

RIO DELL CITY COUNCIL AGENDA CLOSED SESSION – 5:30 P.M. REGULAR MEETING - 6:30 P.M. TUESDAY, MARCH 5, 2019 CITY COUNCIL CHAMBERS 675 WILDWOOD AVENUE, RIO DELL

WELCOME - By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting. Assistance listening devices are now available for the hearing impaired. Please see the City Clerk for a receiver.

- A. CALL TO ORDER
- B. ROLL CALL
- C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:
 - 1) 2019/0305.01 <u>Public Employee Performance Evaluation</u>
 Title: City Manager (Pursuant to Gov't Code §54957)
- D. PUBLIC COMMENT REGARDING CLOSED SESSION
- E. RECESS INTO CLOSED SESSION
- F. RECONVENE INTO OPEN SESSION 6:30 P.M.
- G. ORAL ANNOUNCEMENTS
- H. PLEDGE OF ALLEGIANCE
- I. CEREMONIAL MATTERS
 - 1) 2019/0305.02 Introduction and Swearing in of Police Officers: Logan Mitchell and Crystal Landry

J. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

K. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

- 1) 2019/0305.03 Approve Minutes of February 19, 2019 Regular Meeting (ACTION)
- 2) 2019/0305.04 Approve Resolution No. 1414-2019 Amending the Operating and Capital Budget for FY 2018-19 to transfer appropriations for City Hall Janitorial Services
 (ACTION)
- 3) 2019/0305.05 Authorize the City Manager to sign an agreement with Suddenlink for Fiber Internet Services (ACTION) 16
- 4) 2019/0305.06 Approve letter of support to the California Transportation Commission related to funding for the Last Chance Grade (ACTION)
- L. ITEMS REMOVED FROM THE CONSENT CALENDAR
- M. REPORTS/STAFF COMMUNICATIONS
 - 1) 2019/0305.07 City Manager/Staff Update (RECEIVE & FILE) 28
- N. SPECIAL PRESENTATIONS/STUDY SESSIONS
- O. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS
- P. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

- 1) 2019/0305.08 Approve second reading (by title only) and Adopt
 Ordinance No. 372-2019 amending Chapter 13.05
 Water Rates and Regulations of the Rio Dell Municipal
 Code (RDMC) incorporating language regarding
 obligations to reimbursement agreements (ACTION) 31
- 2) 2019/0305.09 Introduction and first reading (by title Only)of Ordinance
 No. 373-2019 amending Section 5.40.250 of the Rio Dell
 Municipal Code related to cannabis taxation
 (ACTION) 35
- 3) 2019/0305.10 Introduction and first reading (by title Only) of Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code relating to retail sales, testing laboratories and cultivation on the Dinsmore Plateau (ACTION)
- Q. COUNCIL REPORTS/COMMUNICATIONS
- R. ADJOURNMENT

The next regular City Council meeting is scheduled for **Tuesday, March 19, 2019** at 6:30 p.m.

RIO DELL CITY COUNCIL REGULAR MEETING MINUTES FEBRUARY 19, 2019

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Pro Tem Woodall.

ROLL CALL:

Present:

Mayor Pro Tem Woodall, Councilmembers Richter.

Strahan and Woodall

Absent:

Mayor Garnes (excused)

Others Present:

City Manager Knopp, Finance Director Kerrigan, Chief

of Police Conner, Water/Roadways Superintendent

Jensen, and City Clerk Dunham

Absent:

Community Development Director Caldwell, and

Wastewater Superintendent Long

PUBLIC PRESENTATIONS

Nick Angeloff provided a brief update on Chamber of Commerce activities and said the February Chamber mixer held at the Fire Hall went well and that the next mixer was scheduled for some time in May with details to follow. He said they would be ordering Christmas decorations by the end of the month to take advantage of the 33% off sale, and announced that Green Buffalo Medical was planning an artist exhibition in April or May and that they were working on their business plan.

CONSENT CALENDAR

Mayor Garnes asked if any councilmember, staff or member of the public, would like to remove any item from the consent calendar for separate discussion.

Councilmember Strahan removed item (2) Mid-Year Financial Report, and item (3) Northwestern Avenue Waterline Reimbursement Agreement and Certificate of Acceptance for separate discussion.

Motion was made by Wilson/Richter to approve the consent calendar including approval of the minutes of the February 5, 2019 regular meeting; and to receive and file the Check Register for January 2019. Motion carried 4-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Receive and File Mid-Year Financial Report for FY 2018/19

Councilmember Strahan asked staff to make a statement regarding the mid-year financial report.

Receive and File Mid-Year Financial Report for FY 2018/19

Councilmember Strahan asked staff to make a statement regarding the mid-year financial report.

Finance Director Kerrigan summarized the report and explained that General Fund revenues were reported at 20% because the City collects revenues on a cash basis and property tax revenue was not received until after the quarter ending December 31, 2019. She anticipated General Fund revenues to be at or above budgeted amounts by year-end.

She noted that the Building Fund showed a high budget variance at 93% at mid-year due to cannabis related revenues. The Police Department had a budget variance of 25% due to the department being understaffed, and the Public Works Department was at 43% with full staff. She noted that there might be significant budgetary savings at year-end because some of the Capital Projects will not be completed, although they might be carried over to the next fiscal year budget. Overall, the budget was progressing as it should and she anticipated no problems.

Councilmember Strahan questioned the Local Agency Investment Fund (LAIF) and asked if the council approved it as the City's investment policy.

Finance Director Kerrigan stated that the investments were made according to the City's current investment policy, which was updated by Resolution No. 1346-2017.

City Manager Knopp explained that LAIF is the most commonly used investment policy for California local governments and is administered and backed by the State. He added that the current rate of return is around 2%.

Councilmember Strahan commented that 2% interest is low in the banking world and asked if the funds are guaranteed for the same \$100,000 as banks are.

Finance Director Kerrigan commented that it was her understanding that the entire amount of the investment was guaranteed.

City Manager Knopp pointed out that safety and liquidity of the funds was the most important factor, not necessarily the rate of return on the investment.

Finance Director Kerrigan agreed and said that the funds are easily and quickly accessible and that it does not make sense to roll the funds over into various accounts.

Councilmember Strahan asked where the interest earnings are posted.

Finance Director Kerrigan explained that the interest is posted to individual funds using the same ratio as the reserve fund balances for the various funds.

Councilmember Strahan questioned the possibility of the interest income being put toward a specific project such as streets.

City Manager Knopp explained that the vast majority of the reserve fund balance is water, sewer and general fund, with only a small portion from the streets fund. He noted that general fund monies could be allocated for streets projects but water and sewer funds are enterprise funds and restricted to those activities.

Councilmember Strahan pointed out that according to her calculations, at 2% the LAIF fund would generate \$60,000 in interest income annually.

City Manager Knopp urged the Council to be mindful of inflation and the value of money over time, and to remember that LAIF in recent years was close to a zero interest rate. He reiterated that it is not a source of revenue that can be used anywhere the Council desires.

Councilmember Wilson asked if LAIF interest was ever at a negative amount.

City Manager Knopp said that it has been close to zero but never negative, noting that the funds are guaranteed by the State and is one of the safest places for local governments to invest.

Councilmember Wilson asked staff to put a copy of the investment policy in each councilmember's mailbox.

Mayor Pro Tem Woodall asked if funds were invested in LAIF at the time the policy was updated.

Finance Director Kerrigan indicated that staff did not transfer funds to LAIF for several months after the policy was updated. She said that she tends to place error on the side of caution when it comes to investing large amounts of money.

City Manager Knopp noted that staff spoke to banks about possible investment opportunities and that there was really no reason to invest in LAIF until after the recession ended.

Motion was made by Richter/Strahan to receive and file the Mid-Year Financial Report for FY 2018/19 as presented. Motion carried 4-0.

Authorize the City Manager to Execute the Northwestern Avenue Waterline Reimbursement Agreement and Certificate of Acceptance
Councilmember Strahan asked staff to provide an overview of the agreement.

City Manager Knopp explained that in the development of the Humboldt Rio Dell Business Park (HRDBP), one of the biggest hurdles was water. He said the City Council in the past gave clear direction that City funds were not to be used to further that development. To move the development forward, Glenn White, Precision Manufactured Developments, (PMD) Inc. installed a new waterline consisting of approximately 5,000 linear of 10 inch water main including valves and hydrants within the Northwestern Avenue public right-of-way. Upon development of the nine remaining parcels at the HRDBP, those property owners would be required to connect to the water main as a condition of development and reimburse Mr. White their proportionate cost of the waterline.

He further explained that unlike other cities, Rio Dell has no access to economic development funds to assist with these types of projects. As such, the City is very fortunate to have Glenn White agreeable to front the costs. In addition, he has agreed to offer dedication of the installed waterline and associated appurtenances to the City.

City Manager Knopp added that staff, as well as the engineers was impressed with the overall quality of the project noting that they did a very professional job.

Councilmember Strahan commented that with dedication of the water line to the City, she assumes that the City then takes on the responsibility for the maintenance as well as the liability.

City Manager Knopp expressed the importance of having a clear line of responsibility and noted that there would be no more liability than with any other property owner.

Councilmember Strahan mentioned that at the last meeting there was an engineer present (Derek Long, representing the developers) that complained about Glenn White (PMD, Inc.) not having the proper contractor's license to perform the work.

Councilmember Richter clarified that the concern was that the contractor only had a General (Class B) license rather than a Class A license. He said there was no problem because of the work he was already doing there as a General Contractor, it would allow him to install the waterline.

Councilmember Wilson commented that the engineer also mentioned that Wendt Construction had submitted a bid for the waterline project of around \$400,000, which was significantly less than Glenn White's estimated costs. He said that there was a lot of extra concrete that had to be removed and other things that added to the cost of the

project. He said it was great that Glenn White agreed to install the line because he does not know how the City would have accomplished it without securing a bond or grant.

City Manager Knopp pointed out that the Wendt bid was based on a simple straight-forward project and did not anticipate any of the extra work that was involved. In addition, Mr. White installed several fire hydrants that added to the cost. He said that this was a fantastic addition to the City's infrastructure and would help to generate business at the HRDBP.

Mayor Pro Tem Woodall pointed out that as other development occurs at the HRDBP there will be additional infrastructure installed that will benefit the city.

Councilmember Strahan asked for assurance that the City did not contribute any funds toward this project. City Manager Knopp clarified that the City did not contribute funds.

Motion was made by Wilson/Richter to authorize the City Manager to execute the Northwestern Ave. Waterline Reimbursement Agreement and Certificate of Acceptance. Motion carried 4-0.

Glenn White clarified that they did have a Class A license and explained that anytime a contractor is involved in a public works project, they must have that license. He said initially when he spoke to Dennis Wendt about the project; his quote was based on preliminary plans. Later, Ron at Wendt Construction expressed interest in performing the job but they did not want to finance the project. He said they did not anticipate running into an old 1950's roadway when they began digging or a high-pressure gas line they had to avoid. In addition, the line was upsized from an 8 inch to a 10-inch line. He said that the job was professionally done the way he would do on his own properties. He noted that his crew is 4 weeks from completing a 6-year project so once that job is complete, work here will commence and move forward much more quickly.

He expressed appreciation for the City's efforts in getting his expenses reimbursed and pointed out that getting investors for cannabis related projects is attainable but not for public works infrastructure projects.

Water/Roadways Superintendent Jensen complimented Mr. White for doing such an exceptional job.

City Manager/Staff Update

City Manager Knopp provided an overview of the Staff Update as presented and said that he attended the 2019 Annual City Manager's Conference in San Diego and that he, along with 45 other cities were identified as those potentially impacted by the Governors

threat of lawsuit over non-compliant out-of-date Housing Elements. He indicated that staff is working on the update and he does not anticipate any adverse action from the

State at this time. He commented that the Danco Supportive Housing Project would add significantly to the housing numbers, which will put the City in a much better position as far as compliance.

Councilmember Strahan commented that this topic was discussed at the HCAOG meeting in January and Rio Dell was not listed among the cities out of compliance with regard to low income/affordable housing, noting that the biggest number was the lack of single-family housing.

Mayor Pro Tem Woodall asked if the City was experiencing any serious problems related to the storm.

Water/Roadways Superintendent Jensen reported that he was relying on the wells more than normal because of the turbidity in the river. He said there was one Sanitary Sewer Overflow (SSO) during the last storm event but overall the plant was operating reasonably well.

City Manager Knopp added that the public works department should be commended for completion of the Belleview Storm Drain Project as it helped to alleviate the overall pressure of the water in the ground so it could be moved out more quickly and not seep into the sewer drains. He said the contributing factor to the SSO was monsoon rain events.

Mayor Pro Tem Woodall asked how the Monument slip out was holding up.

Water/Roadways Superintendent Jensen noted that there appears to be some fresh cracking and sluffing off of the roadway but it seems to be holding for now. He said there was some discussion about possibly putting a weight limitation on vehicles.

City Manager Knopp said staff talked to the City Engineer and they did not recommend imposing a weight limitation on the road. In their opinion, if the road were closed the slide would probably move without any weight on it so there is not necessarily a direct correlation with the traffic and failure of the roadway although he is not entirely convinced. He indicated that staff instructed the city attorney to issue a letter to Terra-Gen, who had moved a heavy crane up Monument Road to let them know that the City would be watching and documenting any damage caused by them or their contractors.

He noted that the repairs are the County's responsibility and construction was not expected to occur until 2020 or 2021. He said one of the engineer's big concerns is the rest of Monument Road (300-400 yards going down toward the City) likely going out at

some point. He said Monument Road as well as Blue Slide Road is at risk and perhaps the City Council should allocate funds toward maintaining the infrastructure in those areas.

Councilmember Wilson asked if staff had scheduled a swearing-in ceremony for the two newly hired police officers to give the City Council the opportunity to meet them.

Chief Conner noted that he would try to arrange it for the next regular meeting on March 5th.

ADDING UNLISTED ITEM TO THE AGENDA

<u>Letter of Support for California Department of Transportation's (CTC) in Support of Last</u> Chance Grade Project

City Manager Knopp explained that staff received a letter today from Congressman Huffman's office asking for a letter of support from the City to CTC for \$40 million in support of the Last Chance Grade project. He provided the Council with the draft letter and recommended the Council authorize Mayor Pro Tem Woodall to sign the letter.

Motion was made by Woodall/Richter to place an unlisted item on the agenda titled: "Authorize Mayor Pro Tem Woodall to sign letter of support for California Department of Transportation's (CTC) request for \$40 million to fully fund the Project Approval and Environmental Document phase of the Last Chance Grade Project" pursuant to Government Code Section 54954.2(b.2) because the need to take action arose subsequent to the agenda having been posted. Motion failed 3-1; Councilmember Strahan dissenting. (2/3 vote required)

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Approve Contract with Miranda's Animal Rescue and Authorize Chief of Police to execute

Chief Conner provided a staff report and explained that the contract is a modification of the existing contract with Miranda's Rescue. He commented that Shannon Miranda came before the Council and requested an increase in the monthly fee from \$1,000 to \$2,200. His reason for the requested increase was due to the cost of spaying and neutering dogs and cats and other rising costs to care for the animals. Staff commenced in negotiations with Mr. Miranda and came to a tentative agreement of \$1,900 per month. He said the \$1,900 was based on what staff anticipated the cost would be under a contract with the County. He said the problem with contracting with the County is that the animals would have to be transported to McKinleyville where the County's shelter is located.

He noted that staff requested some other minor modifications to the agreement. The

modifications included minor changes in the information required on the monthly invoice, the removal of the section requiring Miranda's Rescue to assist in the selling of dog licenses and an addition that would require the owner of an animal to show proof of payment to the City for the redemption fee before they release the animal to the owner.

He said that the City currently delivers an average of five animals per month to the shelter and the information on the actual number of animals handled per month will assist staff in future negotiations of the contract.

Councilmember Wilson asked if the City would be required to replace the dog kennel that houses Rio Dell's animals as requested by Shannon when he addressed the Council.

Chief Conner indicated that a dog kennel was provided through a private donation.

Councilmember Wilson asked if animals go directly to Miranda's Rescue when they are picked up.

Chief Conner explained that they try to return the animals to their owner but unless the animal is licensed, they usually do not have any contact information. He noted that people that license their dogs typically take care of their dogs so most of the dogs picked up are not licensed.

Councilmember Strahan questioned the increase in the monthly fee from \$1,000 to \$1,900 and asked what the cost is for spaying or neutering animals.

Chief Conner said the cost of spaying or neutering a small dog or cat is approximately \$200 and up to \$500 for a large dog.

Mayor Pro Tem Woodall asked if owners are required to pay a redemption fee upon release of their animal.

Chief Conner explained that in order for someone to get their animal released, they need to come to the police department, pay the redemption fee then take the receipt to Miranda's to get their animal released. If the animal is not properly licensed or vaccinated the police department will follow up with the owner.

Councilmember Strahan asked if Miranda's Rescue was firm on the \$1,900 monthly fee.

Chief Conner explained that there are not a lot of options available for animal care services.

Councilmember Wilson pointed out that the City is liable in the sense that if someone

dumps off an animal, it is the City's responsibility to deal with it.

Councilmember Wilson pointed out that the City is liable in the sense that if someone dumps off an animal, it is the City's responsibility to deal with it.

Motion was made by Wilson/Richter to approve the contract with Miranda's Animal Rescue and authorize the Chief of Police to execute. Motion carried 3-1; Councilmember Strahan dissenting.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Introduce and Conduct first reading (by title only) of Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations of the Rio Dell Municipal Code incorporating language regarding obligations to reimbursement agreements

City Manager Knopp provided a staff report and said this ordinance amendment relates to the new waterline and appurtenances installed by Glenn White, Precision Manufactured Developments, (PMD) Inc. as discussed earlier. Mr. Michael Colantuono, the City's Special Counsel who helped to develop the reimbursement agreement, recommended the City amend the City's Water Rates and Regulations to include language regarding reimbursement agreements. He said this ordinance amendment ties the development at the Humboldt Rio Dell Business Park (HRDBP) to the City's Water Ordinance.

Councilmember Strahan asked if water rates for the HRDBP would be the same as the rest of the City.

City Manager Knopp indicated that the rates would be the same.

Mayor Pro Tem Woodall opened the public hearing to receive public comment on the proposed ordinance. There being no public comment, the public hearing closed.

Motion was made by Wilson/Richter to introduce and approve the first reading (by title only) of Ordinance No. 372-2019 Amending Chapter 13.05 Water Rates and Regulations of the Rio Dell Municipal Code (RDMC) Incorporating Language Regarding Obligations to Reimbursement Agreements, and to continue consideration, approval and adoption of the proposed Ordinance to the meeting of March 5, 2019. Motion carried 4-0.

ADJOURNMENT

Motion was made by Strahan/Richter to adjourn the meeting at 7:35 p.m. to the March 5, 2019 regular meeting. Motion carried 4-0.

Julie Woodall, Mayor Pro Tem

RIO DELL

675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 (707) 764-5480 (fax)

> City of Rio Dell Staff Report City Council Agenda March 5, 2019

To:

Members of the City Council

From:

Brooke Kerrigan, Finance Director

Randy Jensen, Water and Streets Superintendent

Through:

Kyle Knopp, City Manager

Date:

March 5, 2019

Subject:

Resolution 1414-2019 Budget Amendment to Transfer Appropriations for

City Hall Janitorial Services

RECOMMENDATION

It is recommended that the City Council approve Resolution No. 1414-2019 amending the Operating and Capital budget to transfer appropriations for janitorial services for City Hall.

