



## CITY COUNCIL REGULAR MEETING

Clearlake City Hall Council Chambers

14050 Olympic Dr, Clearlake, CA

Thursday, December 02, 2021

Closed Session 5:00 PM

Regular Meeting 6:00 PM

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The City Council meetings are viewable in person in the Council Chambers, via livestreaming on the City's YouTube Channel ([https://www.youtube.com/channel/UCTyifT\\_nKS-3woxEu1ilBXA](https://www.youtube.com/channel/UCTyifT_nKS-3woxEu1ilBXA)) or "Lake County PEG TV Live Stream" at <https://www.youtube.com/user/LakeCountyPegTV/featured> and the public may participate through Zoom at the link listed below. The public can submit comments and questions in writing for City Council consideration by sending them to the Facilities Coordinator/Deputy City Clerk at [tviramontes@clearlake.ca.us](mailto:tviramontes@clearlake.ca.us). To give the City Council adequate time to review your questions and comments, please submit your written comments prior to 4:00 p.m. on the day of the meeting.

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## AGENDA

**MEETING PROCEDURES:** *All items on agenda will be open for public comments before final action is taken. Citizens wishing to introduce written material into the record at the public meeting on any item are requested to provide a copy of the written material to the Administrative Services Director/City Clerk prior to the meeting date so that the material may be distributed to the City Council prior to the meeting. Speakers must restrict comments to the item as it appears on the agenda and stay within a three minutes time limit. The Mayor has the discretion of limiting the total discussion time for an item.*

### AMERICANS WITH DISABILITY ACT (ADA) REQUESTS

If you need disability related modification, including auxiliary aids or services, to participate in this meeting, please contact Melissa Swanson, Administrative Services Director/City Clerk at the Clearlake City Hall, 14050 Olympic Drive, Clearlake, California 95422, phone (707) 994-8201, ext 106, or via email at [mswanson@clearlake.ca.us](mailto:mswanson@clearlake.ca.us) at least 72 hours prior to the meeting, to allow time to provide for special accommodations.

### AGENDA REPORTS

Staff reports for each agenda item are available for review at [www.clearlake.ca.us](http://www.clearlake.ca.us). Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection on the City's website at [www.clearlake.ca.us](http://www.clearlake.ca.us).

### Closed Session 5:00 PM

#### A. ROLL CALL

#### B. CLOSED SESSION

- (1) Conference with Legal Counsel- Existing Litigation: Pursuant to Government Code Section 54956.9: Case No. CV-421149; Name of Case: City of Clearlake v. County of Lake, a political subdivision of the State of California; Board of Supervisors of the County of Lake, a public body of the County of Lake; Barbara C. Ringen, in her official capacity as the Treasurer-Tax Collector of the County of Lake; and Does 1 through 30, inclusive
- (2) Conference with Real Property Negotiators: Pursuant to Government Code Section 54956.8. Property Address: 6452 Francisco and 6461 Manzanita, Clearlake; Agency Negotiation: City Manager Alan Flora; Negotiating Parties: Edwin Jinks; Under Negotiation: Price and terms of payment.
- (3) Conference with Legal Counsel- Existing Litigation Pursuant to Government Code Section 54956.9: Name of Case: Melinda Wymer vs. City of Clearlake, P.S.I., administered by LWP Claims Solutions, Inc.; WCAB No.: ADJ14197045
- (4) Conference with Legal Counsel - Existing Litigation: Pursuant to Government Code 54956.9 - City of Clearlake vs. Amerisourcebergen Drug Corporation, et al. Case No. 1:20-cv-06212

#### C. ANNOUNCEMENT OF ACTION FROM CLOSED SESSION

##### Regular Meeting 6:00 PM

**Regular Meeting Session Zoom Link:** <https://clearlakeca.zoom.us/j/86346371770>

#### D. PLEDGE OF ALLEGIANCE

- E. INVOCATION/MOMENT OF SILENCE:** *The City Council invites members of the clergy, as well as interested members of the public in the City of Clearlake, to voluntarily offer an invocation before the beginning of its meetings for the benefit and blessing of the City Council. This opportunity is voluntary and invocations are to be less than three minutes, offered in a solemn and respectful tone, and directed at the City Council. Invitational speakers who do not abide by these simple rules of respect and brevity shall be given a warning and/or not invited back to provide a subsequent invocation for a reasonable period of time, as determined appropriate by the City. This policy is not intended, and shall not be implemented or construed in any way, to affiliate the City Council with, nor express the City Council's preference for, any faith or religious denomination. Rather, this policy is intended to acknowledge and express the City Council's respect for the diversity of religious denominations and faith represented and practiced among the citizens of Clearlake. If a scheduled invitational speaker does not appear at the scheduled meeting, the Mayor will ask that the City Council observe a moment of silence in lieu of the invocation. More information about the City's invocation policy is available upon request by contacting the Administrative Services Director/City Clerk at (707) 994-8201x106 or via email at [mswanson@clearlake.ca.us](mailto:mswanson@clearlake.ca.us).*

