment Facility

FILE NO.: W-090-921-470

RECOMMENDATION:

Staff requests that the City Council review updated information on the loan and grant package (Installment Sale Agreement and Grant No. D16-01029) between the City of Shasta Lake and the CA State Water Resources Control Board for the construction of the City of Shasta Lake Wastewater Treatment Facility Upgrade project.

BACKGROUND:

For the past several years, the City has been working to address ongoing issues at the City's Wastewater Treatment Facility related to effluent discharge and disposal, mixing zone adequacy, and continued NDPES permit compliance with the Regional Water Quality Control Board (RWQCB). Following a long series of studies and reports extensively detailed at previous City Council meetings and study sessions, as well as work by City staff to complete an exhaustive application for a CWSRF loan and grant package to fund the project, the City in December 2015 began Final Design work on the proposed project.

The Final Design work (completed by Water Works Engineers of Redding, CA) currently sits at 90% complete, with construction cost currently estimated at \$17.3M. The project is currently scheduled to be advertised for construction in November 2017, with actual construction work starting in Spring, 2018 and continuing until the end of 2019.

On April 4, the City Council awarded the Wastewater Treatment Facility Construction Management and Field Inspection Services contract to Carollo Engineers of Sacramento, CA in the amount of \$973,950.00 and approved a total not to exceed of \$1.0M to allow for a contract contingency, contingent upon City Council approval of a funding agreement between the City of Shasta Lake and the State Water Resources Control Board Clean Water State Revolving Fund (CWSRF) program.

As noted, the City has applied for loan and grant funds through the State Water Resources Control Board Clean Water State Revolving Fund (CWSRF). This application was successful, and CWSRF has supplied the attached Installment Sale Agreement and Grant No. D16-01029. Staff has reviewed the agreement and, with the exception of some incorrect dates that will be modified following bid opening (see below), believes it is in substantial accordance with what was expected.

FISCAL IMPACTS:

As noted above, the current 90% construction cost estimate is approximately \$17.3M and the construction management cost is \$1.0M, for a total current estimated agreement cost of \$18.3M. It is important to note that that the construction estimate includes approximately 15% contingency.

The total agreement amount is \$20.0M, which matches the initial application cost breakdown. Of this total agreement amount, \$6.0M is anticipated to be a grant to the City, so the maximum total amount of loan being financed is \$14.0M @ 1.7% for 30 years.

The CWSRF allows a one-time adjustment of the total agreement amount and applicable dates following the construction bid opening. This adjustment will consist of a) adjusting all agreement dates to match the construction schedule and b) adjusting the final loan amount to reflect the bid results.

ATTACHMENTS:

None

DISTRIBUTION:

City Council