BACKGROUND

Each year the City budgets a contractual amount for City Hall janitorial services. The current budget shows \$5,196 (5115 Contract/Professional Services) was budgeted for an annual contract with a local cleaning service vendor. The amount is allocated to various departments. In lieu of vendor services the City has been utilizing Public Works staff in order to achieve improved cleaning services. Staff is requesting to transfer budgeted departmental amounts from line item 5115 Contract/Professional Services from the various departments to payroll line items in the Buildings and Grounds Department.

BUDGETARY IMPACT

Transfer appropriations from various City departmental budgets to Buildings and Grounds Department budgeted payroll items for an amount of \$5,196.

ATTACHMENTS

Resolution 1414-2019 Budget Amendment increasing Building and Grounds Department payroll line items for City Hall janitorial services and decreasing various departmental line items 5115 Contract/Professional Services.



RESOLUTION NO. 1414-2019 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL AMENDING THE OPERATING AND CAPITAL BUDGET FOR THE FISCAL-YEAR 2018-2019 TO TRANSFER APPROPRIATIONS FOR CITY HALL JANITORIAL SERVICES

WHEREAS, the City adopted Resolution 1389-2018 establishing the City's Operating and Capital Budget for the Fiscal-Year 2018-19; and

WHEREAS, the City has approved and its 2018-19 fiscal year Operating and Capital Budgets and have identified costs that should be transferred to update the 2018-19 fiscal-year budget; and

WHEREAS, from time to time it is recognized that appropriations be transferred to cover costs for City services; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby amend the City of Rio Dell 2018/19 Operating and Capital Budget to transfer appropriations for City Hall Janitorial Services as follows:

Erom	5115	Contract	/Dro	fessional
From	DITO	Contract	1710	ressionar

Services by Department	(5,196.00)
CITY MANAGER DEPT.	446.86
FINANCE DEPARTMENT	457.25
SOLID WASTE DEPT	41.57
GENERAL GOVERNMENT DEPT	20.78
POLICE DEPARTMENT	665.09
PLANNING DEPARTMENT	72.74
BUILDING DEPARTMENT	67.55
BUILDINGS AND GROUNDS DEPT.	405.29
SEWER DEPARTMENT	1,470.47
WATER DEPARTMENT	1,470.47
STREETS DEPARTMENT	77.94
TO BUILDINGS AND GROUNDS P/R	5,196.00

PASSED AND ADOPTED by the City Council of following vote:	the Rio Dell on this 5" day of March, 2019 by the
Ayes: Noes: Abstain: Absent:	
ATTEST:	Debra Garnes, Mayor
Karen Dunham, City Clerk	

CITY OF RIO DELL REQUEST FOR BUDGET TRANSFER/ADJUSTMENT

BT/ADJ#	
Poso #	

	DEPARTMENT:	⊘ ✓ DEPT#	09	DATE: 3/1/2019
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4.)	Department Authoriz	ation: RW	Date: 31119 (Signed)	2000 Javes
5.)	Account balances ver	ified by Finance Director:	Date: 3/1/19 (Signed)	Broke Kurig
6.)	/Approved	/Not Approved City Manager	/Recommended Date: (Signed)	/Not Recommended
7.)	/Approved /Tabled	/Not Approved/Modified City Council	/Recommended/Next Meeting Date: (Signed)	/Not Recommended

CITY OF RIO DELL REQUEST FOR BUDGET TRANSFER/ADJUSTMENT

BT/ADJ#____ Reso.#

DEPARTMENT:	DEPT#	09	DATE: 3/1/2019
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FUND BUILDING	4 GROUNDS	ACCOUNT NUMBER 5000 - 5099 "" "" "" "" ""	AMOUNT 67.55 72.74 405.29 1636.74 1304.25 77.94
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4.) Department Authoriza	ation: $+W$	Date: 3/1/2019 (Signed) 12	
5.) Account balances veri	fied by Finance Director:	Date: 3/1/19 (Signed) 3	cooke felling
5.)/Approved	/Not Approved City Manager	/Recommended Date: (Signed)	/Not Recommended
7.)/Approved /Tabled	/Not Approved/Modified City Council	/Recommended/Next Meeting Date: (Signed)	/Not Recommended

RIO DELL

Rio Dell City Hall 675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 cityofriodell.ca.gov

March 5, 2019

TO:

Rio Dell City Council

FROM:

Kyle Knopp, City Manager

SUBJECT:

Authorization for the City Manager to Sign an Agreement with Suddenlink for

Fiber Internet Services

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to sign an agreement with Suddenlink for Fiber Internet and related services.

BACKGROUND AND DISCUSSION

As part of this year's budget the Council appropriated funds and authorized staff to move forward with implementing RIMS software for the Police Department. Rio Dell is one of the only Law Enforcement agencies not currently modernized to this new information sharing system.

In order to implement the RIMS software, the City will require a high speed fiber that has both high speed download and upload capacities. Staff is recommending using Suddenlink for these services.

The cost of this new system is approximately \$1,014.00 per month. However, when you factor in existing services that can be consolidated into the new fiber connection the net increase in cost to the City is approximately \$445.00 per month. The contract is for three years and exceeds the City Manager's authorization level, therefor Council approval is needed to continue work on obtaining the fiber service and implementing the RIMS system.

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Service Level Agreement

- I. Scope. This Service Level Agreement ("SLA") is incorporated into the Commercial Service Agreement by and between Suddenlink Business Services, LLC ("Suddenlink") and the undersigned Customer. Suddenlink shall endeavor to meet the performance standards and services levels set forth in this SLA with respect to the Services provided to the undersigned Customer.
- A. Network Availability. The Suddenlink network shall be available for use by Customer with the Services provided under the Agreement at least 99.99% of the available time ("Network Availability"). This parameter is calculated by dividing the number of minutes that the Services are available for Customer's use by the total number of minutes in each calendar month and multiplying by 100. In calculating Network Availability, the reasons or causes set forth in Section A.3 of this SLA shall not be included in determining whether Suddenlink has met the applicable performance standard for Network Availability. For example, if the Services experience an outage for One (1) day due to a Force Majeure (flood) event, and otherwise experience no other outage or Service Interruption during the applicable month, Suddenlink will be deemed to have met the Network Availability performance standard of 99.99%.
- 1. Service Interruption. A Service Interruption or an outage in Services is not a Default under the Agreement, but may entitle Customer to credits as provided in this SLA. A Service Interruption is a loss of Services or a degradation of signal to the Customer that adversely affects the ability of Customer to use the Services. A Service Interruption period begins when Customer makes a Trouble Report (as defined below) to Suddenlink's Network Operations Center (NOC) under the methods and procedures set forth in Section II of this SLA and ends when Suddenlink restores the Services to Customer.

2. Service Interruption Credits for Network Availability. A Credit Allowance will be given in any month during the term of the Agreement when there is a Service Interruption that qualifies for a credit allowance. The amount of the Credit Allowance shall be as follows:

Services Interruption Length
Less than 2 continuous hours

Credit None

2 hours or More

1/30 of MRC due for the applicable month for each 2 hour period and additional fraction thereof

3. Exceptions to Credit Allowance. Credit Allowances shall not be provided for Services Interruptions: (i) caused by Customer, its employees, agents or subcontractors; (ii) due to failure of power or other equipment provided by Customer or the public utility company supplying power to Customer; (iii) during any period in which Suddenlink is not allowed access to the premises of Customer to access Suddenlink equipment; (iv) due to scheduled maintenance and repair; or during the maintenance window (v) caused by or due to violations of the Suddenlink Acceptable Use Policy (data customers); (vi) caused by fiber optic cable cuts on the Customer's property which are not the fault of Suddenlink; (vii) caused by a loss of service or failure of the Customer's internal wiring or other customer equipment; or (viii) due to Force Majeure events. In no event shall Customer receive more than One (1) month's MRC as credit for Service Interruptions or outages in any thirty (30) day period regardless of the number of Service Interruptions or outages. In the event that it is discovered that the Service interruption was at no fault of the Suddenlink network, and/or Suddenlink personnel and is further proven to be as a result of an issue from the Customer's network, and/or personnel a "No-Fault Trouble Call" fee will be assessed to the customer of \$165 per hour with a 2-hour minimum deemed payable within the next billing cycle.

4. Major Outage. If three (3) times during the term of the Agreement, the Services to the Customer experience a Network Availability outage that falls below the 99.99% agreement, other than as a result of the causes set forth in Section A.3 above, Customer may terminate this Agreement without charge or payment of any termination charges otherwise provided in the Agreement; provided Customer complies with the notification process described in this Section 4. Within thirty (30) days of the occurrence of the 3rd Major Outage Customer shall notify Suddenlink in writing of its election to terminate this Agreement and this Agreement shall terminate upon Suddenlink's receipt of such notice. If Customer fails to notify Suddenlink within thirty (30) days of the 3rd Major Outage, of its intent to terminate, then Customer shall be deemed to have waived its right to terminate this Agreement under this Section 4 until the occurrence of a subsequent Major Outage, if any. Upon termination under this Section 4, neither party shall have any further rights, obligations, or liabilities to the other party, except those accrued through the termination date, and that expressly survive termination of this Agreement.

II. <u>Trouble Reports.</u> Suddenlink shall maintain a twenty-four (24) hour, seven (7) day a week point-of-contact for Customers to report Service troubles, outages or Service Interruptions. Customer shall call Trouble Reports to 866-232-5455. A "Trouble Report" means any report made by Customer relating to the Services or the equipment provided by Suddenlink. In the event Suddenlink receives a Trouble Report from Customer, Suddenlink shall respond within 4 hours.

Customer:
Signature:
Title:
Date:
Suddenlink:
Signature:
Title:
Date:



Print Name

Commercial Service Order & Agreement v3.4 09.28.2018

ousilles.	J								
Account Rep	BOBBI CHAIREZ			System	Address			Office	
Phone Number	(707) 268-5306			4			911 W Wabash		
Fax Number	(866) 721-7563						Eureka, CA 95501		
Customer Information Authorized Customer Representative									
Customer Information				Full Nar		presente	litte		
Account Number	BIO DELL DOLLCE DEDT			Telepho					
Legal Company Name Street Address	RIO DELL POLICE DEPT 675 WILDWOOD AVE			Fax					
				Email A	ddrass				
City/State/Zip Billing Address	RIO DELL, CA 95562			Federal			*****4744		
City/State/Zip					ed Delivery Date				
City/State/Zip	If Bar or Restaurant account, no	ntate occupancy (1-50	n· 51-10			00: 501+)			
	in but of nestaurant account, in	otate occupancy (1 se	0,01 10	,, 101 101,	,,	, , , ,			
		Taxes	and Fo	ees Not Ir	ncluded				
Service [Marakhi Basuwing		One Time Activation & Setup Fees						
Optical Internet Access 100M		1		\$900.00	36 Months		\$900.00		
Unlimited Business Class Phor Unlimited Local and U.S. Long Distance		1		\$14.95	36 Months		\$14.95		
Unlimited Business Class Phon	ne - Additional Lines	5		\$19.95	36 Months		\$99.75		
								40.00	
	Totals						\$1,014.70	\$0.00	
*download and upload speeds a	are maximum speeds; they may va			Cha					
Description			luipmi	ent Charg	Unit Price			Total Fee	
Description		Quantity			Ontrice				
Special Conditions (for point to point and multipoint services, include the addresses of all circuit termination locations)									
Service includes a /29 IP block	(5 useable IP's). Additional phone					be priced	at \$19.95/month per li	ne, plus taxes, fees &	
surcharges. Standard installation fees would apply. Please allow approximately 90-120 days for Suddenlink to complete its construction. Customer must take delivery of contracted services within 30 days after Suddenlink completes construction.									
Additional charges will be bille telephone service providers.	d for required federal, state, and	local government sur	charge	s, taxes an	d fees including a \$5	.25 access	fee per phone line. The	ese charges are applied by all	
Promotion Details									
NOTICE REGARDING 911 SERVICES While your Suddenlink Phone Service may be supported by a battery backup, it is electrically powered. In the event of a power outage or Suddenlink network failure, 911 services will not be available. If you move the phone service equipment, the 911 service may not function properly and emergency operators will not be able to identify the caller's location. By signing this Agreement; (i) you represent that you are the Customer or Customer's authorized agent; (ii) you agree that you have received a copy of and have been given an opportunity to review this Commercial Service Order and the Commercial Service Agreement, of which this Service Order is a part; (iii) you agree to the terms and conditions of the Commercial Service Agreement; (iv) you acknowledge that you have read and understood the Notice Regarding 911 Services above; and (v) you acknowledge that THIS BUSINESS SERVICE AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES. This Agreement shall not be deemed effective until it has been executed by both parties. Final proposed prices in this Agreement are valid for 30 business days from the date below of the Suddenlink signatory. The prices are firm for the term of this Agreement when signed below by the Customer and by Suddenlink.									
Customer Authorized Signature				Date					
Print Name			_	Title			190		
	Cequel Communications, LLC dba Suddenlink Communications, Date on behalf of its affiliates providing services hereunder ("Suddenlink")								

Title

Commercial Service Agreement

Customer ("You" or "Customer") agrees to be bound by this Commercial Service Agreement (the "Agreement") with respect to all services ("Service(s)") provided by Suddenlink Communications and its affiliates and subsidiaries authorized to provide the services set forth herein (collectively, "Suddenlink"). The Agreement includes the general terms of service set forth below, as well as the additional commercial terms of service and terms of service applicable to the specific Services and features to which you subscribe or have access, including cable television service ("Video Service"), high speed data service ("High Speed Internet Service"), voice service ("Phone Service" or "Business Hosted Voice Service"), support services and mobile apps, as are set forth below or at www.suddenlink.com/terms-and-policies and may be updated from time to time (collectively, the "Additional Terms of Service"), which are incorporated in this Agreement by reference. You further understand and agree that the Suddenlink Communications Privacy Policy ("Privacy Policy"), which governs the collection, use and disclosure of Customer personal information, is likewise incorporated herein by reference. THIS AGREEMENT CONTAINS A BINDING ARBITRATION AGREEMENT THAT AFFECTS CUSTOMER'S RIGHTS, INCLUDING THE WAIVER OF CLASS ACTIONS AND JURY TRIALS. THE AGREEMENT ALSO CONTAINS PROVISIONS FOR OPTING OUT OF ARBITRATION. PLEASE REVIEW IT CAREFULLY.

GENERAL TERMS OF SERVICE APPLICABLE TO SERVICE(S):

- 1. Services. Suddenlink shall use reasonable efforts to make the Services available by any requested service date. Suddenlink shall not be liable for any damages whatsoever resulting from delays in meeting any service dates due to delays resulting from construction or for reasons beyond its control. Suddenlink shall provide Customer with the Services and Equipment identified on the commercial service order presented to Customer' at time of installation ("Service Order"); provided, however, if Suddenlink determines that Customer's location is not serviceable under Suddenlink's normal installation guidelines, Suddenlink may terminate this Agreement. Suddenlink shall have no responsibility for the maintenance or repair of networks, facilities and equipment not furnished by Suddenlink.
- 2. Payment of Charges. The charges for one month of Services, including any deposits, activation, set-up, installation, construction and/or Equipment charges, are due upon installation of the Services or as otherwise set forth on the Service Order. Thereafter, Customer agrees to pay monthly recurring Service charges and Equipment charges (if any) in advance, including all applicable fees (such as restoration or experience fees), taxes, regulatory fees, franchise fees, surcharges (including sports and broadcast tv surcharges), or other government assessments no later than the date indicated on Customer's bill. Charges for non-recurring Services or Equipment charges will be reflected on Customer's subsequent bill at the then current applicable rates. All rates for Services, Equipment charges and other fees and surcharges are subject to change in accordance with applicable law. If Customer elects to pay by automatic recurring credit card, debit card or automatic clearing house payments, Customer authorizes Suddenlink to charge such accounts. If Customer elects to send a check as payment, Customer authorizes Suddenlink either to use information from Customer's check to make a onetime electronic funds transfer from Customer's bank account or to process the payment as a check transaction. Failure to receive a bill does not release Customer from Customer's obligation to pay. Failure to pay the total balance when due (including checks returned for insufficient funds) shall constitute a breach of this Agreement and may be grounds for termination of Service, removal of Equipment from Customer's premises and/or imposition of a late fee ("Late Fee") in accordance with applicable law. You can avoid incurring Late Fees by paying your monthly bill promptly. Any Late Fe imposed on Customer is intended to be a reasonable advance estimate of costs of managing past due accounts. The Late Fee is not interest, a credit service charge or a finance charge. If the Customer has more than one account (Business and/or Residential) served by Suddenlink, all Suddenlink-provided Services at all locations may be subject to discontinuance of Service in the event any one account remains unpaid. In the event collection activities are required, an additional collection charge may be imposed
- 3. <u>Additional Fees</u>. In addition to Customer's monthly recurring charges and any Late Fee, additional fees may be imposed, including fees for returned checks, Payment Assistance Fees for paying by phone, receiving a paper bill, charge card chargeback, early termination, reconnection and service calls. Additional charges may also be imposed if collection activities are required to recover past due balances, including attorney fees. A list of applicable fees "Schedule of Fees") is available at www.suddenlink.com.pricing-packages. Suddenlink reserves the right to amend or change the Schedule of Fees from time to time.
- 4. Third Party Provider Charges. In connection with Customer's use of the Services and Equipment, Customer may be able to access, subscribe to, use and/or purchase products, services, software or applications that are provided to Customer by third parties ("Third Party Providers"). Customer acknowledges that Customer may incur charges in connection with the subscription to, purchase or use of these Third Party Provider products, services, software or applications. All such charges, including any additional fees and applicable taxes, shall be paid by Customer to the Third Party Provider and are not the responsibility of Suddenlink. Credits or billing adjustments for products, services, software or applications billed by a Third Party Provider shall be subject to the stated billing practices of that Third Party Provider. Termination of a service or subscription offered for a separate charge billed directly by a Third Party Provider shall be effected in accordance with the Terms of Service or similar agreement between the Customer and the Third Party Provider.
- Taxes. Customer agrees to pay any local, state or federal taxes imposed or levied on or with respect to the Services, the Equipment or installation or service charges incurred with respect to the same.