#### F. ADOPTION OF THE AGENDA *(This is the time for agenda modifications.)*

#### G. PRESENTATIONS

5. Presentation of December's Adoptable Dogs



6. Presentation of the 2021 Living the Lake Life Photo Contest Winners
7. Presentation of an Update on the Hope Center

**H. CONSENT AGENDA:** *All items listed under the Consent Agenda are considered to be routine in nature and will be approved by one motion. There will be no separate discussion of these items unless a member of the Council requests otherwise, or if staff has requested a change under Adoption of the Agenda, in which case the item will be removed for separate consideration. Any item so removed will be taken up following the motion to approve the Consent Agenda.*

8. Approval of temporary street closure for the Annual Christmas Parade and tree lighting  
Recommended Action: Move to approve the acceptance of Resolution No. 2021-58 and approve the temporary street closure
9. Approve Reimbursement Agreement with Lake County for the Pyrethroid and Stormwater Monitoring Sampling Program  
Recommended Action: Approve the Agreement and Authorize the City Manager to Sign.
10. Authorization of Agreement for for Vegetation Abatement on City/RDA owned properties.  
Recommended Action: Approve the Agreement with Kimble Construction and Authorize the City Manager to Sign.
11. Authorization to Approve the Cannabis Equity Program  
Recommended Action: Adopt Resolution 2021-60 Approving the Cannabis Equity Program
12. Adoption of Resolution 2021-61 Approving the Application for Rural Recreation and Tourism Program Grant Funds of the Burns Valley Sports Complex Project.  
Recommended Action: Adopt the Resolution.
13. Continuation of Declaration of Local Emergency Issued on August 23, 2021 and Ratified by Council Action on September 16, 2021  
Recommended Action: By motion keep declaration of emergency active and set next review in sixty days
14. Continuation of Declaration of Local Emergency Issued on August 18, 2021 and Ratified by Council Action on August 19, 2021  
Recommended Action: By motion keep declaration of emergency active and set next review in sixty days
15. Continuation of Declaration of Local Emergency Issued on March 14, 2020 and Ratified by Council Action on March 19, 2020  
Recommended Action: By motion keep declaration of emergency active and set next review in sixty days
16. Continuation of Declaration of Local Emergency Issued on October 9, 2017 and Ratified by Council Action October 12, 2017  
Recommended Action: By motion keep declaration of emergency active and set next review in 30 days

17. Continuation of Authorization to Implement and Utilize Teleconference Accessibility to Conduct Public Meetings Pursuant to Assembly Bill 361  
Recommended Action: Adopt Resolution

18. Warrants  
Recommended Action: Receive and file

19. Lake County Vector Control District Board Meeting Minutes of October 13, 2021  
Recommended Action: Receive and file

20. City Hall Holiday Closure  
Recommended Action: Receive and file. No action necessary.

21. Award of Contract for the Design Services.  
Recommended Action: Authorize City Manager to enter into a contract with E4 Design for Dry Utility Design Services for the Burns Valley Development Project.

22. Award of Contract for the Design Services.  
Recommended Action: Authorize City Manager to enter into a contract with E4 Design for Dry Utility Design Services for the Airport Property Development Project

23. Annual Calendar of Meetings for 2022  
Recommended Action: Approve proposed 2022 City Council meeting calendar

I. **PUBLIC COMMENT:** *This is the time for any member of the public to address the City Council on any matter not on the agenda that is within the subject matter jurisdiction of the City. **The Brown Act, with limited exceptions, does not allow the Council or staff to discuss issues brought forth under Public Comment.** The Council cannot take action on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Please note that comments from the public will also be taken on each agenda item. Comments shall be limited to three (3) minutes per person.*

J. **PUBLIC HEARING**

24. Consideration of Development Agreement DA 2021-04 for Ogulin Canyon Holdings, LLC to allow a cannabis Operation located at 2185 Ogulin Canyon Road, Clearlake, CA 95422  
Recommended Action: Continue Development Agreement public hearing to January 6<sup>th</sup>, 2022, to allow staff adequate time to process the appeal application

K. **BUSINESS**

25. Discussion and Possible Action Regarding Approval of an Agreement Between the City of Clearlake and Woodland Community College for the Clearlake Promise Program  
Recommended Action: Approve the Agreement and Authorize the Mayor to Sign.

26. Update and Discussion on the Cache Fire  
Recommended Action: Provide Direction to Staff

27. Appointment of the 2022 Mayor/Vice Mayor

Recommended Action: By motion, appoint the 2022 Mayor and Vice Mayor

**L. CITY MANAGER AND COUNCILMEMBER REPORTS**

**M. FUTURE AGENDA ITEMS**

**N. ADJOURNMENT**

POSTED: November 24, 2021

BY:



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Melissa Swanson, Administrative Services Director/City Clerk



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Consideration of Resolution No. 2021- 58, A Resolution of the City of Clearlake, approving a temporary street closure for the Annual Christmas Parade on December 4, 2021.

**MEETING DATE:**  
December 2,  
2021

**SUBMITTED BY:** Tina Viramontes – Facilities Coordinator/Deputy City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve the temporary street closure for the Annual Christmas Parade and tree lighting.

**BACKGROUND/DISCUSSION:** The Clearlake Chamber of Commerce has requested a temporary road closure for the Annual Christmas Parade on December 4, 2021. This year the parade will consist of floats and the Lower Lake High School Band. Santa and Mrs. Clause will also be participating in the parade. Following the parade will be the tree lighting in Austin Park.

The requested road closure is as follows:

- a) Lakeshore Drive from Golf Street to Olympic Drive from 4pm to 7:30pm.

#### OPTIONS:

1. Move to approve the acceptance of Resolution No. 2021-58 and approve the temporary street closure.
2. Other direction to staff.

#### FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

#### STRATEGIC PLAN IMPACT:

☐ Goal #1: Make Clearlake a Visibly Cleaner City

- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve Resolution No. 2021-58 and approve the temporary street closure for the Annual Christmas Parade and tree lighting.

- ☒ **Attachments:**
- 1) Resolution No. 2021-58
  - 2) Parade Map

**RESOLUTION NO. 2021-58**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE**  
**AUTHORIZING TEMPORARY CLOSURE OF A PORTION OF LAKESHORE DRIVE**  
**FOR THE PURPOSE OF CONDUCTING THE ANNUAL CLEARLAKE CHRISTMAS**  
**PARADE AND TREE LIGHTING**

**WHEREAS**, the Clearlake Chamber of Commerce has requested permission from the City Council to temporarily close a portion of Lakeshore Drive in the City of Clearlake on December 4, 2021, for the purpose of conducting its Annual Parade and Tree Lighting,

**WHEREAS**, the City Council of the City of Clearlake deems such closure necessary for the safety of persons using that portion of Lakeshore Drive for said activities pursuant to Section 21101 of the Vehicle Code; and

**NOW, THEREFORE**, the City Council of the City of Clearlake hereby authorizes the temporary street closure of a portion of Lakeshore Drive as follows:

- a) Lakeshore Dr. from Golf to Lakeshore Dr. at Olympic Dr. from 4pm-7:30pm

PASSED AND ADOPTED on December 2, 2021, by the following vote:

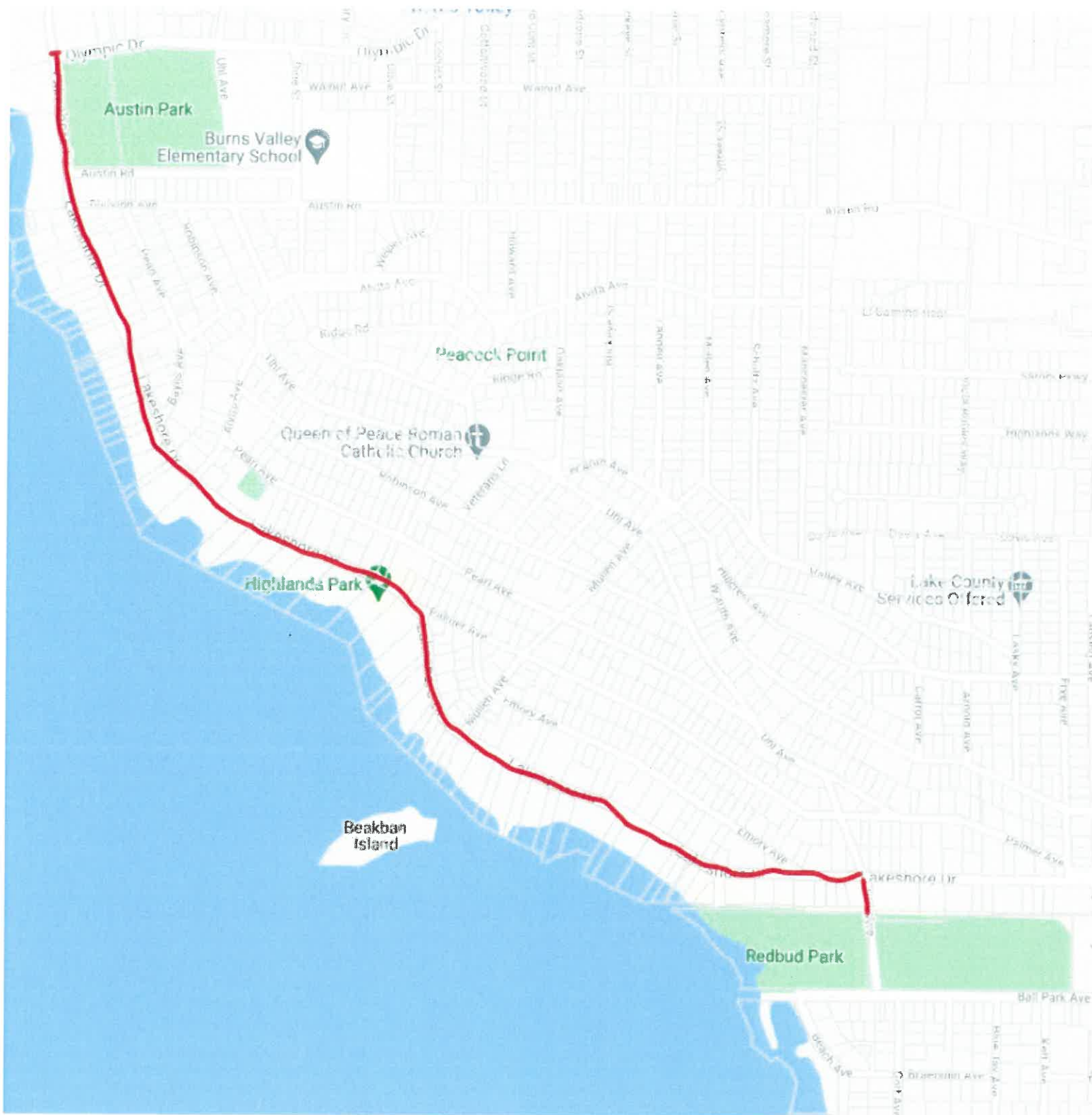
AYES: Mayor  
NOES: None  
ABSTAIN: None  
ABSENT: Councilmember Perdock

\_\_\_\_\_  
Mayor, City of Clearlake

ATTEST:

\_\_\_\_\_  
Deputy City Clerk, City of Clearlake







# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Approve Reimbursement Agreement with Lake County for the Pyrethroid and Stormwater Monitoring Sampling Program

**MEETING DATE:**  
11/03/2021

**SUBMITTED BY:** Dale Goodman, Public Works Director

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve the reimbursement agreement since the price is over \$25k over the term of the contract.

#### BACKGROUND/DISCUSSION:

Lake County provided monitoring program coordination between Lake County and the City of Clearlake to conduct Pyrethroid sediment and water monitoring and general NPDES MS4 storm water permit compliance monitoring services as described in the PYRETHROID PLAN and LAKE COUNTY MUNICIPAL STORM SEWER PROGRAM MONITORING PLAN.

Term. This agreement is effective from September 21, 2021 through September 21, 2024.

Reimbursement by CITY, part 1. In consideration of the services described in section 1 and upon invoice by LAKE, the CITY shall reimburse LAKE in the agreed upon amounts of \$13,483.25 for Pyrethroid sediment and water monitoring services, for the single monitoring year ending in June 30, 2022, notwithstanding natural or political disasters precluding the required monitoring from occurring.