- 6. <u>Term; Early Termination.</u> Your subscription begins either on or the first day following your installation date and continues for the initial term set forth on your Service Order ("Initial Term"). If a Service Order does not specify an Initial Term, You have an automatically renewing monthly subscription ("Monthly Subscription").
 - a. Monthly Subscription. If you have a Monthly Subscription, your subscription begins either on or the first day following your installation date and automatically renews thereafter on a monthly basis beginning on the first day of the next billing period assigned to you until cancelled by you. The monthly service charge(s) will be billed at the beginning of your assigned billing period and each month thereafter unless and until you cancel your Service(s). PAYMENTS ARE NONREFUNDABLE AND THERE ARE NO REFUNDS OR CREDITS FOR PARTIALLY USED SUBSCRIPTION PERIOD(S). You may cancel Service(s) for a period up to the last day of the billing period prior to the service period that you wish to cancel, and the cancellation will be effective at the end of the then-current billing period. Any request for cancellation after the commencement of a service period will be effective at the end of the then-current service period. Access to the Services will, if possible, continue to be provided at the location ordered or, if you move, to your new location if in an Suddenlink-served area (subject to any installation charges).
 - b. Initial Term Subscription. If You have an Initial Term, your subscription begins either on or the first day following your installation date and continues for the duration of the applicable Initial Term. Upon the expiration of the Initial Term, Your subscription automatically renews thereafter on a monthly basis (each, a "Renewal Month") beginning on the first day of the next billing period assigned to you until cancelled by you. The monthly service charge(s) for each month during the Initial Term and any Renewal Months will be billed at the beginning of your assigned billing period and each month thereafter unless and until you cancel your Service(s). PAYMENTS ARE NORREFUNDABLE AND THERE ARE NO REFUNDS OR CREDITS FOR PARTIALLY USED SUBSCRIPTION PERIOD(S).
 - i. If you cancel, terminate or downgrade the Service(s) before the completion of the Initial Term"), you agree to pay Suddenlink early cancellation fees in an amount that includes: (i) all non-recurring charges reasonably expended by Suddenlink to establish service to Customer and not remunerated, (ii) any disconnection, early cancellation or termination charges reasonably incurred and paid by Suddenlink to third parties on behalf of Customer, and (iii) all monthly recurring charges for Services and Equipment for the remaining balance of the Initial Term. You agree that early cancellation fees or any other fees may automatically be charged to your account and your credit or debit card provided to Suddenlink and you agree to pay such fees.
 - iii. Following the Initial Term, You may cancel Service(s) for a period up to the last day of the billing period prior to the service period that you wish to cancel, and the cancellation will be effective at the end of the then-current billing period. Any request for cancellation after the commencement of a service period will be effective at the end of the then-current service period. Access to the Services will, if possible, continue to be provided at the location ordered or, if you move, to your new location if in a Suddenlink-served area (subject to any installation charges).
- 7. Right to Make Credit Inquiries. Customer acknowledges and agrees that Suddenlink may (a) verify Customer's credit standing, make inquiries and receive information about your credit experiences, including your credit report, from credit reporting agencies; (b) enter this information in your file, and disclose this information concerning you to appropriate third parties for reasonable business purposes; and (c) furnish information about you, your account(s) and your payment history to those credit reporting agencies.
- 8. Security Deposit. Suddenlink may require a deposit or activation fee based on Customer's credit standing or past payment history with Suddenlink. A deposit or activation fee does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. Any security deposit given by Customer for the Equipment or Suddenlink's Service will be due and payable upon the first monthly billing. Such security deposits will be returned to Customer within sixty (60) days of termination of Suddenlink's Service so long as payment has been made for all amounts due on Customer's account and Customer has returned the Suddenlink Equipment undamaged. Security deposits paid by Customer for Equipment or Services may be used, to the extent permitted by law, to offset any unpaid balance or charges after termination of Service. Customer shall remain liable for any outstanding balances after the security deposit has been applied. Further terms and conditions of the security deposit may be contained in the deposit receipt given to Customer at the time the security deposit is collected.
- 9. <u>Disputed Charges.</u> Customer agrees to pay all undisputed monthly charges and all applicable fees and taxes as itemized on the Suddenlink monthly bill and notify Suddenlink in writing of disputed items or requests for credit within thirty (30) days of Customer's receipt of the bill for which correction of an error or credit is sought, or longer as provided by applicable law. The date of the dispute shall be the date Suddenlink receives sufficient documentation to enable Suddenlink to investigate the dispute. The date of the resolution is the date Suddenlink completes its investigation and notifies the Customer of the disposition of the dispute.
- 10. Adjustments or Refunds. Any adjustment or refund, given in each case in Suddenlink's sole discretion, will be accomplished by a credit on a subsequent bill for Service, unless otherwise required by applicable law. No credit allowance will be made for interruptions of Service that are: (a) due to the negligence of or noncompliance with the provisions of the Agreement by Customer or any person authorized by customer to use the Service; (b) due to the negligence of any person other than Suddenlink including, but not limited to, the other common carriers connected to the Suddenlink's facilities; (c) due to the

-20-

failure or malfunction of Customer owned equipment or third party equipment; (d) during any period in which Suddenlink is not given full and free access to its facilities and Equipment for the purpose of investigating and correcting interruptions; (e) during period in which Customer continues to use the Service on an impaired basis; (f) less than thirty (30) minutes' duration; (g) during any period when the interruption is due to implementation of a Customer order for a change in Service arrangements; or (h) due to circumstances or causes beyond the control of Suddenlink. Unless otherwise provided by applicable law, in the event any amounts owed by Suddenlink to Customer are not claimed by Customer within one year of the date on which the amount became payable to Customer, Customer shall forfeit all rights to the refund and all such amounts shall become the property of Suddenlink.

- 11. Equipment and Software. "Distribution System" shall mean (1) all distribution plant, network facilities and associated electronics and all Equipment installed or provided by Suddenlink or its predecessors which is necessary to distribute Services throughout the premises, but specifically excluding Inside Wiring, and (2) all Equipment furnished by Suddenlink at the premises. Ownership of the Distribution System shall at all times be and remain in Suddenlink and shall be used exclusively by and in connection with Suddenlink operations. Upon termination of this Agreement and if Suddenlink is no longer providing Services to the premises, Suddenlink has the option to remove all or any portion of the Distribution System, provided that any damage to the premises caused by removal of the Distribution System will be repaired by Suddenlink to Customer's reasonable satisfaction. "Equipment" means all equipment, including but not limited to, any cables, wires, amplifiers, cable boxes, access cards, remotes, cable cards, battery backup units, modems, routers, gateways, Altice One and Altice One Mini units distributed to and/or installed for use in the Customer's service location but does not include Inside Wiring. "Inside Wiring" shall mean all wiring on the Customer's side of the demarcation point at Customer's service location, whether installed by Suddenlink or by Customer. The demarcation point shall mean a point at (or about) twelve (12) inches outside of where the cable wire enters the Customer's service location. Inside Wiring shall be Customer property and not Suddenlink Equipment, and repair and maintenance for such Inside Wiring is the responsibility of Customer unless otherwise agreed by Customer and Suddenlink. None of the Equipment shall become a fixture nor shall distribution, installation, and/or use of Equipment, including but not limited to cable boxes and/or set top boxes be deemed a lease of such Equipment. Unless otherwise stated in the Service Order, Customer will acquire no ownership or other interest in the Distribution System, Equipment, network facilities, and software by virtue of payments made pursuant to this Agreement or by the attachment of any portion of the Distribution System, Equipment or network facilities to Customer's premises.
- a. <u>Misuse of Equipment.</u> Suddenlink Equipment is intended to service and reside at the specific service location and is not to be removed from the service location where it was installed or used off premises without Suddenlink authorization. Customer agrees that neither Customer nor any other person (except Suddenlink's authorized personnel) will open, alter, misuse, tamper with, service, or make any alterations to any Equipment. Customer will not remove any markings or labels from the Equipment. Customer agrees to safeguard the Equipment from loss or damage of any kind, and (except for any self installation procedures approved by Suddenlink) will not permit anyone other than a Suddenlink authorized representative to perform any work on the Equipment. Any misuse, alteration, tampering, or removal, or the use of Equipment which permits the receipt of Services without authorization or the receipt of Services to an unauthorized number of outlets, or to unauthorized locations constitutes theft of service and is prohibited.
- b. <u>Return of Equipment</u>. If Customer's Service is terminated or cancelled (for whatever reason), Unless Suddenlink expresses otherwise in writing, Customer agrees that Customer no longer has the right to keep or use the Equipment and Customer must promptly return the Equipment. The Equipment must be returned to Suddenlink in the same condition as when received, ordinary wear and tear excepted. Absent other instructions, if Customer fails to return the Equipment, Customer will pay any expenses Suddenlink incurs in retrieving the Equipment. Failure of Suddenlink to remove the Equipment does not mean that Suddenlink has abandoned the Equipment. Suddenlink may impose a charge for unreturned Equipment to be determined in accordance with Suddenlink's then current schedule of charges for non-returned Equipment and/or continue to charge Customer a monthly Service fee every month until any remaining Equipment is returned, collected by Suddenlink or fully paid for by Customer. Any charge for unreturned Equipment shall be due immediately.
- c. <u>Damaged or Lost Equipment.</u> If the Equipment is damaged by Customer, destroyed, lost or stolen while in Customer's possession, Customer is responsible for the cost of repair or replacement of the Equipment.
- d. <u>Operation of Equipment.</u> Customer agrees to operate any Equipment in accordance with instructions of Suddenlink or Suddenlink's agent. Failure to do so will relieve the Suddenlink Parties of liability for interruption of Service and may make the Customer responsible for damage to Equipment.
- e. <u>Tests and Inspections</u>. Upon reasonable notification to the Customer, and at a reasonable time, Suddenlink may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth herein.
- f. <u>Software</u>. Customer agrees to comply with the terms and conditions of any software license agreement applicable to the software provided or installed by Suddenlink ("Software"). The Software shall be used solely in connection with the Services and Customer will not modify, disassemble, translate or reverse engineer, the Software.

- All rights title and interest to the Software, including associated intellectual property rights, are and will remain with Suddenlink and Suddenlink's licensors. If Customer's Service is terminated, Customer will promptly return or destroy all Software provided by Suddenlink and any related written materials. Suddenlink will have the right to upgrade, modify and enhance the Equipment and Software from time to time. Customer acknowledges that the Software, and any related written materials, may be subject to applicable export control laws and regulations of the USA. Customer agrees not to export or re-export the Software, directly or indirectly, to any countries that are subject to USA export restrictions.
- g. Repair. Suddenlink will repair and/or replace defective Software or Equipment provided such damage was not caused by misuse, neglect or other fault of Customer. Suddenlink assumes no responsibility and shall have no responsibility for the operation, maintenance, condition or repair of any Customer-provided equipment and/or software, including, but not limited to, televisions, computer devices, remote controls or other consumer electronics, including any hardware or third party software, which may be connected to the Services ("Customer Equipment"), except that Suddenlink may automatically push required software or firmware updates directly to Customer Equipment when necessary for the provision of Suddenlink Service(s). Customer is responsible for the repair and maintenance of Customer Equipment. Suddenlink is not responsible or liable for any loss or impairment of Suddenlink's Service due in whole or in part to a malfunction, defect or otherwise caused by Customer Equipment. Suddenlink makes no warranties, with respect to Equipment or Service provided by Suddenlink or with respect to the Equipment's compatibility with any Customer Equipment.
- 12. <u>Prohibitions/Theft of Service.</u> Customer shall not intercept, receive or assist in the interception or receipt of, resell, distribute or duplicate any Services. In no event shall Customer use the Services and/or Equipment to engage in any illegal or prohibited activity.
- 13. <u>Customer Liability for Users.</u> Customer is responsible for any access, use or misuse of the Services and/or Equipment that may result from access or use by any other person who has access to Customer's premises, equipment or account. Customer is responsible for ensuring that all persons who use Customer's subscribed to Services ("Users") understand and comply with all terms and conditions applicable to the Services.
- 14. Access to Customer Premises. Customer grants Suddenlink and its employees, agents, contractors, and representatives all necessary rights of access to enter and within Customer's premises, including access to space for cables, conduits and equipment, the wiring within Customer's premises and Customer's computer(s) and other devices, to install, deliver, connect, inspect, maintain, repair, replace, disconnect, remove or alter any and all facilities, check for signal leakage or install or deliver Equipment and Software provided by Suddenlink. Customer shall cooperate in providing such access upon request of Suddenlink. If Customer is not the owner of the premises, Customer warrants that Customer has obtained the legal authority of the owner to authorize Suddenlink personnel and/or its agents to enter the premises for the purposes described herein. Suddenlink failure to remove its Equipment shall not be deemed an abandonment thereof. Customer shall provide a secured space with electrical power, climate control and protection against fire, vandalism, and other casualty for Suddenlink's equipment. Customer is responsible for ensuring that Customer's equipment is compatible for the Services selected and with the Suddenlink network.
- 15. Violations of this Agreement. It shall be a violation of this Agreement for Customer or any User (1) to engage in any conduct prohibited by this Agreement (or by any terms and conditions incorporated herein by reference); or (2) not to engage in conduct required by this Agreement, each case determined in Suddenlink's sole good faith discretion. In addition, whether or not the conduct set forth below is elsewhere prohibited by this Agreement, it shall be a violation of this Agreement if: (a) Customer or any User fails to abide by Suddenlink's rules and regulations or to pay the charges billed; (b) Customer or any User fails to provide and maintain accurate registration information or the information required in the registration process is or becomes incorrect, absent or incomplete; (c) Customer or any User engages in any illegal or prohibited activity in connection with their use of any Service; (d) Customer or any User harasses, threatens or otherwise abuses any Suddenlink employee or agent; (e) Customer or any User refuses to provide Suddenlink with reasonable access to the service location or refuses to allow Suddenlink to diagnose and/or troubleshoot a service issue when such access or customer interaction is necessary in order to provide the appropriate customer support; or (f) The amount of customer and/or technical support required to be provided to Customer or any User is excessive in the sole good faith discretion of Suddenlink.
- 16. <u>Termination</u>. Suddenlink may terminate this Agreement, disconnect or suspend any or all Services, and remove Equipment at any time, without prior notice, for any reason whatsoever or for no reason, including but not limited to if Customer or any User fails to fully comply with the terms of this Agreement and/or any Suddenlink or authorized Third Party Provider terms of service, agreements or policies incorporated herein by reference. If Suddenlink terminates Service due to a violation of this Agreement or Suddenlink's policies, Customer may be subject to additional fees and charges, including disconnect and termination fees and Suddenlink may also exercise other rights and remedies available under law or in equity.
- 17. Effect of Termination by Suddenlink. Customer agrees that in the event of termination by Suddenlink: (i) Suddenlink and any Third Party Providers of co-branded services offered as part of or through the high speed internet service shall have no liability to Customer or any User; and (ii) unless expressly prohibited by law, Suddenlink, in its sole good faith discretion, may decline or reject a new application for service or block access to or use of any component of the Services by Customer or any former User. Customer further agrees that upon termination of any Service, Customer will immediately cease use of the Equipment and any Software, and; Customer will pay in full the charges for

Customer's use of the Service and the Equipment through the later of: (i) Customer's applicable Service month, or (ii) if applicable, the expiration of any promotional term, or, if applicable, (iii) the date when the associated Equipment or Software has been returned to Suddenlink. Failure of Suddenlink to remove Equipment shall not be deemed an abandonment thereof. Customer shall pay reasonable collection and/or attorney's fees to Suddenlink in the event that Customer shall find it necessary to enforce collection or to preserve and protect its rights under this Agreement.

- 18. Content and Services. All content, program services, program packages, number of channels, channel allocations, broadcast channels, interactive services, email, data offerings and other services are subject to change in accordance with applicable law.
- 19.<u>Disclaimer.</u> Suddenlink assumes no liability for any program, services, content or information distributed on or through the Services, Equipment or the cable system, unless locally provided by Suddenlink, and Suddenlink expressly disclaims any responsibility or liability for your use thereof. Further, Suddenlink shall not be responsible for any products, merchandise or prizes promoted or purchased through the use of the Services.
- 20. Telephone Communications With You Regarding Your Account or Service. You agree that Suddenlink and its agents may call or text you at any phone number (landline or wireless) that you provide to us, using an automated dialing system and/or a prerecorded message, for non-promotional service and/or account-related purposes, such as appointment confirmations, service alerts, billing and collection issues or account recovery concerns. You agree to notify us: (1) if any such phone number changes; (2) is no longer active; or (3) is ported from a landline to a wireless phone number. You can manage your contact preferences by logging into your account at http://www.suddenlink.com.
- 21.<u>No Waiver.</u> The failure of Suddenlink to enforce this Agreement and any of its components, for whatever reason, shall not constitute a waiver of any right of Suddenlink or the ability to assert or enforce such right at any time in the future.
- 22.No Assignment. This Agreement and the Services and/or Equipment supplied by Suddenlink are not assignable or otherwise transferable by Customer, without specific written authorization from Suddenlink. In Suddenlink's discretion, Suddenlink may assign, in whole or in part, this Agreement, and Service may be provided by one or more legally authorized Suddenlink affiliates.
- 23. No Warranty; Limitation of Liability. Customer expressly agrees that: (a) the Services provided are best efforts services and the Services, Software and Equipment are provided by Suddenlink on an "AS IS" and "AS AVAILABLE" basis without warranties of any kind, either express or implied; (b) Suddenlink, its officers, shareholders, directors, employees, affiliates, vendors, carrier partners, content providers and other persons or entities involved in providing the Services or Equipment (collectively, the "Suddenlink Parties") are not responsible or liable for any loss or impairment of service due in whole or in part to Customer owned- or provided-Equipment; and (c) all use of the Services, Software and Equipment, including that provided by Third Party Providers, as well as the purchase, download or use of any third party service, product, or application provided by or accessed through the Services or Equipment, are provided at Customer's sole risk and Customer assumes total responsibility for Customer's or any User's use of the Services. Without limiting the generality of the foregoing, the Suddenlink Parties make no warranty: (i) that the Services will be uninterrupted or error free or that the Equipment will work as intended; (ii) as to transmission or upstream or downstream speeds of the network; (iii) that the Services, Equipment or Software are compatible with any Customer owned- or provided-Equipment; or (iv) as to the security of Customer's communications via Suddenlink's facilities or Services, or that third parties will not gain unauthorized access to or monitor Customer's communications. Customer has the sole responsibility to secure Customer's communications and the Suddenlink Parties will not be liable for any loss associated with such unauthorized access. In addition, neither the Suddenlink Parties nor any Third Party Provider of services or products makes any representations or warranties with respect to any product or services offered through the Services or Equipment, and Suddenlink shall not be party to nor responsible for monitoring any transaction between Customer and any Third Party Provider of products or services.

Except for a refund or credit as expressly provided in this Agreement, in no event (including negligence) will the Suddenlink Parties be held responsible or liable for any loss, damage, cost or expense including direct, indirect, incidental, special, treble, punitive, exemplary or consequential losses or damages including, but not limited to, loss of profits, earnings, business opportunities, loss of data, personal injury (including death), property damage or legal fees and expenses, sought by Customer or anyone else using Customer's Service account: (x) resulting directly or indirectly out of the use or inability to use the Services (including the inability to access emergency 911 or e911 services) and/or use of the Software, Equipment or provided third party services or otherwise arising in connection with the installation, maintenance, failure, removal or use of Services, Software and/or Equipment or Customer's reliance on the Services, Software and/or Equipment, including without limitation any mistakes, omissions, interruptions, failure or malfunction, deletion or corruption of files, work stoppage, errors, defects, delays in operation, delays in installation, failure to maintain proper standards or operation, failure to exercise reasonable supervision, delays in transmission, breach of warranty or failure of performance of the Services, Software and/or Equipment; or (y) resulting directly or indirectly out of, or otherwise arising in connection with, any allegation, claim, suit or other proceeding relating to Services, Software and/or Equipment, or the infringement of the copyright, patent, trademark, trade secret, confidentiality, privacy, or other intellectual property or contractual rights of any third party. Suddenlink's Maximum Liability to Customer arising under

- this Agreement shall be the lesser of \$5,000.00 or the amount actually paid by Customer for Services hereunder for the respective regular billing period.
- 24. Indemnification. Customer agrees to defend, indemnify, and hold harmless Suddenlink Parties") from and against any and all claims and expenses, including reasonable attorneys' fees, arising out of or related in any way to the use of the Service and Equipment by Customer or otherwise arising out of or related in any way to the use of Customer's account or any equipment or facilities in connection therewith, or the use of any other products or services provided by Suddenlink to Customer. Customer agrees to indemnify and hold harmless the Suddenlink Parties against claims, losses or suits for injury to or death of any person, or damage to any property which arises from the use, placement or presence or removal of Suddenlink's Equipment, facilities and associated wiring on Customer's premises and further, Customer indemnifies and holds harmless the Suddenlink Parties against claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities of Suddenlink or the use thereof by Customer; against claims for infringement of patents arising from combining with or using in connection with, facilities furnished by Suddenlink, and apparatus, Equipment, and systems provided by Customer; and against all other claims arising out of any act or omission of Customer in connection with the Services or facilities provided by Suddenlink.
- 25. <u>Regulatory Authority</u>. This Agreement and the obligations of the parties shall be subject to modification to comply with all applicable laws, regulations, court rulings, and administrative orders. as amended.
- 26.BINDING ARBITRATION. Please read this section carefully. It affects your rights. Any and all disputes arising between You and Suddenlink, including its respective parents, subsidiaries, affiliates, officers, directors, employees, agents, predecessors, and successors, shall be resolved by binding arbitration on an individual basis in accordance with this arbitration provision. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to: claims arising out of or relating to any aspect of the relationship between us, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory; claims that arose before this or any prior Agreement, claims that may arise after the termination of this Agreement. Notwithstanding the foregoing, either You or Suddenlink may bring claims in small claims court in Your jurisdiction, if that court has jurisdiction over the parties and the action and the claim complies with the prohibitions on class, representative, and private attorney general proceedings and non-individualized relief discussed below. You may also bring issues to the attention of federal, state, and local executive or administrative agencies. Resolving Your dispute with Suddenlink through arbitration means You will have a fair hearing before a neutral arbitrator instead of in a court before a judge or jury. YOU AGREE THAT BY ENTERING INTO THIS AGREEMENT, YOU AND SUDDENLINK EACH WAIVE THE RIGHT TO A TRIAL BY JURY AND THE RIGHT TO PARTICIPATE IN A CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL ACTION.
 - a. Opting Out of Arbitration. IF YOU HAVE BEEN AN EXISTING CUSTOMER FOR AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF THIS AGREEMENT AND HAVE PREVIOUSLY ENTERED INTO AN ARBITRATION AGREEMENT WITH SUDDENLINK OR A PREDECESSOR COMPANY, THIS OPT-OUT PROVISION DOES NOT APPLY TO YOU. IF YOU BECAME A CUSTOMER ON OR WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS AGREEMENT, AND DO NOT WISH TO BE BOUND BY THIS ARBITRATION PROVISION, YOU MUST NOTIFY SUDDENLINK IN WRITING WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS AGREEMENT BY EMAILING US AT NOARBITRATION@ALTICEUSA.COM OR BY MAIL TO ALTICE SHARED SERVICES, 200 JERICHO QUADRANGLE, JERICHO, NY 11753 ATTN. ARBITRATION. YOUR WRITTEN NOTIFICATION TO SUDDENLINK MUST INCLUDE YOUR NAME, ADDRESS, AND SUDDENLINK ACCOUNT NUMBER AS WELL AS A CLEAR STATEMENT THAT YOU DO NOT WISH TO RESOLVE DISPUTES WITH SUDDENLINK THROUGH ARBITRATION. YOUR DECISION TO OPT OUT OF THIS ARBITRATION PROVISION WILL HAVE NO ADVERSE EFFECT ON YOUR RELATIONSHIP WITH SUDDENLINK OR THE DELIVERY OF SUDDENLINK SERVICES TO YOU. OPTING OUT OF THIS ARBITRATION PROVISION HAS NO EFFECT ON ANY OTHER OR FUTURE ARBITRATION AGREEMENTS THAT YOU MAY HAVE WITH SUDDENLINK.
- b. Pre-Arbitration Process. (i) Notice Of Dispute. Before commencing an action in arbitration, You must first notify us of Your dispute and allow us an opportunity to resolve it without the need for arbitration. You must write us a letter briefly explaining the dispute and stating the relief that You demand. Provide as much information as possible, including where applicable dates and specific amounts of money. Also include the account holder's name, the account number, the service address, and a telephone number at which You may be reached during business hours. For Your convenience, You may download a Notice of Dispute form from our website at https://www.suddenlink.com/sites/default/files/Notice-Of-Dispute.pdf. Once you have written the letter or filled out the Notice, send it to us by certified mail at Altice Shared Services, 200 Jericho Quadrangle, Jericho, NY 11753, Attn: Customer Disputes. (ii) 30 Day Wait Period. If Suddenlink has not been able to resolve your dispute to your satisfaction within 30 days from when we received your Notice of Dispute, you may start arbitration proceedings.
- c. Commencing an Arbitration. To commence an arbitration, you must submit a written Demand for Arbitration to the American Arbitration Association ("AAA"), Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043, with a copy to Suddenlink. A Demand for Arbitration form can be found on the AAA website at https://www.adr.org/CommercialForms.

- d. Arbitration Process. The arbitration will be administered by the AAA under the AAA's Commercial Arbitration Rules, as modified by this arbitration provision. You may obtain copies of those rules from the AAA at www.adr.org. If the AAA will not enforce this arbitration provision as written, it cannot serve as the arbitration organization to resolve Your dispute. If this situation arises, or if the AAA for any reason cannot serve as the arbitration organization, the parties shall agree on a substitute arbitration organization or ad hoc arbitration, which will enforce this arbitration provision as to the dispute. If the parties are unable to agree, the parties shall mutually petition a court of appropriate jurisdiction to appoint an arbitration organization or ad hoc arbitrator that will administer arbitration under this arbitration provision as written. If there is a conflict between this arbitration provision and the AAA rules, this arbitration provision shall govern. A single arbitrator will resolve the dispute between You and Suddenlink. Participation in arbitration may result in limited discovery. The arbitrator will honor claims of privilege recognized by law and will take reasonable steps to protect confidential or proprietary information, including customer personally identifiable information. All issues are for the arbitrator to decide, except that issues relating to arbitrability, the scope or enforceability of this arbitration provision, or the interpretation of its prohibitions of class, representative, and private attorney general proceedings and non-individualized relief shall be for a court of competent jurisdiction to decide. The Arbitrator is limited and bound by terms of this arbitration provision. Although the arbitrator shall be bound by rulings in prior arbitrations involving the same customer to the extent required by applicable law, the arbitrator shall not be bound by rulings in other arbitrations involving different customers. The arbitrator will make any award in writing but need not provide a statement of reasons unless requested by a party. An award rendered by the arbitrator may be entered in any court having jurisdiction over the parties for purposes of enforcement. Unless the parties agree otherwise, any arbitration hearing will take place in the county (or parish) of Your service address. If the amount in dispute is less than \$50,000, Suddenlink agrees that You may choose whether the arbitration is conducted solely on the basis of documents submitted to the arbitrator, by a telephonic hearing, or by an in-person hearing as established by AAA rules. If the amount in dispute exceeds \$75,000 or the claim seeks any form of injunctive relief, either party may appeal the award to a three-arbitrator panel administered by AAA by a written notice of appeal within thirty (30) days from the date of entry of the written arbitration award. An award of injunctive relief shall be stayed during any such appeal. The members of the three-arbitrator panel will be selected according to AAA rules. The three-arbitrator panel will issue its decision within one hundred and twenty (120) days of the date of the appealing party's notice of appeal. The decision of the threearbitrator panel shall be final and binding, subject to any right of judicial review that exists under the FAA
- Arbitration Fees. Except as otherwise provided in this arbitration provision, Suddenlink will pay all arbitration filing, administrative, and arbitrator fees for any arbitration that Suddenlink commences or that You commence seeking damages of \$10,000 or less. If You commence an arbitration seeking greater than \$10,000 in damages, arbitration filing, administrative, and arbitrator fees shall be allocated in accordance with the AAA rules. If You cannot pay Your share of these fees, You may request a fee waiver from the AAA. In addition, Suddenlink will consider reimbursing Your share of these fees if You indicate You cannot afford them and, if appropriate, will pay directly all such fees upon Your written request prior to the commencement of the arbitration. You are responsible for all additional costs and expenses that You incur in the arbitration, including, but not limited to, attorneys' or expert witness fees and expenses, unless the arbitrator determines that applicable law requires Suddenlink to pay those costs and expenses. Notwithstanding the foregoing, if the arbitrator concludes that Your claim is frivolous or has been brought for an improper purpose (as measured by the standards of Federal Rule of Civil Procedure 11(b)), then the AAA rules shall govern the allocation of arbitration fees, and You agree to reimburse Suddenlink for any amounts Suddenlink may have paid on Your behalf.
- f. Governing Law. Because the Service(s) provided to You involves interstate commerce, the Federal Arbitration Act ("FAA"), not state arbitration law, shall govern the arbitrability of all disputes under this arbitration provision. Any state statutes pertaining to arbitration shall not be applicable.
- g. Waiver of Class and Representative Actions. YOU AGREE TO ARBITRATE YOUR DISPUTE AND TO DO SO ON AN INDIVIDUAL BASIS; CLASS, REPRESENTATIVE, AND PRIVATE ATTORNEY GENERAL ARBITRATIONS AND ACTIONS ARE NOT PERMITTED. You and Suddenlink agree that each party may bring claims against the other only in Your or its individual capacity and may not participate as a class member or serve as a named plaintiff in any purported class, representative, or private attorney general proceeding. This arbitration provision does not permit and explicitly prohibits the arbitration of consolidated, class, or representative disputes of any form. In addition, although the arbitrator may award any relief that a court could award that is individualized to the claimant and would not affect other Suddenlink account holders, neither You nor Suddenlink may seek, nor may the arbitrator award, non-individualized relief that would affect other account

- holders. Further, the arbitrator may not consolidate or join more than one person's claims unless all parties affirmatively agree in writing. If any of the prohibitions in the preceding paragraph is held to be unenforceable as to a particular claim, then that claim (and only that claim) must be severed from the arbitration and brought in court. In that instance, or any instance when a claim between You and Suddenlink proceeds to court rather than through arbitration, You and Suddenlink each waive the right to any trial by jury through this Agreement.
- h. <u>Severability and Survival</u>. If any other portion of this arbitration provision is determined to be unenforceable, then the remainder of this arbitration provision shall be given full force and effect. The terms of the arbitration provision shall survive termination, amendment or expiration of this Agreement.
- 27. Governing Law. Subject to Section 26.f above, this Agreement shall be governed by the laws of the state of New York.
- 28. Severability. If any term or condition of this Agreement shall be adjudicated or determined as invalid or unenforceable by a court, tribunal or arbitrator with appropriate jurisdiction over the subject matter, the remainder of the Agreement with respect to such claim shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.
- 29.No Relationship. Nothing in this Agreement will create any joint venture, joint employer, franchisee-franchisor, employer-employee or principal-agent relationship between Suddenlink and any content, backbone, network, circuit and other technology or communications providers, software and other licensors, hardware and equipment suppliers or other third party providers of elements of the High Speed Internet Service, nor impose upon any such companies any obligations for any losses, debts or other obligations incurred by the other.
- 30. <u>Survival.</u> All representations, warranties, indemnifications, dispute resolution provisions and limitations of liability contained in this Agreement shall survive the termination of this Agreement, as well as any other obligations of the parties hereunder which, by their terms, would be expected to survive such termination or which relate to the period prior to termination (including legal conditions, payment, and Suddenlink rights and the rights of others).
- 31. Force Majeure. Suddenlink Parties shall not be liable for any delay or failure of performance or Equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action or request of the United States government or of any other government including state and local governments having or claiming jurisdiction over Suddenlink, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments or of any military authority; preemption of existing service in compliance with national emergencies, acts of terrorism, insurrections, riots, wars, unavailability of rights-of-way, material shortages, strikes, lockouts, or work stoppages.
- 32. Entire Agreement. This Agreement, including the applicable Additional Terms of Service, Privacy Policy and Acceptable Use Policy ("AUP"), the Service Order and the Schedule of Fees constitute the entire agreement between Suddenlink and Customer with respect to the Services. No undertaking, representation or warranty made by an agent or representative of Suddenlink in connection with the sale, installation, maintenance or removal of Suddenlink's Services or Equipment shall be binding on Suddenlink except as expressly included herein.
- 33. Amendment; Notice. Suddenlink may, in its sole discretion, change, modify, add or remove portions of this Agreement at any time. Suddenlink may notify Customer of any such changes to this Agreement, or any other required or desired notice hereunder, by posting notice of such changes on Suddenlink's website (www.suddenlink.com), or by sending notice via email or postal mail to Customer's billing address, and/or by contacting the telephone number(s) on Customer's account (including mobile phones) by means such as but not limited to browser bulletins, walled garden (browser interruption), voice, SMS, MMS, and text messages, including by the use of by automatic telephone dialing systems. Customer agrees that any one of the foregoing will constitute sufficient notice. Because Suddenlink may from time to time notify Customer about important information regarding the Services, the Privacy Policy and this Agreement by such methods, Customer agrees to regularly check postal mail, e-mail and all postings on the Suddenlink web site (www.suddenlink.com) and Customer bears the risk of failing to do so. The Customer's continued use of the applicable Service(s) following notice of such change, modification or amendment shall be deemed to be the Customer's acceptance of any such revision. If Customer does not agree to any revision of this Agreement, Customer must immediately cease use of the all Service(s) and notify Suddenlink that Customer is cancelling this Agreement in accordance with the thencurrent policy.



PERMISSION TO ACCESS PROPERTY

TO PROVIDE COMMUNICATIONS SERVICES TO TENANTS

Ι,	, am the Owner of the property at 675 Wildwood Ave, Rio Dell
CA. In this	capacity I have the authority to grant Suddenlink Communications permission to access the
Property and	do hereby grant Suddenlink the right to access the Property for the purpose of the installation,
provision and	I maintenance of Suddenlink communications services to tenants of the Property who choose to
subscribe to s	such services for as long as those tenants so desire Suddenlink services. I also understand and
acknowledge	that Suddenlink is the owner of all facilities and equipment installed on the Property for the
provision of t	these services and that the facilities and equipment are not fixtures.
By:	Print:
	Sign:
	Its: Owner
Deter	
Date:	

RIO DELL

Rio Dell City Hall 675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 cityofriodell.ca.gov

March 5, 2019

TO:

Rio Dell City Council

FROM:

Kyle Knopp, City Manager

SUBJECT:

Approve Letter of Support to the California Transportation Commission Related

to Funding for the Last Chance Grade

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve letter of Recommendation

BACKGROUND AND DISCUSSION

Congressman Huffman's staff have asked that the City send a letter of Support for \$40 million dollars to be allocated for environmental review of alternatives to the Last Chance Grade. Former Councilmember Gordon Johnson, a registered engineer, continues to work on this issue for the region. The letter is requested by March 4th, however the Congressman's office urges jurisdictions to submit their letters even if unable to make the deadline.

///

Rio Dell City Hall 675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 cityofriodell.ca.gov



March 5, 2019

Fran Inman Chair, California Transportation Commission 1120 N Street, MS-52 Sacramento, CA 95814

RE: Letter of Support to CTC for \$40 Million in Support of Last Chance Grade

Dear Ms. Inman:

I am writing in strong support of the California Department of Transportation's (CTC) request for \$40 million to fully fund the Project Approval and Environmental Document phase of the Last Chance Grade project on U.S. Highway 101 between Klamath and Crescent City. This funding will augment \$10 million programmed to perform preliminary geotechnical and environmental studies. Caltrans has made good use of preliminary funding to advance the project. The first of three phases of geotechnical studies is complete and environmental studies are beginning this summer. Full funding will ensure the coastal highway does not experience a major failure or require continuation of the constant maintenance of the past several decades.

Over the last 20 years, \$86M has been spent in maintenance and repairs at Last Chance Grade and these costs have accelerated. A total of \$56 million from the federal emergency relief program has been spent since 2010. These storm damage repair projects are considered temporary due to the deep-seated nature of the landslide.

A significant failure at Last Chance Grade would force a detour of approximately 320 miles — about six to eight hours. According to a 2018 economic study, a full closure would cost the regional economy an estimated \$456 million per year in business output, \$417 million in higher travel expenses, and 3,800 jobs. My organization is part of the Last Chance Grade Stakeholders group convened by Congressman Jared Huffman, D-San Rafael, which is made up of representatives of county governments, tribes, environmental groups, landowners, business and transportation interests that agree a new alignment is necessary. Caltrans is also working closely with resource and permitting agencies and tribes to address environmental and cultural concerns in advance.

The CTC funding under consideration would allow Caltrans to complete the Project Approval and Environmental Document phase of the Last Chance Grade project to protect the safety and economy of Del Norte County and the people and commerce that travels U.S. Highway 101. Please give this funding your full and fair consideration.

Sincerely,

Debra Garnes Mayor City of Rio Dell

Cc:

John Driscoll, U.S. House of Representatives Staff, Huffman MC

Congressman Jared Huffman 317 Third Street, Suite 1 Eureka, CA 95501

- o Humboldt County Association of Governments
- o City of Crescent City



Staff Update - 2019-03-05

City Council

City Manager

Responses to various Public Records Act requests.

Submittal of final scope change requests related to the ATP project.

Assistance to journalist writing story on Humboldt Rio Dell Business Park

Meeting with Fire Chief, Police Chief and Community Development Director on code violation issue.

Work on adding camera to City Hall Chambers with Access Humboldt

Work on extension of fiber for Police Department RIMS system.

Meeting with Kernen Construction on Habitat parcel project.

Issue RFP for pavement repairs in preparation for Slurry Seal.

City Clerk

Processed two (2) Building Permits:

- 1) 673 Rigby Ave. Electrical Repairs
- 2) 555 Painter St. Water Heater
- 3) Calculated fees for Danco Project (permit pending)

Processed one (1) Business License Application:

1) Humboldt Auto Styling - Auto Window Tinting

Completed Annual Building Permit Report to U.S. Census Bureau on New Housing Units.

City Attorney

Human Resources, Risk & Training

Finance Department

Public Works Water



Public Works Wastewater

Public Works Streets, Buildings and Grounds

Public Works City Engineer

Public Works Capital Projects

Police Department

The Department had the following statistics for the period of February 13, 2019 to February 26, 2019. This period of time saw a greater than average number of calls for service, but fewer reports and arrests. One reason for the higher number of calls for service has been the new officers making numerous traffic stops and pedestrian contacts as part of their training.

Officer	Calls for Service	Reports	Arrests
Conner	10	3	0
Beauchaine	6	6	2
Carnahan	4850 Leave	4850 Leave	4850 Leave
Landry	43	3	1
Mitchell	32	5	2
Valk	4	0	0
Totals	99 (4 unassigned)	17	5
Averages	7.1 per day	8.5 per week	2.5 per week
2018 Yearly Average	5.1 per day	10.6 per week	3.6 per week

During the period of February 13 to February 26, 2019, the Department opened two new cases dealing with abandoned or junk vehicles. During the same time period, the Department closed three cases. One of those vehicles was moved by the owner, while the other two were towed by the Department. As of February 26, 2018, there were five open junk vehicle cases.

During the period of February 13 to February 26, 2019, there were eight calls for service related to animal control issues. Five dogs, including a puppy, were transported to Miranda's Rescue in that time frame.

Officers Landry and Mitchell attending field sobriety testing training in Eureka. The class was taught by the Highway Patrol. Both officers are doing well in their field training and should be working by themselves in the second half of March.