Reimbursement by CITY, part 2. In consideration of the services described in section 1 and upon invoice by LAKE, the CITY shall reimburse LAKE in the agreed upon amounts of storm water permit compliance monitoring services for one sample site for a maximum of seven sampling events (\$1,520.00 for each event) with a total amount not to exceed \$10,255.00 in any given fiscal calendar year between July 1 – June 30. Payment questions should be addressed to Water Resources (707) 263-2344.

#### OPTIONS:

1. Approve Agreement and Authorize the City Manager to Sign.

#### FISCAL IMPACT:

☐ None ☒ \$23,738.25 Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☒ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☒ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve reimbursement to Lake County.

- ☒ **Attachments:**      1) Lake County Water Resources Reimbursement Agreement # 2021002CL

## REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT is made and entered into as of the date last signed below by and between THE CITY OF CLEARLAKE (CITY) and COUNTY OF LAKE WATERSHED PROTECTION DISTRICT (LAKE).

The parties agree as follows:

1. Services by LAKE. LAKE shall provide monitoring program coordination between LAKE and the CITY to conduct Pyrethroid sediment and water monitoring and general NPDES MS4 storm water permit compliance monitoring services as described in “Exhibit A PYRETHROID PLAN” and “Exhibit B: LAKE COUNTY MUNICIPAL STORM SEWER PROGRAM MONITORING PLAN”, respectively, attached and incorporated herein.

2. Term. This agreement is effective from September 21, 2021 through September 21, 2024.

3. Reimbursement by CITY, part 1. In consideration of the services described in section 1 and upon invoice by LAKE, the CITY shall reimburse LAKE in the agreed upon amounts of **\$13,483.25** for Pyrethroid sediment and water monitoring services, for the single monitoring year ending in June 30, 2022, notwithstanding natural or political disasters precluding the required monitoring from occurring.

4. Reimbursement by CITY, part 2. In consideration of the services described in section 1 and upon invoice by LAKE, the CITY shall reimburse LAKE in the agreed upon amounts of storm water permit compliance monitoring services for one sample site for a maximum of **seven** sampling events (\$1,520.00 for each event) with a total amount not to exceed **\$10,255.00 in any given fiscal calendar year between July 1 – June 30.** Payment questions should be addressed to Water Resources (707) 263-2344.

5. Alteration, Amendment. No alteration of the terms of this agreement shall be valid or binding upon either party unless made in writing and signed by both parties. This agreement may be amended at any time by written agreement of the parties.

6. Indemnification. The parties shall defend, indemnify, and hold each other harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising from the performance of this agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the indemnifying party, its officers, agents, or employees.

7. Notification. Any notice required or permitted hereunder shall be sent to the parties via U.S. mail, postage prepaid, or by personal service, e-mail or facsimile, or as may otherwise be permitted by law, addressed as set forth in this section. Either party may change its address by written notice to the other during the term.

7.1. Regarding Contract. Correspondence or inquiries regarding contractual matters shall be directed to the appropriate party at the following addresses:

### CITY

Mark Roberts  
City of Clearlake

14050 Olympic Drive  
Clearlake, CA 95422

Phone: 704-994-8201  
E-mail: mroberts@clearlake.ca.us

### LAKE

Alicia Ayala  
County of Lake Watershed Protection  
District

255 N Forbes Street, Room 301  
Lakeport, CA 95453

Phone: 707-263-2344  
E-mail: Alicia.Ayala@lakecountycalifornia.gov

6.2 Regarding Program/Work. Correspondence or inquiries regarding the substance and progress of work to be performed should be directed to the following addresses:

**LAKE**  
 Angela De Palma-Dow  
 County of Lake / Water Resources  
 255 N Forbes Street, Room 301  
 Lakeport, CA 95453  
 Phone: 707-263-2344  
 Email: [Angela.Depalma-Dow@lakecountyca.gov](mailto:Angela.Depalma-Dow@lakecountyca.gov)

8. Applicable Law. This agreement shall be construed pursuant to California law.

9. Right to Use Data. LAKE and CITY shall have the unrestricted right to use for their own purposes, including publication, any data or information resulting from the Services described in Exhibit A and Exhibit B.

10. Relationship of the Parties. The parties to this agreement shall be and remain at all times independent contractors, neither being the employee, agent, representative, or sponsor of the other in their relationship under this agreement.

11. Time Limit for Action. No action for breach of this agreement may be brought by either party more than one year after the cause of action has accrued.

12. Federal Exclusion Warranty. LAKE and CITY warrants that it is not excluded from participation in any governmental sponsored program, including, without limitation, the Medicare, Medicaid, or Champus programs (<http://exclusions.oig.hhs.gov/search.html>) and the Federal Procurement and Nonprocurement Programs (<https://www.sam.gov/index.html/##11#1>). This agreement shall be subject to immediate termination in the event that LAKE or CITY is excluded from participation in any federal healthcare or procurement program.

13. Insurance Requirement. Each Party will maintain in force throughout the term of this agreement, a program of insurance and / or self-insurance of sufficient scope and amount to permit each party to discharge obligations each incurs under this agreement.

14. Whole Agreement. This agreement constitutes the entire understanding of the parties respecting the subject matter hereof and supersedes any prior understanding or agreement between them, written or oral, regarding the same subject matter.

AGREED:

COUNTY OF LAKE

THE CITY OF CLEARLAKE

By: \_\_\_\_\_  
 (Scott De Leon, Watershed Protection District)

By: \_\_\_\_\_  
 (Alan Flora, City Manager)

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Approval of an Agreement for Vegetation Abatement on City/RDA owned properties.

**MEETING DATE:** December 2, 2021

**SUBMITTED BY:** Tina Viramontes – Facilities Coordinator/Deputy City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a contract with Kimble's Construction for weed abatement of vacant parcels owned by the City of Clearlake. The total contract amount is \$102,300.00

#### BACKGROUND/DISCUSSION:

The City owns several vacant parcels that need vegetation cleanup. Staff issued a request for proposals and Kimble's Construction was the lowest bidder. Staff then negotiated the properties that are of the highest priority and clearing the vegetation on these parcels first would make the biggest impact until funding for all lots is budgeted. The list has been prioritized to clear high visibility and developable parcels.

#### OPTIONS:

1. Move to approve the contract with Kimble's Construction in the amount of \$ 102,300.00 and authorize the City Manager to sign.
2. Other direction

#### FISCAL IMPACT:

☐ None ☒ \$102,300 Budgeted Item? ☐ Yes ☒ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☒ General Fund ☐ Measure P Fund ☐ Measure V Fund ☒ Other: RDA Funds

Comments: Funding for former Redevelopment Agency properties can be paid from trust fund for maintenance of approximately half of the cost. Internal budget adjustments will be made to cover the additional general fund obligation.

#### STRATEGIC PLAN IMPACT:

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake



- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve the contract with Kimble's Construction in the amount of \$102,300.00

- ☒ **Attachments:** 1) List of vacant lots to be cleared.

SITUS_OWNE	SITUS_SITU	SITUS_SI_1	SITUS_SI_2
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	13940	SONOMA AVE	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	13980	SONOMA AVE	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3453	ACACIA ST	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3141	MINT ST	CL
CITY OF CLEARLAKE	15903	36TH AVE	CL
CITY OF CLEARLAKE	15913	36TH AVE	CL
THE CITY OF CLEARLAKE	15919	36TH AVE	CL
CITY OF CLEARLAKE	16178	35TH AVE	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3444	BOXWOOD ST	CL
CITY OF CLEARLAKE	6459	VALLEJO AVE	CL
CITY OF CLEARLAKE	13981	MORGAN AVE	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3463	ACACIA ST	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3423	ACACIA ST	CL
CITY OF CLEARLAKE	6393	JAMES ST	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3496	PEONY ST	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3494	BOXWOOD ST	CL
REDEVELOPMENT AGENCY OF THE CITY OF CLEARLAKE	3471	BOXWOOD ST	CL
CITY OF CLEARLAKE	6377	ARMIJO AVE	CL

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Parcel__	Cost	Field3
039-625-01	1,500	
039-626-01	1,500	
039-626-11	4,600	
039-625-06	8,800	
041-144-01	1,000	
041-144-02	800	Was not on list for some reason
041-144-03	800	
041-211-28	1,400	
039-626-16	16,500	
042-123-31	7,000	
039-112-06	5,300	
039-626-12	4,600	
039-626-07	4,600	
042-052-19	4,500	
039-623-19	8,300	
039-626-17	1,200	
039-625-03	2,400	
042-122-26	27,500	
<hr/>		
102,300		



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

<b>SUBJECT:</b> Authorization to Approve the Cannabis Equity Program Draft and Implement the Program by Resolution Number 2021 -60.	<b>MEETING DATE:</b> December 2, 2021
<b>SUBMITTED BY:</b> Tina Viramontes – Facilities Coordinator	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a approve the Cannabis Equity Program Draft.