The Department served a Notice of Violation on the owners of a house on Fourth Avenue that has a large amount of solid waste and garbage in the front yard.

On February 13, 2019, Officer Mitchell investigated an assault and battery case where the victim willingly got into a car with two other men, presumably to go to the gas station. Instead, the driver continued into Scotia where the men assaulted the victim. The victim got back into the car with his attackers and returned to their residence. Another fight occurred at this location between the victim



and one of his attackers. The victim suffered a black eye and possibly a broken nose. One of the attackers was found to have a warrant from Arkansas and was arrested. The other has fled Rio Dell and is believed to be living in McKinleyville.

On February 20, 2019, Officer Mitchell and Chief Conner assisted the Fortuna Police Department in serving a search warrant at a residence on Willow Lane. The search did not yield the stolen vehicles and property from Fortuna, but it did locate drugs, including methamphetamine and cocaine, as well as a loaded firearm. The owner of the house was arrested. In addition, a large amount of marijuana and the equipment to make butane honey oil was found inside of the house. There was no evidence that the equipment was in use. The Department will open a code enforcement case on the property and make sure that the equipment is removed.

Community Development Department

<u>Intergovernmental</u>

Humboldt-Rio Dell Business Park

675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532



For Meeting of: March 5, 2019

☐ Consent Item; ☐ Public Hearing Item

To:

City Council

From:

Kevin Caldwell, Community Development Director

Through:

Kyle Knopp, City Manager

Date:

February 28, 2019

Subject:

Adoption of Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and

Regulations relating to Reimbursement Agreements

Recommendation:

That the City Council:

- Receive staff's report regarding the approval and adoption of Ordinance No. 372-2019 regarding amending Chapter 13.05 Water Rates and Regulations; and; and
- 2. Open the public hearing, receive public input and deliberate; and
- 3. Adopt Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations relating to Reimbursement Agreements.

Discussion

As reported at the Council meeting of February 19, 2019, Glenn White, Precision Manufactured Developments Inc. has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way.

Staff has worked with the City's Special Counsel, Michael Colantuono, in developing a Reimbursement Agreement. Mr. Colantuono has recommended the City amend Chapter 13.05 Water Rates and Regulations, Section 13.05.240 Rates and Charges to include language regarding Reimbursement Agreements.

Below is a copy of the proposed amendment to be included in Section 13.05.240 of the Rio Dell Municipal Code (RDMC).

13.05.240 Rates and Charges.

The City Council shall establish fees, rates and charges by resolution to cover the cost of water delivery, water system maintenance, operations, administration, capital expenditures and/or debt service. [Ord. 356 § 1, 2017; Ord. 241 § 23, 2000. Formerly 13.05.230.]

Those parcels connecting to a water-main constructed as part of a public-private partnership subject to a Reimbursement Agreement are subject to the costs identified in the Reimbursement Agreement in addition to the City's current water capital connection charges at the time of connection.

Attachment 1: Ordinance No. 372-2019 amending Chapter 13.05 Water Rates and Regulations relating to Reimbursement Agreements

ORDINANCE NO. 372-2019



AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL AMENDING CHAPTER 13.05 WATER RATES AND REGULATIONS OF THE RIO DELL MUNICIPAL CODE (RDMC) INCORPORATING LANGUAGE REGARDING OBLIGATIONS TO REIMBURSEMENT AGREEMENTS.

THE CITY COUNCIL OF THE CITY OF RIO DELL ORDAINS AS FOLLOWS:

WHEREAS Glenn White, Precision Manufactured Developments Inc. has installed a new waterline consisting of approximately 5,000 linear feet of a 10" C-900 water main including valves and fire hydrants within the Northwestern Avenue public right-of-way; and

WHEREAS staff has worked with the City's Special Counsel in developing a Reimbursement Agreement; and

WHEREAS the City's Special Counsel has recommended the City amend Chapter 13.05 Water Rates and Regulations, Section 13.05.240 Rates and Charges to include language regarding Reimbursement Agreements; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell does hereby ordain as follows:

Section 1. Chapter 13.05 Water Rates and Regulations is amended as follows:

13.05.240 Rates and Charges.

The City Council shall establish fees, rates and charges by resolution to cover the cost of water delivery, water system maintenance, operations, administration, capital expenditures and/or debt service. [Ord. 356 § 1, 2017; Ord. 241 § 23, 2000. Formerly 13.05.230.]

Those parcels connecting to a water-main constructed as part of a public-private partnership subject to a Reimbursement Agreement are subject to the costs identified in the Reimbursement Agreement in addition to the City's current water capital connection charges at the time of connection.

Section 2. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 3. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 4. Effective Date

This ordinance becomes effective thirty (30) days after the date of its approval and adoption.

I HEREBY CERTIFY that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on February 19, 2018 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 5, 2019 by the following vote:

AYES: NOES: ABSENT: ABSTAIN:				
	Debra Garnes, Mayor			
ATTEST:				
I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 372-2019 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 5, 2019.				
Karen Dunham, City Clerk, City of Rio Dell				

CITY OF RIO DELL

Rio Dell City Hall 675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 cityofriodell.ca.gov

March 5, 2019

TO:

Rio Dell City Council

FROM:

Kyle Knopp, City Manager

SUBJECT:

Discussion and Possible Action to Introduce and Conduct the First Reading of

Ordinance No. 373-2019 Amending Section 5.40.250 of the Rio Dell Municipal

Code Related to Cannabis Taxation

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Have staff introduce the first reading of Ordinance No. 373-2019 related to cannabis taxation.

2. Open the public hearing, receive public input and deliberate.

3. Continue the consideration of Ordinance No. 373-2019 to the regularly scheduled meeting of the City Council on March 19, 2019.

BACKGROUND AND DISCUSSION

On January 15, 2019 it was requested by the Council that staff return with a proposed Ordinance that would help to address concerns of competitiveness and reduce uncertainty for cannabis related developers. Rio Dell's cannabis tax is currently levied at 2% of gross receipts for all activities except cultivation which is levied at \$2.00 per square foot. The tax ordinance allows the Council to raise that tax by 2% per year or \$1.00 per square foot per year until a cap of 10% or \$5.00 per square foot is reached. Several cannabis developers have stated that the Councils ability to raise the tax creates a level of uncertainty that is difficult for investors to accept.

Staff has worked with the City Attorney to draft the attached proposed Ordinance. The proposed Ordinance attempts to lock in the current tax rates of 2% gross receipts or \$2.00 per square foot of cultivation and require any increases beyond this level to go to the voters.

Staff has also included a regional comparison of tax rates to better understand the City's competitiveness with other jurisdictions.

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Ordinance No. 373-2019

AND ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL AMENDING CHAPTER 5.40 OF TITLE 5 OF THE RIO DELL MUNICIPAL CODE RELATING TO THE CANNABIS BUSINESS TAX RATES

WHEREAS, at the November 7, 2017 General Election, the voters of the City of Rio Dell passed and adopted Ordinance No. 354-2017, an ordinance adding Chapter 5.40 to Title 5 of the Rio Dell Municipal Code and creating a new business tax for commercial cannabis business;

WHEREAS, pursuant to Section 5.40.250, the cannabis business tax rate for Commercial Cannabis Cultivation Activity (as defined in Ordinance No. 354-2017) was approved by the voters at a rate of either (a) up to \$5.00 per square foot of permitted cultivation space or (b) up to 10% of gross receipts, as set from time-to-time by the Council in its discretion;

WHEREAS, the Council imposed an initial tax rate for Commercial Cannabis Cultivation Activity at the amount of \$2.00 per square foot of permitted space except nurseries, and imposed an initial tax of 2% of gross receipts for nurseries;

WHEREAS, pursuant to Section 5.40.250, the cannabis business tax rate for Other Commercial Cannabis Activity (as defined in Ordinance No. 354-2017) was approved by the voters at a rate not to exceed 10% of gross receipts, as set from time-to-time by the Council in its discretion;

WHEREAS, the Council imposed an initial tax rate for Other Commercial Cannabis Activity 2% of gross receipts;

WHEREAS, the approval range of applicable tax rates has discouraged potential investment in the City of Rio Dell due to the uncertainty of the applicable tax rate in the future; and

WHEREAS, the City Council desires to provide added certainty to potential investors by removing the ability of the Council to increase the applicable cannabis business tax rates within the range of rate approved by the voters, to set the tax at the currently imposed rates, and to require that any increase in the rate on and after the effective date of this Ordinance be approved by the voters.

NOW THEREFORE, the City Council of the City of Rio Dell does ordain as follows:

Section 1. The Rio Dell Municipal Code is hereby amended to add sections as set forth below.

<u>Section 2. Code Amendment.</u> Section 5.40.250 (Amount of business tax owed) is hereby amended by deleting subsection "A" (Tax Rate for Commercial Cannabis Cultivation Activity) and replacing subsection "A" of Section 5.40.250 as follows:

A. Tax Rate for Commercial Cannabis Cultivation Activity.

- 1. In addition to the business tax imposed under Chapter 5.05 of this Code and the requirements set forth therein, every person engaged in business involving Commercial Cannabis Cultivation Activity in the City shall pay a business tax shall pay a business tax at a rate of up to two dollars (\$2.00) per Square Foot or at a rate of up to ten percent (2%) of Gross Receipts, as set and determined by the Council, in its discretion, by ordinance.
- 2. Notwithstanding anything in Chapter 5.40 to the contrary, the City Council shall not increase the applicable maximum tax rate set forth in Subsection (A)(1), above, for persons engaged in business involving Commercial Cannabis Cultivation Activity without submitting the proposed increase to the voters. Notwithstanding the maximum tax rate imposed under Subsection (A)(1), above, the City Council may, in its discretion, at any time by ordinance, implement a lower tax rate for Commercial Cannabis Cultivation Activity or establish differing tax rates for different categories, including permit or license types, of Commercial Cannabis Cultivation Activity subject to the maximum rate.
- 3. The initial tax rates imposed upon persons engaged in business involving Commercial Cannabis Cultivation Activity shall be as follows:
 - (i) Two Dollars (\$2.00) per Square Foot for persons issued a permit or license, other than a permit of license to operate a Nursery, to engage in greenhouse, mixed-light, and/or indoor cultivation of Cannabis within the City of Rio Dell.
 - (ii) Two Percent (2%) of Gross Receipts for persons issued a permit or license to operate a Nursery within the City of Rio Dell.

<u>Section 3. Code Amendment.</u> Section 5.40.250 (Amount of business tax owed) is hereby amended by deleting subsection "B" (Tax Rate for Other Commercial Cannabis Activity) and replacing subsection "B" of Section 5.40.250 as follows:

A. Tax Rate for Other Commercial Cannabis Activity.

- 1. In addition to the business tax imposed under Chapter 5.05 of this Code and the requirements set forth therein, every person engaged in business involving Other Commercial Cannabis Activity in the City shall pay a business tax at a rate of up to two percent (2%) of Gross Receipts, as set and determined by the Council, in its discretion, by ordinance.
- 2. Notwithstanding anything in Chapter 5.40 to the contrary, the City Council shall not increase the applicable maximum tax rate set forth in Subsection (B)(1), above, for persons engaged in business involving Other Commercial Cannabis Activity without submitting the proposed increase to the voters. Notwithstanding the maximum tax rate imposed under Subsection (B)(1), above, the City Council may, in its discretion, at any time by ordinance, implement a lower tax rate for Other Commercial Cannabis Activity or establish differing tax rates for different categories, including permit or license types, of Commercial Cannabis Activity subject to the maximum rate.
- 3. The initial tax rate imposed upon persons engaged in business involving Other Commercial Cannabis Activity shall be Two Percent (2%) of Gross Receipts.

<u>Section 4. Severability.</u> Should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this ordinance as hereby adopted shall remain in full force and effect.

<u>Section 5. Effective Date.</u> This Ordinance shall go into effect and be in full force and operation 30 days after its final passage and adoption.

Rio Dell Taxes	City of Santa Rosa	City of Willits	City of Cloverdale	City of Eureka	City of Arcata	County of Mendocino	County of Humboldt	AB 286 (Pending)	State Taxes		
\$0.00 to \$5.00 Sq. Ft. initially set at \$2.00 Sq. Ft. most methods or 0-10% initially set at 2% Gross Receipts	2% Gross Receipts or \$5.00 per sq. ft.	\$10 per square foot.	4.5% up to 10%	N/A	N/A	2.5% Excise Tax (can be raised to 10%) with \$1,250-\$5,000 minimum depending on grow size.	\$1.00 Sq. Ft. Outdoors \$2.00 Sq. Ft. Mixed Light \$3.00 Sq. Ft. Indoor	N/A	N/A	Cultivation by Sq. Ft.	
N/A		N/A	N/A	N/A	N/A	N/A	N/A	Suspended through 2022	Flowers: \$9,25 oz. Leaves/Trim: \$2.75 oz.	Cultivation by weight	Canna
0-10% initially set at 2% Gross Receipts	1%	4%	4.5% up to 10%	N/A	N/A	\$2,500 Annually CPI Adjusted.	N/A	N/A	N/A	Manufacture	Cannabis Taxes Regional Comparison
0-10% initially set at 2% Gross Receipts	N/A	4%	4.5% up to 10%	N/A	N/A	\$2,500 Annually CPI Adjusted.	N/A	N/A	N/A	Distribution	Regional Co
0-10% initially set at 2% Gross Receipts	N/A	4%	4.5% up to 10%	N/A	N/A	\$2,500 Annually CPI Adjusted.	N/A	N/A	N/A	Transportation	omparison
0-10% initially set at 2% Gross Receipts	N/A	4%	4.5% up to 10%	N/A	N/A	\$2,500 Annually \$2,500 Annually CPI Adjusted.	N/A	N/A	A/N	Laboratory Testing	
0-10% initially set at 2% Gross Receipts	3%	6%	4.5% up to 10%	N/A	N/A	\$2,500 Annually CPI Adjusted.	N/A	11%	15%	Sales by Special Excise	
City its B	Normal Sales Tax (Recreational)	P (1)	Normal Sales Tax (Recreational)	Normal Sales Tax (Recreational)	Normal Sales Tax (Recreational)	Normal Sales Tax (Recreational)	County would receive its Bradley Burns and Measure Z Portion	7.5%+	7.5%+	Regular Sales Tax (medical exempt)	

675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532



For Meeting of: March 5, 2019

☐ Consent Item; ☐ Public Hearing Item

To:

City Council

From:

Kevin Caldwell, Community Development Director

(F)

Through:

Kyle Knopp, City Manager

Date:

February 28, 2019

Subject:

Amendment of the Cannabis Regulations, Section 17.30.195 Rio Dell Municipal

Code.

Recommendation:

That the City Council:

- 1. Introduce (first reading) Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Regulations to (1) allow Retail Cannabis Sales in the Town Center zone; (2) allow Cannabis Testing Laboratories in the Town Center (TC), Neighborhood Center (NC) and the Community Commercial (CC) zones; (3) allow Cultivation on the Dinsmore Plateau and modify the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation.
- 2. Open the public hearing, receive public input and deliberate; and
- 3. Continue consideration, approval and adoption of the proposed Ordinance to your meeting of March 19, 2019.

Background and Discussion

At the Council's meeting of January 3rd, Councilmember Woodall requested that staff agendize a discussion regarding the City's cannabis regulations. Specifically, Councilmember Woodall wanted to discuss (1) the City's cannabis tax rates; (2) dispensaries or retail sales of cannabis in the City proper; (3) testing laboratories in the City proper; (4) cultivation on the Dinsmore Plateau; and (5) the annual "A" and ""M" \$4,000 fee. Councilmember's Woodall's request was approved by a majority of the Council with Mayor Wilson and Councilmember Strahan dissenting.

Staff presented a brief overview of the potential changes to the Council at their meeting of January 15, 2019 and requested that the Council provide direction. The Council voted 3-1 (Wilson dissenting and Strahan absent) to have staff look into to the possible amendments. The cannabis tax rates do not fall under the purview of the Planning Commission because they are not land use issues. Dispensaries (retail sales), Testing Laboratories and possible cultivation amendments allowing cultivation on the Dinsmore Plateau are land use issues and as such require the Planning Commission to consider and recommend any changes to the City Council.

The Planning Commission considered changes to the Cannabis regulations at their meeting of February 26, 2019. In reviewing the State's Final Regulations that were released on January 16, 2019, a number of expanded definitions were included. In addition, security provisions, including video surveillance system provisions were updated as well. Staff has incorporated those changes in the recommended Ordinance.

Retail Sales

The City currently prohibits the retail sales of cannabis products with the qualified exception of medical cannabis products. The City's cannabis regulations allow one Health and Wellness Center. Glenn White's group has been granted the one permit for a Health and Wellness Center. Health and Wellness Centers as defined allow the sale of medical cannabis products including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc., but exclude the sales of flowers, trim, leaf or cannabis infused edibles.

The State's Retail Sales regulations require that retailers be limited to just the sale of cannabis and cannabis goods. As such, the proposed amendments eliminate the sales of cannabis and cannabis goods appurtenant to Health and Wellness Centers. Staff has informed Mr. White, who was apparently already aware of the State's regulations.

The State's regulations are very detailed and staff has incorporated almost all of them into the recommended Ordinance. See **Attachment 1**. Those provisions that were not directly included in the Ordinance are included by reference. Of course all retail operators are subject to both local and State regulations.

The Planning Commission recommends a Request for Proposal (RFP) or similar tool for allowing discretion in reviewing and approving retail operators. Staff is not recommending a RFP process per say, but is recommending a similar process which allows discretion in approving retail sales. See below:

Retail areas as herein defined <u>may</u> be allowed in the Industrial Commercial (IC) designation located in the Sawmill Annexation area and the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council. In addition to the Conditional Use Permit required findings pursuant to Section 17.35.030 of the Rio Dell Municipal Code (RDMC), the following elements will be considered in reviewing and approving retail operations, including but not limited to:

- Experience
- Financial Capital

- Interior and Exterior Design
- Business Model/Plan of Operation

The State's regulations allow retail sellers to be open for business from 6:00 am to 10:00 pm. The Commission and staff recommend that the hours of operations be limited to 9:00 am to 8:00 pm.

Again, staff has incorporated a number of State provisions into the recommended Ordinance. Please refer to the Ordinance, **Attachment 1**, for detailed descriptions of the recommended provisions.

Staff is also recommending that Chapters 5.35 and 5.40 of the Rio Dell Municipal Code (RDMC) be repealed. These provisions prohibit the sales of medicinal and recreational cannabis.

Testing Laboratories

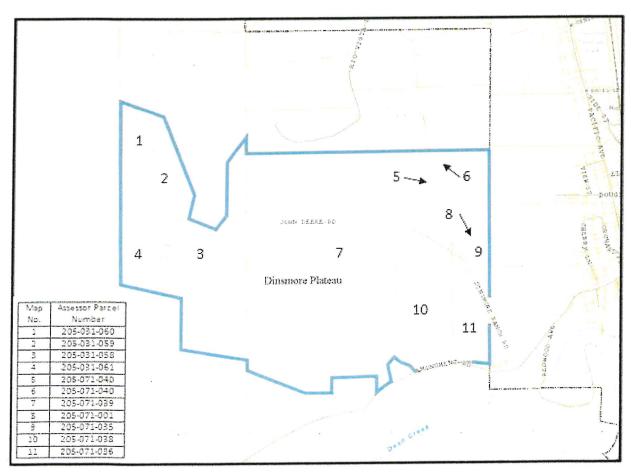
Cannabis testing laboratories are restricted to the HRDBP. Cannabis testing labs are very similar to other types of testing labs. It is staff's understanding that the City's of Eureka and Arcata and the County allow cannabis testing labs where other types testing labs are allowed.