#### BACKGROUND/DISCUSSION:

In September 2020 the Clearlake Council approved by Resolution 2020-18 to allow HSU Sponsored Programs Foundation (HSU-SPF) on behalf of the California Center for Rural Policy to develop the Cannabis Equity Program. The Cannabis Equity Program Draft has been completed and reviewed by city staff and stakeholders in the Cannabis Industry.

The City would receive funding to assist local applicants through the State as outlined in Senate Bill 1294, the California Cannabis Equity Act. This Act created a fund for local jurisdictions with cannabis equity programs to help local equity applicants and local equity licensees gain entry and successfully operate in the cannabis marketplace.

The Program was developed to help communities and populations adversely affected by poverty and the criminalization of cannabis have access to a legal and sustainable future in the cannabis industry. The eligibility criteria for the program include conviction history, family conviction history, low-income status, Clearlake residents, cannabis-related business ownership status, veteran status, size of the operation, and abatement experience. Eligible individuals would then benefit from specialized program access and services depending on their needs and availability of funds from grants or other sources.

#### OPTIONS:

1. Move to approve the Cannabis Equity Program Draft and adopt the program.
2. Other direction

#### FISCAL IMPACT:

☐ None Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve the Cannabis Equity Program Draft.

- ☒ **Attachments:**      Draft Cannabis Local Equity Program Manual  
                                 Resolution No. 2021-60

**RESOLUTION NO. 2021-52**

**RESOLUTION OF THE CITY OF CLEARLAKE APPROVING THE CANNABIS EQUITY PROGRAM DRAFT**

The City of Clearlake finds:

**WHEREAS**, the members of the California Legislature have recognized the need for cannabis equity grant funding:

**WHEREAS**, funding has been provided to the Governor’s Office of Business and Economic Development to provide grant funds to local governments pursuant to AB 97 (Stats. 2019, Ch 40):

**WHEREAS**, the City of Clearlake supports Cannabis Equity Program Draft that has been created.

**WHEREAS**, the City of Clearlake has approved the Draft Equity Program and plans to move forward with the proposed program.

**NOW, THEREFORE BE IT RESOLVED** that the City Manager of the City of Clearlake is authorized to execute the Draft Equity Program and move forward with the implementation of the program.

**IT IS AGREED**

I hereby certify that the foregoing is a true copy of the resolution adopted by the City of Clearlake City Council in a meeting thereof held on \_\_\_\_\_ by the following:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST: \_\_\_\_\_  
Tina Viramontes - Deputy City Clerk                      Dirk Slooten - Mayor



## Resolution 2021-60

### **RESOLUTION NO. 2021-60 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE APPROVING THE CANNABIS EQUITY DRAFT AND ADOPTION OF THE EQUITY PROGRAM.**

**WHEREAS**, the members of the California Legislature have recognized the need for cannabis equity grant funding;

**WHEREAS**, funding has been provided to the Governor's Office of Business and Economic Development to provide grant funds to local governments pursuant to AB 97 (Stats. 2019, Ch. 40);

**WHEREAS**, there is a high barrier to entry into the legal cannabis industry in the State of California and local jurisdictions.

**WHEREAS**, there is a need to encourage entrepreneurship and equity in attaining cannabis licenses in the City of Clearlake; and

**WHEREAS**, past criminalization of cannabis has had an impact on City of Clearlake community and residents and there is a need for the creation of an equity program that provides assistance to qualifying local equity applicants; and

**WHEREAS**, an equity program in the City of Clearlake may provide an opportunity for applicants, residents and businesses to create a sustainable income contribute back to the community.

**WHEREAS**, the City of Clearlake was awarded grant funding from the Governor's Office of Business and Economic Development to create an Equity Assessment, and

**WHEREAS**, the Clearlake City Council, on March 18, 2021, approved the integration of those funds into the FY 2020-2021 budget, and

**WHEREAS**, the California Cannabis Equity Act (SB 1294) was enacted to ensure that persons most harmed by cannabis criminalization and poverty be offered assistance to enter into the multibillion dollar cannabis industry; and

**WHEREAS**, the City of Clearlake desires to use grant funds from the Governor's Office of Business and Economic Development (GO-Biz) to assist local equity applicants and licensees through a new local equity program for commercial cannabis activities as described in the application for grant funds.