The Planning Commission recommends that testing labs be allowed with a Conditional Use Permit in the Town Center, Neighborhood Center and Community Commercial zones. The Planning Commission does not recommend establishing a limit on testing labs.

Of course Testing Labs and their security requirements are highly regulated by the State. Again, most of the State's security provisions, including video surveillance system provisions were incorporated into the recommended Ordinance.

Cultivation on the Dinsmore Plateau

As the Council is aware commercial cannabis cultivation is limited to the "Sawmill Annexation Area" which includes the HRDBP and a few other parcels, including that portion of the Mozzetti Ranch in the City limits. Most if not all the property owners on the Dinsmore Plateau have expressed an interest in commercial cannabis cultivation. Below is a copy of the map identifying those parcels on the Dinsmore Plateau that would be allowed to cultivate cannabis:



Dinsmore Plateau

Currently all outdoor cultivation must occur in greenhouses that are designed to eliminate odors from affecting nearby properties. The Commission discussed the possibility of recommending outdoor cultivation, but ultimately decided against it.

The Commission does recommend that cultivation be allowed on the Dinsmore Plateau with a Conditional Use Permit. They are also recommending setbacks as identified below:

The area of greenhouse, mixed-light cannabis cultivation shall be located as shown on the application site plan, set back at least 30 feet from any property line in the Natural Resource (NR) and Rural (R) zones and 300 feet from any residences on an adjacent separately owned parcel and 1000 feet from any school. The setback required from associated property lines or residence(s) on adjacent privately-owned property may be waived or reduced with the express written consent of the owner(s) of the subject property.

The Commission is also recommending that canopy sizes not be based on parcel size. This is consistent with the State's regulations. We are also recommending a five acre minimum parcel size for leased parcels. Leased parcels for agricultural purposes are exempt from the Subdivision Map Act. Below is a copy of the recommended language:

Cultivation activities may occur on leased premises for agricultural purposes pursuant to the exclusion from the Subdivision Map Act, Government Code Section 66412(k). The minimum parcel size for leased parcels shall be five (5) acres.

Procedures for Zoning Ordinance Amendments

Zoning amendments are processed pursuant to Section 17.35.010 of the City of Rio Dell Municipal Code (RDMC) and in accordance with Sections 65800 through 65863.9 of the California Government Code, Sections 21000 through 21177 of the California Public Resource Code and Sections 15000 through 15387 of Title 14 of the California Code of Regulations. The California Public Resource Code and Title 14 of the California Code of Regulations references refer to CEQA provisions.

The following City procedures are required to amend the Zoning Ordinance:

 An amendment may be initiated by one or more owners of property affected by the proposed amendment, as set out in Section 17.35.010(3), or by action of the Planning Commission, or the City Council.

- The application of one or more property owners for the initiation of an amendment shall be filed in the office of the City Clerk on a form provided, accompanied by a filing fee.
- Subject only to the rules regarding the placing of matters on the Planning Commission agenda, the matter shall be set for a public hearing.
- Notice of hearing time and place shall be published once in a newspaper of general circulation at least ten calendar days before the hearing or by posting in at least three public places.
- At the public hearing, the Planning Commission shall hear any person affected by the proposed amendment. The hearing may be continued from time to time.
- Within 40 days of the conclusion of the hearing, the Planning Commission shall submit to the City Council a written report of recommendations and reasons therefore.
- Subject only to the rules regarding the placing of matters on its agenda, the City Council, at its next regular meeting following the receipt of such report, shall cause the matter to be set for a public hearing. Notice of the time and place of the hearing shall be given as provided in Section 17.35.010(5), hereof.
- At the public hearing, the City Council shall hear any person affected by the proposed amendment. The hearing may be continued to a specified future date, but shall be concluded within 60 days of the commencement thereof.
- The City Council shall not make any change in the proposed amendment until the proposed change has been referred to the Planning Commission for a report, and the Planning Commission report has been filed with the City Council.

Zone Amendment Required Findings:

1. The proposed amendment is in the public interest.

The proposed amended regulations are in the public interest in that (1) they are consistent with the new State regulations; (2) will allow for or facilitate additional jobs; and (3) will generate additional revenue through the voter approved cannabis excise taxes applied to the cannabis businesses.

2. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.

One of the primary purposes of the General Plan is to facilitate planned, orderly development and to promote economic development, and protect the public health, safety and welfare of the community. There are a number of policies which encourage a vibrant commercial community. The proposed minor amendments certainly increase the opportunity for economic development within the City. There are no specific General Plan goals, policies or discussions that are contrary to the recommended amendments. Therefore, staff believes the proposed regulations are consistent with the General Plan.

3. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project.

Based on the minor nature of the proposed amendments, staff has determined that the project is Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Where it can be seen with certainty that there is no possibility that the project in question may have a significant effect on the environment, the project is not subject to CEQA. Based on the nature of the proposed amendments, the high level of regulation and the fact that agricultural activities are currently allowed on the Dinsmore Plateau, staff believes there is no evidence to suggest that the amendments to the cannabis regulations will have a significant effect on the environment.

Attachments:

Attachment 1: Draft Ordinance No. 374-2019 repealing Chapters 5.35 and 5.40 amending the City's Commercial Cannabis Regulations to (1) allow Retail Cannabis Sales in the Town Center zone; (2) allow Cannabis Testing Laboratories in the Town Center (TC), Neighborhood Center (NC) and the Community Commercial (CC) zones; (3) allow Cultivation on the Dinsmore Plateau and modify the cultivation standards to eliminate canopy sizes based on parcel sizes for greenhouse cultivation.

ORDINANCE NO. 374-2019



AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL REPEALING CHAPTERS 5.35 AND 5.40 OF THE RIO DELL MUNICIPAL CODE (RDMC) AND AMENDING THE CITY'S COMMERCIAL CANNABIS REGULATIONS TO (1) ALLOW RETAIL CANNABIS SALES IN THE TOWN CENTER ZONE; (2) ALLOW CANNABIS TESTING LABORATORIES IN THE TOWN CENTER (TC), NEIGHBORHOOD CENTER (NC) AND THE COMMUNITY COMMERCIAL (CC) ZONES; AND (3) ALLOW CULTIVATION ON THE DINSMORE PLATEAU AND MODIFY THE CULTIVATION STANDARDS TO ELIMINATE CANOPY SIZES BASED ON PARCEL SIZES FOR GREENHOUSE CULTIVATION.

WHEREAS, California Government Code Section 65850, et seq. authorizes counties and cities to regulate land use, including agriculture, and to adopt and amend zoning ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such ordinances; and

WHEREAS, on October 9, 2015 Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical marijuana as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

WHEREAS, pursuant to Section 11362.777, subsection (c)(3), "A city, county, or city and county's locally issued conditional permit requirements must be at least as stringent as the Department of Food and Agriculture's state licensing requirements"; and

WHEREAS, the state statutes establishing a regulated, legitimate basis for commercial cannabis economic activities under the authorization of state law provide an opportunity to bring unregulated activities into compliance with existing law and ameliorate adverse

environmental impacts, while bringing it out of the shadows of an underground, black-market economy into a legitimate agricultural and commercial contributor to the local and state economy; and

WHEREAS, the City of Rio Dell has previously adopted a land use ordinance governing commercial cannabis activities consistent with the Medicinal and Adult-Use Cannabis Regulations and Safety Act (MAUCRSA); and

WHEREAS the City has reviewed and processed the proposed text amendments in conformance with Sections 65350 – 65362 of the California Government Code; and

WHEREAS the City has reviewed and processed the proposed amendment in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

WHEREAS the City Council finds that based on evidence on file and presented in the staff report that the proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected; and

WHEREAS the proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell finds that:

- 1. The proposed amendments are in the public interest; and
- 2. The proposed amendments are consistent with the General Plan and any applicable specific plan; and
- 3. The proposed amendments are Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations.

BE IT FURTHER RESOLVED, that the City Council of the City of Rio Dell does hereby ordain as follows:

Section 1

Chapters 5.35 and 5.40 of the Rio Dell Municipal Code (RDMC) are hereby repealed.

Section 2

Section 17.30.195 Commercial Cannabis Land Use Regulations is hereby amended as follows.

(1) Authority and Title

This Section shall be known as the Commercial Cannabis Land Use Ordinance (CCLUO), which provides for the regulation of Commercial Cultivation, <u>Retail Sales</u>, Processing, Manufacturing Distribution and testing of cannabis, as defined in this Code, located within the City of Rio Dell.

(2) Purpose and Intent

The City of Rio Dell is focused on the development of the medical cannabis industry in an effort to better understand the effects of the plant and its constituent elements on various diseases. We encourage the businesses within the industry to focus their efforts towards the medical market and actively seek businesses that conduct medical research as associated with the cannabis industry. The efforts of the City to better understand the medical benefits of this plant will provide an environment in which research oriented businesses will thrive and encourage new and innovative researchers to locate in Rio Dell. In this light, the City of Rio dell envisions a future for the Humboldt Rio Dell Business Park as a research center for the cannabis industry.

The purpose of this Section is to establish land use regulations concerning the commercial cultivation, <u>retail sales</u>, processing, manufacturing, distribution and testing of cannabis for medicinal or adult use in order to limit and control such activity.

These regulations are intended to ensure the public health, safety and welfare of residents of the City of Rio Dell, visitors to the City, persons engaged in regulated commercial cannabis activities including their employees, neighboring property owners, and end users of medicinal or adult use cannabis; to protect the environment from harm resulting from cannabis activities, including but not limited to residential neighborhoods, schools, commercial areas; to ensure the security of state-regulated medicinal or adult use cannabis; and to safeguard against the diversion of state-regulated medicinal or adult use cannabis for purposes not authorized by law. To this end, these regulations identify where in the City the various types of commercial cannabis activities can occur, and specify what type of permit is required, the application process and the approval criteria that will apply.

This Section is not intended to supersede the provisions of Section 17.30.190 of this Code concerning cultivation of medical marijuana for personal use by patients or caregivers, or

contravene Section 17.30.235 of this code or the provisions of Health and Safety Code section 11357, 11358, 11362.1, 11362.2, or 11362.5 with respect to the possession or cultivation of limited amounts of cannabis for personal use by qualified patients or persons 21 years of age or older.

(3) Applicability and Interpretation

- (a) These regulations shall apply to the location and permitting of commercial cultivation, <u>retail</u> <u>sales</u>, processing, manufacturing, distribution and testing of cannabis in zoning districts within which such use is authorized, as specified in this Section.
- (b) The commercial cultivation, <u>retail sales</u>, processing, manufacturing, distribution and testing of cannabis within the jurisdiction of the City of Rio Dell shall be controlled by the provisions of this Section, regardless of whether those activities existed or occurred prior to the adoption of this Section.
- (c) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, <u>retail sales</u>, processing, manufacturing, distribution and testing of cannabis from compliance with all other applicable zoning, and land use regulations, as well as compliance with any applicable state laws.
- (d) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, <u>retail sales</u>, processing, manufacturing, distribution and testing of cannabis as defined herein, from any and all applicable local and state construction, electrical, plumbing, land use, water rights, waste water discharge, streambed alteration, or any other environmental, building or land use standards or permitting requirements.
- (e) Nothing in this Section is intended, nor shall it be construed, to preclude a landlord or property owner from limiting or prohibiting commercial cultivation, <u>retail sales</u>, processing, manufacturing, distribution and testing of cannabis on private property.
- (f) The definitions in this Section are intended to apply solely to the regulations in this section.
- (g) Notwithstanding the fact that Health and Safety Code Section 11362.777 declares that cannabis is an agricultural product for purposes of that Section and the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), Business and Professions Code Section 19300, et. seq., the commercial cultivation of cannabis is a highly regulated specialty crop and cultivation and processing of that specialty crop shall not be allowed as a principal

permitted use unless a Conditional Use Permit is first obtained from the City of Rio Dell, and the person engaged in such activity has obtained all state licenses and permits which may be required by the applicable state licensing authorities whenever such licenses become available.

(h) With the exception of testing laboratories, all cannabis operators/licensees are required to hold a Medical or "M" type State license. Cannabis operators/licensees may hold an Adult or "A" type State license as well.

(4) Release of Liability and Hold Harmless

As a condition of approval for any Conditional Use Permit approved for the commercial cultivation, processing, manufacturing, testing, or distribution of cannabis as defined herein, the owner or permittee shall indemnify and hold harmless the City of Rio Dell and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the commercial cultivation, processing, manufacturing, testing or distribution of cannabis and for any claims brought by any person for problems, injuries, damages, or liabilities of any kind that may arise out of the commercial cultivation, processing, manufacturing, testing or distribution of cannabis.

(5) Violations, Penalties and Enforcement

All of the remedies provided for in this Section shall be cumulative and not exclusive of remedies available for violations under any other Section of the Rio Dell Municipal Code, State law, including without limitation the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), and applicable federal law.

Any violation of this Section, including, but not limited to failure to obtain and maintain in good standing the required Conditional Use Permit specified in this Section, shall be, and the same hereby is declared to be, a public nuisance and unlawful and shall be subject to injunction, abatement or any other administrative, civil, or criminal remedy available to the City under the applicable state and City laws, including those set forth in Section 17.40.020 of the Rio Dell Municipal Code and any or all of the following:

(a) Such person shall be subject to summary or administrative abatement of the nuisance by the City, and be subject to fines, civil penalties, fees and costs, including reasonable attorney fees imposed by the City pursuant to the summary or administrative abatement procedures contained in the City Code or any other provisions of law;

- (b) Such person shall be guilty of a misdemeanor for each day such violation continues, and upon conviction thereof, shall be punished for each violation by a fine not to exceed one thousand dollars (\$1,000.00), or by imprisonment of not longer than six months, or both for each violation;
- (c) Such person shall be prosecuted in a civil action, criminal action, or both brought by the City. The City Attorney or other authorized legal representative may bring an action in a court of competent jurisdiction to enjoin or prosecute any nuisance violation of this chapter, or violation of any other ordinance of the City;
- (d) Each and every day that any such violation continues to exist shall constitute a continuing and separate offense.

(6) Definitions

"Act" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act

"Area of Traditional Tribal Cultural Affiliation" means geographic areas of historic occupancy and traditional cultural use by local indigenous peoples (California Native American Tribes), as shown on the latest mapping prepared by the County of Humboldt Planning & Building Department, created from geographic information supplied by the Tribes of Humboldt County.

"Branded merchandise" means clothing, hats, pencils, pens, key chains, mugs, water bottles, beverage glasses, notepads, lanyards, cannabis accessories, or other types of merchandise approved by the Bureau with the name or logo of a commercial cannabis business licensed pursuant to the Act. Branded merchandise does not include items containing cannabis or any items that are considered food as defined by Health and Safety Code section 109935

"Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, or any other strain or varietal of the genus Cannabis that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. "Cannabis" also means cannabis as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agriculture Code or Section 11018.5 of the Health and Safety Code.

"Cannabis Accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

"Cannabis goods" means cannabis, including dried flower and products containing cannabis.

"Cannabis Testing and Research Laboratories" means a facility, entity, or site that offers or performs tests of cannabis or cannabis products licensed by the State of California pursuant to Business and Professions Code section 26000, et. seq., and businesses and research institutions engaged in the research of cannabis, cannabis products, or devices used for the medicinal or adult use of cannabis products at which no commercial cannabis cultivation or distribution, manufacture, dispensing, or sale of medical cannabis occurs.

"Commercial Cannabis Activity" means any activity involving the cultivation, <u>retail sales</u>, processing, distribution, manufacturing, testing, sale, or related activities, of cannabis for commercial purposes.

"Commercial Cannabis Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, including nurseries, that is intended to be transported, processed, manufactured, distributed, dispensed, delivered, or sold in accordance with the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

"Cultivation Area" the area encompassed by the perimeter surrounding the area within which cannabis plants are cultivated. Where plants are cultivated in separated pots, beds or plots, the cumulative total surface area of all such pots, beds or plots, and the surface area underneath the maximum anticipated extent of vegetative growth of cannabis plants to be grown in separate pots, beds or plots, used in combination for a single permitted cultivation operation.

"Cultivation License Types" means the following types of State cultivation licenses:

- (a) Specialty Cottage:
- (1) "Specialty Cottage Outdoor" is an outdoor cultivation site with up to 25 mature plants.

- (2) "Specialty Cottage Indoor" is an indoor cultivation site with 500 square feet or less of total canopy.
- (3) "Specialty Cottage Mixed-Light Tier 1 and 2" is a mixed-light cultivation site with 2,500 square feet or less of total canopy.

(b) Specialty:

- "Specialty Outdoor" is an outdoor cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on noncontiguous plots.
- (2) "Specialty Indoor" is an indoor cultivation site between 501 and 5,000 square feet of total canopy.
- (3) "Specialty Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.

(c) Small:

- (1) "Small Outdoor" is an outdoor cultivation site between 5,001 and 10,000 square feet of total canopy.
- (2) "Small Indoor" is an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.
- (3) "Small Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.

(d) Medium:

- (1) "Medium Outdoor" is an outdoor cultivation site between 10,001 square feet and one acre of total canopy.
- (2) "Medium Indoor" is an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.
- (3) "Medium Mixed-Light Tier 1 and 2" is a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.

- (e) "Nursery" is a cultivation site that conducts the cultivation of cannabis solely as a nursery.
- (f) "Processor" is a site that conducts only trimming, drying, curing, grading, packaging or labeling of cannabis and nonmanufactured cannabis products.

"Cultivation site" means the location or a facility where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, except where drying, curing, grading or trimming is otherwise prohibited.

"Dinsmore Plateau Area" is the area (parcels) shown in Figure 6-1, below:

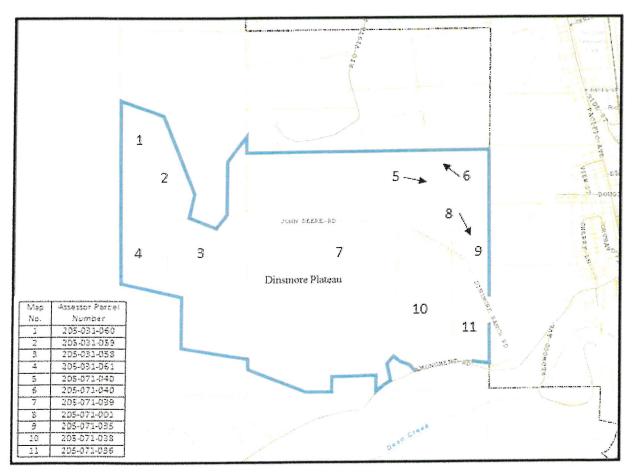


Figure 6-1
Dinsmore Plateau Area

"Distribution Facility" means the location or a facility where a person conducts the business of procuring cannabis from licensed cultivators or manufacturers for sale to licensed retailers, and

performs and coordinates the inspection, quality assurance, batch testing, storage, labeling, packaging and other related processes, as well as transportation to or from other licensees.

"Distributor" means a State recognized Type 11 licensed person or entity that conducts the business of procuring cannabis from licensed cultivators and/or manufacturers for sale to licensed retailers, and performs and coordinates the inspection, quality assurance, batch testing and other related processes as well as transportation to and from other licensees.

"Distributor Transport Only" means a State recognized Type 13 licensed person or entity that conducts the business transportation of cannabis products between licensed cultivators, manufacturers and distributors. Does not transport cannabis goods to a retailer except for immature live plants and seeds being transported from a licensed nursery.

"Extraction" means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

"Flowering" means that a cannabis plant has formed a mass of pistils measuring greater than one half inch wide at its widest point.

"Greenhouse" means a structure, primarily of glass or clear poly-film or polycarbonate plastic, in which temperature and humidity can be controlled for the cultivation or protection of plants.

"Health and Wellness Center" means an establishment that offers health services for the body and mind, including but not limited to fitness, personal training, nutrition consulting, skin care services, massage, holistic and herbal therapies, therapeutic application and retail sales of medical cannabis products including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc., but excluding the sales of flowers, trim, leaf or cannabis infused edibles.

"Immature cannabis plant" or "immature plant" means a plant that is nonflowering and is shorter and narrower than 18 inches. For purposes of this division, this definition is applicable to retail activities.

"Indoor" means indoor cultivation using exclusively artificial lighting or a combination of artificial lighting and natural sunlight in a building with a glass, polycarbonate plastic or similar roof.

"Kief" means the resinous trichomes of cannabis that may accumulate in containers or be sifted from loose, dry cannabis flower with a mesh screen or sieve.

"Licensee" means a person issued a state license under the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) to engage in commercial cannabis activity.

"Limited-access area" means an area in which cannabis goods are stored or held and is only accessible to a licensee and its employees and authorized individuals.

"Manufacturing Facility" means a process whereby the raw agricultural product is transformed into a concentrate, an edible product, or a topical product, and the production, preparation, propagation, or compounding of cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

"Manufacturing License Types" means the following license types available from the California Department of Public Health (CDPH):

- (a) "Type P," for entities that only package or repackage medical cannabis products or label or relabel the cannabis product container. Entities that engage in packaging or labeling of their own product as part of the manufacturing process do not need to hold a separate Type P license. For purposes of section 19328 of the Business and Professions Code, a Type P license shall be subject to the same restrictions as a Type 6 license.
- (b) "Type N," for manufacturers that produce edible products or topical products using infusion processes, or other types of medical cannabis products other than extracts or concentrates, and that do not conduct extractions. For purposes of section 19328 of the Business and Professions Code, a Type N license shall be subject to the same restrictions as a Type 6 license.
- (c) "Type 6," for extractions using mechanical methods or nonvolatile solvents as defined by Section 40100 of the California Code of Regulations. A Type 6 licensee may also conduct infusion operations, or packaging and labeling of its own cannabis products on the licensed premises, provided that the infusion method is noted on the application form and that the relevant information pursuant to subsection (b) of Section 40128 of the California Code of Regulations is provided to the Department.
- (d) "Type 7," for extractions using volatile solvents as defined by Section 40100 of the California Code of Regulations. A Type 7 licensee may also:

- (1) Conduct extractions using nonvolatile solvents or mechanical methods on the licensed premises provided that the extraction process is noted on the application form and the relevant information is provided to the Department pursuant to subsection (b) of Section 40128 of the California Code of Regulations.
- (2) Conduct infusion operations on the licensed premises, provided that the infusion method is noted on the application form and that the relevant information is provided to the Department pursuant to subsection (b) of Section 40128 of the California Code of Regulations.
- (3) Conduct packaging and labeling of its own cannabis products.

"Medicinal cannabis patient" includes both a qualified patient as defined in Health and Safety

Code section 11362.7 and a person in possession of a valid identification card issued under

Health and Safety Code section 11362.71

"Microbusiness" means a State recognized Type 12 licensed facility host to several Commercial Cannabis Activities under a single license including cultivation on an area less than 10,000 square feet, distribution, manufacturing without use of volatile solvents, and retail sales.

"Mixed-Light" means cultivation of mature cannabis in a greenhouse, hoop-house, glasshouse, conservatory, hothouse or other similar structure using light deprivation and/or one of the artificial lighting models described below:

- (1) "Mixed-light Tier 1" the use of artificial light at a rate of six watts per square foot or less;
- (2) "Mixed-light Tier 2" the use of artificial light at a rate above six and below of equal to twenty-five watts per square foot.

"Nonmanufactured cannabis product" means flower, shake, kief, leaf and pre-rolls.

"Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products for retail or wholesale sale, used specifically for the planting, propagation, and cultivation of cannabis.

"Off-site Processing Facility" means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged when conducted at premises separate from the cultivation site where the processed cannabis is grown and harvested.

"On-site Processing Facility" means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged by or under the control of one or more licensed cultivators, when conducted at the same premises or Parcel which is host to the cultivation site(s) where the cannabis is grown and harvested.

"Outdoor" means outdoor open-field (not in a greenhouse) cultivation using no artificial lighting. Outdoor cultivation as defined herein is not allowed in the City of Rio Dell.

"Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

"Premises" means a legal parcel compliant with the Subdivision Map Act, or a leasehold interest in agricultural land for agricultural purposes of outdoor or mixed-light cultivation or processing of cannabis, or space in an industrial or commercial building for purposes of indoor cultivation, processing, manufacture, or distribution of cannabis.

"Pre-roll" means nonmanufactured cannabis products(s) rolled in paper.

"Process", "Processing", and "Processes" means all activities associated with drying, curing, grading, trimming, storing, packaging and labeling of cannabis products.

"Processing Facility" means the location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged.

"Propagation" means cultivation of immature, non-flowering cannabis plants.

"Retail area" means a building, room or other area that is open to the public, upon the licensed retailer or licensed Microbusiness premises authorized to engage in retail sales in which cannabis goods are sold or displayed.

"Sawmill Annexation Area" means the area north of the Eel River annexed into the City in 2008/2009, which area is shown on Figure 6-1 6-2, below.

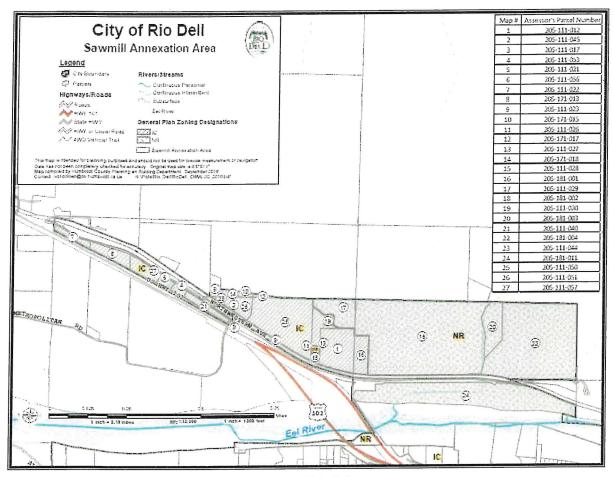


Figure 6.1 6.2 Sawmill Annexation Area

"Renewable Energy Source" means electrical power provided by a renewable energy system and/or Grid Power, supplied from 100% renewable source.

"Renewable Energy System" means equipment for generating and supplying power without use of petroleum or other fossil fuels, and instead using appropriate technology including but not limited to: wind turbines, photovoltaic panels, and hydroelectric systems, in concert with private devices and systems for energy storage and distribution including batteries, grid intertie, or other means.

"Retailer" means a State recognized Type 10 licensed facility for the retail sale and delivery of cannabis to the public, whether for medicinal or adult use.

"Retailer Non-Storefront" means a State recognized Type 9 license for the retail sale and delivery of cannabis from a licensed premises that is not open to the public, whether for medicinal or adult use.

"State license" means a state license issued pursuant to the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA).

"Testing Laboratory" means a State recognized Type 8 licensed facility, entity, or site in the state that offers or performs tests of cannabis or cannabis products with an ISO/IEC 17025 accreditation or equivalent recognized by the state.

"Tribal Cultural Resources" means sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe, including unique archaeological resources and historical resources as described under sections 21074, 21083.2(g), and 21084.1 of the Public Resources Code, respectively. Tribal Cultural Resource shall also include sites or resources identified by the tribe through an action of the Tribal Council or equivalent body.

(7) General Provisions

This section applies to all cannabis related facilities and activities involved in the Commercial Cultivation, <u>Retail Sales</u>, Processing, Manufacturing, Health and Wellness Centers, Testing or Distribution of cannabis as defined in this Section.

- (a) All cannabis related facilities and activities, including commercial cultivation, <u>retail sales</u>, processing, manufacturing, Health and Wellness Centers, testing, or distribution of cannabis shall operate in compliance with this Section, as well as all applicable state and local laws and conditions as deemed appropriate by the Planning Commission and/or the City Council.
- (b) Greenhouse and Mixed-Light commercial cultivation of cannabis shall be conducted entirely within a fully enclosed, secure and lockable greenhouse and shall be conditionally permitted in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area, and the Rural (R) designation located on the Dinsmore Plateau area pursuant to the "Greenhouse" and "Mixed-Light" parcel size and cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

- (c) Indoor commercial cultivation of cannabis shall be conditionally permitted in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area and the Rural (R) designation located on the Dinsmore Plateau area pursuant to the "Indoor" cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (d) Processing Facilities accessory and appurtenant to on site cultivation for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) and Natural Resources (NR) designations located in the Sawmill Annexation area, and the Rural (R) designation located on the Dinsmore Plateau area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (e) Stand alone, independent Processing Facilities for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) designation zoning district located in the Sawmill Annexation area, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (f) Extraction manufacturing of commercial cannabis concentrates shall be a conditionally permitted use in the Industrial Commercial (IC) designation located in the Sawmill Annexation area, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (g) Manufacturing of edibles (commercial kitchens) shall be a conditionally permitted use in the Industrial Commercial (IC), designation located in the Sawmill Annexation area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (h) Wholesale Distribution Facilities for commercial cannabis shall be a conditionally permitted use in the Industrial Commercial (IC) designation located in the Sawmill Annexation area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (i) Nurseries, as defined herein, producing commercial cannabis nursery products for retail sale, bulk wholesale sale or to supply retail nursery outlets shall be a conditionally

permitted use in the Industrial Commercial (IC) and Natural Resources (NR) designation located in the Sawmill Annexation area and the Rural Residential (R) designation located on the Dinsmore Plateau area subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

- (i) Testing laboratories as herein defined shall be conditionally permitted in the Industrial Commercial (IC) designation located in the Sawmill Annexation area the Town Center (TC), Neighborhood Center (NC) and the Community Commercial (CC) zones subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- (j) Other than as enumerated in this Section, the commercial cultivation, processing, manufacturing, testing or distribution <u>and retail sales</u> of cannabis in any other zoning district in the City of Rio Dell is prohibited.
- (k) Health and Wellness Centers as herein defined are allowed in the Industrial Commercial (IC) designation located in the Sawmill Annexation area and the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

 No more than one (1) Health and Wellness Center administering therapeutic application and retail sales of medical cannabis products, including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc., but excluding the sales of flowers, trim, leaf or cannabis infused edibles shall be allowed.
- (I) Retail areas as herein defined are allowed in the Industrial Commercial (IC) designation

 located in the Sawmill Annexation area and the Town Center (TC) designation subject to a

 Conditional Use Permit and the conditions and limitations set forth in this Section and as

 deemed appropriate by the Planning Commission and/or the City Council.
- (H) (m) The fact that an applicant possesses other types of state or county or city permits, licenses or other entitlements does not exempt the applicant from the requirement of obtaining a Conditional Use Permit from the City of Rio Dell to engage in the commercial cultivation, processing, manufacturing, testing or distribution of cannabis within the jurisdiction of the City.
- (m) (n) Every person engaged in any commercial cannabis activity within the City of Rio Dell that applies for and is issued a State license type marked "A" for adult use under Section

26050(b) of the California Business and Professions Code shall also apply for and obtain, prior to engaging in activity permitted under the "A" type State license, a State license type marked "M" for medicinal use for the same type of commercial cannabis activity within the City. Any such person shall comply with Section 5025 of Title 16 of the California Code of Regulations. This provision shall not apply to persons possessing a State testing laboratory license

- (o) A Video Surveillance System as required by Section 5044 of the California Code of Regulations shall be installed in Manufacturing, Processing, Distribution, Testing and Retail facilities. The system shall comply with the following standards:
 - (i) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels.
 - (ii) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.
 - (iii) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed under subsection (iv) of this section.
 - (iv) Areas that shall be recorded on the video surveillance system include the following:
 - (1) Areas, where cannabis goods are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;
 - (2) Limited-access areas;
 - (3) Security rooms;
 - (4) Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and
 - (5) Entrances and exits to the licensed premises, which shall be recorded from both indoor and outdoor vantage points.
 - (v) Licensed retailers authorized to engage in retail sales shall also record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
 - (vi) Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).

- (vii) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.
- (viii) Surveillance recordings shall be kept for a minimum of 90 calendar days.
- (ix) Surveillance recordings are subject to inspection by the City, and shall be kept in a manner that allows the City to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the City upon request within the time specified by the City.
- (x) Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the standards issued by the United States National Institute of Standards and Technology.
- (xi) The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.
- (xii) If multiple licensed premises are contained within the same building, a single video surveillance system covering the entire building may be used by all of the licensees under the following conditions:
- (1) Each applicant or licensee shall disclose on their premises diagram where the surveillance recordings are stored.
- (2) Each applicant or licensee shall include in their security operating procedures, submitted with the application an explanation of how the video surveillance system will be shared, including who is responsible for monitoring the video footage and storing any video recordings.
- (3) All licensees shall have immediate access to the surveillance recordings to produce them pursuant to subsection (i) of this section.
- (4) All licensees shall be held responsible and subject to discipline for any violations of the video surveillance requirements.
- (p) Limited-Access areas as defined herein shall comply with the following standards:
 - (i) Licensees shall ensure that only employees of the licensee and other authorized individuals access the limited-access areas of the licensed premises.
 - (ii) For the purpose of this section, authorized individuals include outside vendors, contractors, or other individuals conducting business that requires access to the limited-access areas.
 - (iii) An individual who enters the limited-access area and is not employed by the

licensee shall be escorted by an employee of the licensee at all times while within the limited-access area.

- (iv) A licensee shall maintain a record of all authorized individuals who are not employees of the licensee who enter the limited-access areas. The record shall include the name of the individual, the company the individual works for, the reason the individual entered the limited-access area, the date, and the times the individual entered and exited the limited-access area. These records shall be made available to the Bureau immediately upon request.
- (v) A licensee shall not receive consideration or compensation for permitting an individual to enter the limited-access areas.
- (q) Entrances to all limited-access areas shall have a solid door and a lock meeting the requirements of section 5046 of this division. The door shall remain closed when not in use during regular business hours. A licensee shall ensure that the limited-access areas described in section 5042 of this division can be securely locked using commercial-grade, nonresidential door locks. A licensee shall also use commercial-grade, nonresidential door locks on all points of entry and exit to the licensed premises.
- (r) An Alarm System as required by Section 5047 of the California Code of Regulations shall be installed in Manufacturing, Processing, Distribution, Testing and Retail facilities. The system shall comply with the following standards:
 - (i) A licensee shall maintain an alarm system as defined in Business and Professions Code section 7590.1(n) at the licensed premises.
 - (ii) A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system.
 - (iii) Upon request, a licensee shall make available to the City all information related to the alarm system, monitoring, and alarm activity.
 - (iv) If multiple licensed premises are contained within the same building, a single alarm system covering the entire building may be used by all of the licensees under the following conditions:
 - (1) Each licensee shall include in their security operating procedures, submitted with the application an explanation of how the alarm system will be shared, including who is responsible for contracting with the alarm company.
 - (2) All licensees shall have access to and be able to provide the information under subsection (iii) of this section.
 - (3) All licensees shall be held responsible and subject to discipline for any violations of the alarm system requirements.

(s) Employee Badge Requirement: All agents, officers, or other persons acting for or employed by a licensee shall display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the licensee's "doing business as" name and license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

(8) Cultivation, Locations, Parcel Sizes and Allowable Canopies

The commercial cultivation of cannabis within the City shall be located in the Sawmill Annexation area and the Rural (R) designation located on the Dinsmore Plateau area in accordance with the following table:

Table 8.1
Cultivation Locations, Parcel Sizes and Allowable Canopies

Greenhouse & Mixed-Light Cultivation Industrial Commercial (IC) and Natural Resources (NR) Designations

State License Type	Cultivation Type	Parcel Size	Allewable Canopy
Specialty	Greenhouse &	< 1 acre	1,000 sq. ft.
	Mixed Light	1-2.49 acres	2,000 sq. ft.
		2.5-4.99 acres	5,000 sq. ft.
Small	Greenhouse & Mixed Light	5.0-19.99 acres	10,000 sq. ft.
Medium	Greenhouse & Mixed Light	≥ 20 acres	22,000 sq. ft.

State License Type	Allowable Canopy
"Specialty Cottage"	<u>2,500 sq. ft</u> .
"Specialty"	5,000 sq. ft.
"Small"	10,000 sq. ft.
<u>"Medium"</u>	22,000 sq. ft.

Indoor Cultivation

Industrial Commercial (IC), and Natural Resources (NR) and Rural (R) Designations

State License Type	Allowable Canopy		
"Specialty Cottage"	500 sq. ft.		
"Specialty Indoor"	5,000 sq. ft.		
"Small Indoor"	10,000 sq. ft.		
"Medium Indoor"	22,000 sq. ft.		

Indoor Cultivation Natural Resources (NR) Designations

State License Type —	Parcel Size	Allowable Canopy
<u>"Specialty Indoor"</u>	<1 acre	1,000 sq. ft.
	1-1.99 acres	2,000 sq. ft.
	2.0-4.99 acres	5,000 sq. ft.
<u>"Small Indoor"</u>	5.0-9.99 acres	10,000 sq. ft.
<u>"Medium Indoor"</u>	≥ 10 acres	22,000 sq. ft.

Nurseries

Industrial Commercial (IC), and Natural Resources (NR) and Rural (R) Designations

State License Type	Parcel Size	Allowable Canopy
Type 4, "Nursery"	N/A	N/A

- (a) Cultivation activities may occur on leased premises for agricultural purposes pursuant to the exclusion from the Subdivision Map Act, Government Code Section 66412(k). The minimum parcel size for leased parcels shall be five (5) acres.
- (a) (b) Processing of cannabis that is cultivated pursuant to these regulations may occur at the cultivation site subject to the Processing Performance Standards and Employee Safety Practices enumerated in Section 17.30.195(10) thru 17.30.195(13) are met.
- (b) (c) Multiple applicants may obtain a Conditional Use Permit for greenhouse cultivation, mixed-light cultivation, or both, on one legal parcel so long as the cumulative cultivation area is within one contiguous cultivation footprint that does not exceed the total cultivation area size limits set forth in Table 8.1, Cultivation Locations, Parcel Sizes and Allowable Canopies.

- (c) (d) A combination of cultivation types may be allowed in the same zone (e.g. greenhouse and, mixed light cultivation, or indoor cultivation and processing). that are for a total area equal to or less than the cultivated area size limit for the size of the underlying parcel.
- (9) Application Requirements for All CCLUO Conditional Use Permits:
- (a) A completed standard application form for a Conditional Use Permit with the required fee.
- (b) If the applicant is not the record title owner of parcel, written consent of the owner for the application with original signature and notary acknowledgement.
- (c) A Site Plan shall be submitted showing the entire parcel with dimensions, easements, existing and proposed buildings, parking and loading facilities, landscaping, trash and recycling facilities, stormwater facilities, including retention/detention facilities and setbacks from property lines. The plan shall be drawn to scale.
- (d) Floor Plans shall be submitted for existing and proposed buildings with dimensions and labeling identifying uses within the building(s). The plans shall be drawn to scale.
- (e) A **Plan of Operations** shall be submitted that includes, describes and addresses the following:
 - (i) A complete project description including the proposed use(s), hours and days of operation, number of employees, and the duration (temporary, seasonal or permanent) of the operation.
 - (ii) The number of daily and/or weekly incoming and outgoing deliveries
 - (iii) A Security Plan that addresses the cultivation, <u>sales</u>, storage, processing, manufacturing and testing of any cannabis, including but not limited to video monitoring and commercial alarm systems.
 - (iv) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
 - (v) A description of the storage or use of any solvents, fertilizers, pesticides, fungicides, rodenticide, or herbicides.

- (vi) A description of any discharge or emissions the operation will generate.
- (vii) A description of any noise level increase as a result of the operation.
- (viii) A description of the operation's use of public facilities such as roads, water or sewer systems.
- (ix) A description of any proposed water source, storage, conservation and use; drainage, runoff and erosion control; watershed and habitat protection.
- (f) A Security Plan shall be submitted that includes, describes and addresses the following:

 (i) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 720 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
 - (ii) The facility shall be alarmed with an audible interior and/or exterior silent alarm system that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the cannabis facility's security company shall be provided to the City Manager or designee.
- (g) **Tribal Consultation:** For any ground disturbing activities, acknowledge that the City will consult with the local Wiyot Tribe, including their Tribal Historic Preservation Officer (THPO) or other tribal representatives, before the approval of any Conditional Use Permit. During this process, the tribe may request that operations associated with the Conditional Use Permit be designed to avoid, minimize or mitigate impacts to Tribal Cultural Resources, as defined herein. Examples include, but are not limited to: conducting a site visit with the THPO or their designee to the existing or proposed cultivation site, requiring that a professional cultural resources survey be performed, or requiring that a tribal cultural monitor be retained during project-related ground disturbance within areas of sensitivity or concern.

- (h) Community Relations: Each cannabis facility shall provide the City Manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the cannabis facility. Each cannabis facility shall also provide the above information to its business neighbors located within 300 feet of the cannabis facility.
- (i) Consent to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday Friday, 9:00 am 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.
- (j) The applicant or any of its officers, directors, owners or licensee shall be subject to the background checks related to the qualifications, functions or duties of the business required by the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). The City shall rely on the State in making disqualifying determinations regarding substantially related offenses pursuant to Section 26057 of the Business and Professions Code. (Ord. 365-2018)
- (k) Compliance with the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), all applicable state laws and City ordinances.
- (I) All permittees subject to state licensure shall participate in local and state programs for "Track and Trace", once available.
- (m) Notification to State Licensing Authorities: The City shall notify the appropriate state licensing authority whenever a Conditional Use Permit has been revoked or terminated following the expiration of any appeal period, or if an appeal has been filed, following the final determination of the appeal.
- (n) The operator of the permitted facility shall maintain valid license(s) issued by the appropriate state licensing authority or authorities as provided in MAUCRSA for the type of activity being conducted, as soon as such licenses become available.
- (o) All operators shall maintain a current, valid business license at all times.

(10) Performance Standards for all CCLUO Cultivation Operations:

- (a) No surface water withdrawals shall be allowed as part of any cultivation operations.
- (b) No Timberland Conversion Permits or Exemptions as approved by the California Department of Forestry and Fire Protection (CAL-FIRE) shall be used to facilitate the cultivation of cannabis.
- (c) The area of greenhouse, <u>mixed-light</u> cannabis cultivation shall be located as shown on the application site plan, set back at least 50 30 feet from any property line in the Natural Resource (NR) <u>and Rural (R)</u> zones <u>and 300 feet from any residences on an adjacent separately owned parcel</u> and 1000 feet from any school. <u>The setback required from associated property lines or residence(s) on adjacent privately-owned property may be waived or reduced with the express written consent of the owner(s) of the subject property.</u>
- (d) Cannabis cultivation is declared to be development, subject to compliance with Section 17.30.110, Environmentally Sensitive Habitat Area's (ESHA's). For purposes of this section, where enhanced, reduced, or modified watercourse or wetland setbacks have been agreed to by the operator and the RWQCB under enrollment pursuant to NCRWQB Order No. 2015-0023 and/or preparation of a Water Resources Protection Plan, these may control and supersede any setback applied pursuant to Section 17.30.110.
- (d) (e) Maintain enrollment in Tier 1, 2 or 3, certification with the North Coast Regional Water Quality Control Board Order No. 2015-0023, if applicable, or any substantially equivalent rule that may be subsequently adopted by the City of Rio Dell or other responsible agency.
- (e) (f) For cultivation areas for which no enrollment pursuant to NCRWQB Order No. 2015-0023, is required by that Order, compliance with the standard conditions applicable to all Tier 1 dischargers.
- (f) (g) The storage or use of any fertilizer, pesticide, fungicide, rodenticide, or herbicide shall be in compliance with the manufacture's recommendations and regulations administered by the State Department of Pesticide Regulation. Hazardous materials and wastes from agricultural businesses are regulated by the Humboldt County Environmental Health Division, which administers the Hazardous Materials program as one of the Certified Unified Program Agencies (CUPA). This includes the application, inspection, enforcement, and reporting under the program requirements and standards set by the California Environmental Protection Agency (CalEPA).

- (g) (h) Trucked water shall not be allowed as the primary water source. Water is to be sourced locally (on-site), except for emergencies. For purposes of this provision, "emergency" is defined as: "a sudden, unexpected occurrence demanding immediate action."
- (h) (i) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties from cultivation and processing facilities.
- (i) (j) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (i) (k) Those cultivators using artificial lighting for mixed-light cultivation shall shield greenhouses so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties between sunset and sunrise. Should the City receive complaints that the lighting is out of alignment or not complying with these standards, within ten (10) working days of receiving written notification that a complaint has been filed, the applicant shall submit written verification that the lights' shielding and alignment has been repaired, inspected and corrected as necessary.
- (k) (I) Generators are only allowed as an emergency back-up power source. The noise produced by a generator used for cannabis cultivation shall not be audible from neighboring residences. The decibel level for generators at the property line shall be no more than 60 decibels.
- (!) (m) Fuel shall be stored and handled in compliance with applicable state and local laws and regulations, and in such a way that no spillage occurs.
- (m) (n) Electricity for Indoor and Mixed Light cultivation activities shall be provided by any combination of the following:
 - (i) On-grid power with 42 percent renewable source.
 - (ii) Onsite zero net energy renewable source providing 42 percent of power.
 - (iii) Purchase of carbon offsets for any portion of power above 58 percent not from renewable sources.

(iv) Demonstration that the equipment to be used would be 42 percent more energy efficient than standard equipment, using 2014 as the baseline year for such standard equipment.

Purchase of carbon offset credits (for grid power procured from non-renewable producers) may only be made from reputable sources, including those found on Offset Project Registries managed the California Air Resources Board, or similar sources and programs determined to provide bona fide offsets recognized by relevant state regulatory agencies.

- (n) (o) Comply with all federal, state, and local laws and regulations applicable to California Agricultural Employers, including those governing cultivation and processing activities.
- (e) (p) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

(11) Performance Standards for Manufacturing Activities:

- (a) Compliance with CAL/OSHA, OSHA regulations.
- (b) Compliance with State and local building regulations, including the California Building Code (CBC) and the California Fire Code (CFC).
- (c) A Security Plan that addresses how the following measures shall be implemented or complied with:
 - (i) Entrance to the extraction areas and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
 - (ii) Cannabis shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
 - (iii) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.

- (d) If using CO_2 in processing, a professional grade closed-loop CO_2 gas extraction system rated to a minimum of fifteen thousand (15,000) pounds per square inch (PSI) is required for every vessel in the system.
- (e) Extraction processes shall use a commercially manufactured professional grade closed-loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted sound engineering practices, such as (i) The American Society of Mechanical Engineers (ASME); (ii) American National Standards Institute (ANSI); (iii) Underwriters Laboratories (UL); or (iv) The American Society for Testing and Materials (ASTM).
- (f) Volatile extraction operations shall occur in a spark-proof, explosion-proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
- (g) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties.
- (h) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (i) Manufacturers of edibles shall comply with the regulations in the California Health and Safety Code, which includes the California Retail Food Code administered by the California Department of Health Services Food and Drug Branch, California Department of Food and Agriculture and the County Department of Environmental Health.
- (j) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

(12) Performance Standards for Testing Laboratories

- (a) Entrance to the lab area and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- (b) Cannabis shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (c) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar

- mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the California Building Code.
- (d) All laboratory testing facilities shall comply with Sections 19341 through 19345 of the California Business and Professions Code.
- (e) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.
- (13) Performance Standards for Health and Wellness Centers Retail Sales
- (a) Health and Wellness Centers shall not sell or distribute cannabis flowers, trim, leaf or cannabis infused edibles.
- (b) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical marijuana facility's security company shall be provided to the City.
- (c) Security cameras shall be installed and maintained in good condition, and used in an ongoing manner with at least 720 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
- (d) Entrance to the any medical cannabis products storage areas shall be locked at all times, and under the control of facility staff.
- (e) Medical cannabis products shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (f) The sale of any medical cannabis products shall be limited to qualified patients, as defined in Section 11362.7 of the Health and Safety Code.

- (g) Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or consumed at the premises and/or location.
- (h) The sales of pipes, including water pipes and other paraphernalia are prohibited.
- (a) Retail areas as herein defined may be allowed in the Industrial Commercial (IC)
 designation located in the Sawmill Annexation area and the Town Center (TC) designation
 subject to a Conditional Use Permit and the conditions and limitations set forth in this
 Section and as deemed appropriate by the Planning Commission and/or the City Council.
 In addition to the Conditional Use Permit required findings pursuant to Section 17.35.030
 of the Rio Dell Municipal Code (RDMC), the following elements will be considered in
 reviewing and approving retail operations, including but not limited to:
 - Experience

Interior and Exterior Design

Financial Capital

- Business Model/Plan of Operation
- (b) Customer access to the licensed premises of a retailer with only an A-designation shall be limited to individuals who are at least 21 years of age.
- (c) Customer access to the licensed premises of a retailer with only an M-designation shall be limited to individuals who are at least 18 years of age and have a valid physician's recommendation for medicinal cannabis, and individuals who are at least 21 years of age.
- (d) Customer access to the licensed premises of a retailer with both an A- designation and an M-designation may include persons identified in subsections (b) and (c) of this section.
- (e) Individuals shall be granted access to the retail area to purchase cannabis goods only after the retailer or an employee of the retailer has confirmed the individual's age and identity.
- (f) The licensed retailer or at least one employee shall be physically present in the retail area at all times when individuals who are not employees of the licensed retailer are in the retail area.
- (g) All sales of cannabis goods must take place within the retail area of the retailer's licensed premises, except for cannabis goods sold through delivery.

- (h) A licensed retailer shall only sell adult-use cannabis goods to individuals who are at least 21 years of age after confirming the customer's age and identity by inspecting a valid form of identification provided by the customer as required by subsection (j) of this section.
- (i) A licensed retailer shall only sell medicinal cannabis goods to individuals who are at least 18 years of age and possesses a valid physician's recommendation after confirming the customer's age, identity, and physician's recommendation as required by subsection (j) of this section.
- (j) Acceptable forms of identification include the following:
 - (i) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person;
 - (ii) A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or
 - (iii) A valid passport issued by the United States or by a foreign government.
- (k) A licensed retailer shall sell and deliver cannabis goods only between the hours of 9:00 a.m. Pacific Time and 8:00 p.m. Pacific Time.
- (I) Cannabis goods for inspection and sale shall only be displayed in the retail area.
- (m) Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without assistance of retailer personnel. A container must be provided to the customer by the licensed retailer or its employees, who shall remain with the customer at all times that the container is being inspected by the customer.
- (n) Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed pursuant to section 5054 of the California Code of Regulations when the cannabis goods are no longer used for display.
- (o) A licensed retailer shall not make any cannabis goods available for sale or delivery to a customer unless:
 - (i) The cannabis goods were received by the retail licensee from a licensed distributor or licensed microbusiness authorized to engage in distribution;
 - (ii) The licensed retailer has verified that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided;

- (iii) In the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13;
- (iv) The cannabis goods have undergone laboratory testing as required by the Act;
- (v) The batch number is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing;
- (vi) The packaging and labeling of the cannabis goods complies with Business and Professions Code Section 26120 and all applicable regulations within the California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13.
- (p) In addition to cannabis goods, a licensed retailer may sell only cannabis accessories as defined by Section 11018.2 of the California Health and Safety Code and licensee's branded merchandise. Licensed retailers may provide customers with promotional materials.
- (q) A licensed retailer shall only sell live, immature cannabis plants and cannabis seeds if all of the following requirements are met:
 - (i) The plant is not flowering;
 - (ii) The plant or seed originated from a nursery that holds a valid license from the Department of Food and Agriculture or a licensed microbusiness authorized to engage in cultivation;
 - (iii) A label is affixed to the plant or package containing any seeds which states "This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act."
- (r) A licensed retailer may not sell any other live plants;
- (s) A licensed retailer shall not apply nor use any pesticide, nor cause any pesticide to be applied nor used, on live plants.
- (t) A licensed retailer shall not sell more than the amounts to a single adult use customer or a single medicinal cannabis patient or to a patient's primary caregiver purchasing medicinal cannabis on behalf of the patient in a single day than the amounts identified in Section 5409 of the California Code of Regulations.

- (u) A licensed retailer shall only accept customer returns as allowed by Section 5410 of the California Code of Regulations.
- (v) Except as provided by Section 5411(b) et. seq. of the California Code of Regulations a licensed retailer shall not provide free cannabis goods to any person and shall not allow individuals who are not employed by the licensed retailer to provide free cannabis goods to any person on the premises.
- (w) A licensed retailer shall not accept, posses or sell cannabis goods that are not packaged as they will be sold at final sale, nor shall a licensed retailer package or label cannabis goods, except as provided by Section 5412(c) of the California Code of Regulations.
- (x) All cannabis goods sold by a licensed retailer shall be in compliance with the packaging and exit packaging requirements found in Section 5413 of the California Code of Regulations.
- (y) All deliveries of cannabis goods shall be in compliance with Sections 5415, 5415.1, 5416, 5417, 5418, 5419, 5420 and 5421 of the California Code of Regulations.
- (z) A licensed retailer shall comply with Section 5422, Receiving Shipments of Inventory, Section 5423, Inventory Documentation, Section 5424, Inventory Reconciliation, Section 5426, Records and Section 5427, Retailer Premises to Retailer Premises Transfer of the California Code of Regulations.

(14) Term of Conditional Use Permit.

Any Conditional Use Permit issued pursuant to this section shall expire after one (1) year after date of issuance, and on the anniversary date of such issuance each year thereafter, unless the required compliance inspections have been conducted and the permitted site has been found to comply with all conditions of approval and the <u>annual</u> renewal fee <u>and operation fee</u> submitted.

(a) Permit Renewal. A Permit renewal application, renewal fee and operating fee must be submitted at least forty-five (45) days before the expiration of the Permit. Failure to submit a renewal application prior to the expiration date of the license will result in the automatic expiration of the Permit on the expiration date. A Permit may not be renewed if any violations of or non-compliance with the Permit or these regulations exists. Permit renewal is subject to the laws and regulations effective at the time of renewal, which may be substantially different than the regulations currently in place

and may require the submittal of additional information to ensure the new standards are met.

(15) Changes to Ownership or Modification to Premises.

A Conditional Use Permit is non-transferable to another location and no transfer to another Owner or modifications to a permitted facility may be made except in accordance with these regulations.

- (a) Transfer of Ownership. A request for change in Permit ownership shall be submitted to the City at least sixty (60) days prior to the anticipated transfer, together with the required fee. Requests submitted less than sixty (60) days before the transfer will be processed only in the City's discretion and may be subject to an expedited processing fee. A new Owner(s) shall meet all requirements for applicants of an initial permit. The request shall include the following information:
 - i. Identify information for the new Owner(s) and management as required by the initial permit application, including names and contact information and Section 17.30.195(i) of the Rio Dell Municipal Code; and
 - ii. The specific date on which the transfer is to occur; and
 - iii. Acknowledgement of full responsibility for complying with the existing permit and any conditions attached thereto.
- (b) Modifications to the Facility. Prior to making any modifications to a permitted facility, the permittee shall submit to the City, at least thirty (30) days in advance of initiating the modifications, a request for determination of City approvals, together with the appropriate fee. The request shall contain a detailed description to allow the City to determine what, if any permits and/or other approvals are needed.

(16) Inspections

Each permitted activity is subject to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday - Friday, 9:00 am - 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.

If the inspector or other City official determines that the site does not comply with the conditions of approval, the inspector shall serve the permit holder with a written statement identifying the items not in compliance, and the action that the permit holder may take to cure the non-compliance, or file an appeal within ten (10) days of the date that the written statement is delivered to the permit holder. Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing, shall constitute delivery. The permit holder may request a reinspection to determine whether or not the permit holder has cured all issues of non-compliance. Failure to request reinspection or to cure any items of noncompliance shall terminate the Conditional Use Permit and License, immediately upon the expiration of any appeal period, or final determination of the appeal if an appeal has been timely filed.

(17) Appeal of Inspection Determination

Within ten (10) business days after delivery of the statement of non-compliance, the determination by the inspector that the site is or is not in compliance may be appealed by any interested party to the Planning Commission. The appeal shall be made, in writing, on a form provided by the City. The fee for filing the appeal is based on the adopted fee schedule in effect at the time of the appeal.

- (a) The appeal shall be heard by the Planning Commission within thirty (30) days following the filing of the appeal. The Planning Commission shall render a written ruling on the appeal within three (3) business days following the hearing.
- (b) The decision of the Planning Commission may be appealed to the City Council in accordance with Section 17.35.050 of the Rio Dell Municipal Code. If a timely appeal to the City Council is not filed, the ruling by the Planning Commission shall be final.

(18) Revocation by Operation of Law

Any Conditional Use Permit issued under this Section shall be revoked by operation of law, and without prior notice to the permit holder, in the event the permitted activity is made illegal under the laws of the State of California.

The City shall notify any state license authority, as defined by the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), whenever the Conditional Use Permit and License has been revoked or terminated.

(19) Fees, Taxes and Other Charges

The Council may establish fees, taxes or other charges for a commercial cannabis activity permit by resolution or ordinance. The failure to pay all applicable fees, taxes and other charges when due shall be a violation of the Section as contemplated by subsection 17.30.195(5), above.

Section 3. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 4. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 5. CEQA Compliance

The City Council has determined that the adoption of this ordinance is exempt from review under the California Environmental Quality Act (CEQA), subject to Section 15061 of the CEQA Guidelines. Due to the nature of the proposed code revisions, there is no evidence that any significant impact to the environment would occur as a result of adoption of the Ordinance.

Section 6. Effective Date

This ordinance becomes effective thirty (30) days after the date of its approval and adoption.

I HEREBY CERTIFY that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on March 5, 2019 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the March 19, 2019 by the following vote:

		Debra Garnes, Mayor				
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ABSTAIN:						ε
ABSENT:						
NOES:						
AYES:						

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I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 374-2019 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on March 19, 2019.

Karen Dunham, City Clerk, City of Rio Dell