PASSED AND ADOPTED on December 2, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Mayor, City of Clearlake

ATTEST: \_\_\_\_\_  
Deputy City Clerk, City of Clearlake



**City of Clearlake**  
**Cannabis Local Equity Program Manual**

V2. 8/31/21

**Section 1. Purpose**

In 2021 the City of Clearlake contracted with Humboldt State University’s California Center for Rural Policy (CCRP) to perform a comprehensive analysis of the impact of cannabis criminalization and poverty on the City of Clearlake. This analysis, known as the City of Clearlake Cannabis Equity Assessment (CEA) (2021) established that certain persons in the city have been substantially and adversely affected by poverty and the criminalization of cannabis.

Many rural communities in California have a history of entrenched local poverty and economic hardship. These communities were impacted significantly by the criminalization of cannabis. Targeted, data-driven, and well-funded equity programs can help communities and populations, especially ancillary cannabis businesses, into a legal and sustainable economic future.

The purpose of this manual is to describe the qualifications for and services to be provided by the City of Clearlake Cannabis Local Equity Program (LEP). The LEP is informed by findings in the CEA, which itself is a living document and subject to change. This manual for the LEP is therefore subject to updates and revisions in accordance with the CEA as approved by the Clearlake City Council.

**Section 2. Program Eligibility**

Section 2: Program Eligibility	
Eligibility Criteria	
Those who meet one or more of the below eligibility criteria shall become eligible for consideration for funding and services provided therefrom:	
Conviction history	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake who was arrested and/or convicted of the sale, possession, use, manufacture, or cultivation of cannabis (including as a juvenile) or been subject to asset forfeiture between 1996 and 2016.
Family conviction	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake, with a parent, sibling, or child who was arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile);
Low income status	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake whose household income is at or below the low income level based on the Department of Housing & Urban Development (HUD) income limits (ILs) for Lake County.



**City of Clearlake**  
**Cannabis Local Equity Program Manual**      V2. 8/31/21

Residency consideration	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake who has resided in Clearlake for at least two years between 2008-2016. The City reserves the right to make this a mandatory requirement.
Ownership consideration	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake who owns at least 51% of a cannabis-related business. This qualification will be considered only if at least one other eligibility criteria is met.
Veteran status	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake who can demonstrate veteran status.
Size of operation	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake that has “small scale” cultivation by Clearlake’s standards based on analysis of current application data. This qualification will be considered only if at least one other eligibility criteria is met.
Abatement Experience	Any individual seeking support or services to aid in entering the cannabis industry in the City of Clearlake with experience of “backyard cultivation” abatement on property for which they were a legal resident for under 50 plants in 2015-2017.

In order to determine and categorize which individual applicants are most in need of support, a score will be determined for each equity applicant based on the number of eligibility criteria the applicant meets. Each qualification will have an assigned value that will be determined by how direct the impact was. This score will impact prioritization of services for equity applicants. The goal of the applicant scoring system is to ensure that those most impacted by cannabis criminalization and poverty have priority access to local equity program funding.

The City of Clearlake will take into consideration the following applicant types when determining available services:

- Applicants that have already received their license
- Applicants that are facing barriers to entry in receiving their license
- Applicants that are not yet in the permitting process but are planning to start



**City of Clearlake**  
**Cannabis Local Equity Program Manual**

V2. 8/31/21

**Section 3. Program Access**

To ensure that applicants who are eligible for the Clearlake Local Equity Program have adequate opportunity to benefit from the program, options to foster ongoing support may include:

Section 3: Program Access	
Prioritization	Consider a prioritized permit process for equity applicants.
Ratios	Consider mandating a requisite number/percentage of equity applicants during permitting.
Provisional Approval	Consider allowing for provisional approval of permits to allow equity applicants to overcome financial barriers. Provisional approval may provide potential investors with more certainty and willingness to provide capital investments.
Incubation Program	Consider a robust incubation program for equity applicants to learn from more experienced cannabis businesses.
Cooperative and/or Co-Located Businesses	Consider facilitating cooperative or co-location arrangements given the scarcity of compliant real estate in the City of Clearlake.
Other	Other strategies up to the discretion of the City of Clearlake to incentivize.

The City of Clearlake will notify the community about the Local Equity Program through the following avenues:

- Information on the City of Clearlake’s website
- News releases and other media outreach
- Social media campaigns
- Local industry groups
- Through community partners selected by the City

The City of Clearlake may determine other avenues to ensure that the community is aware of the Local Equity Program and is able to access information about applying for funds.



**City of Clearlake**  
**Cannabis Local Equity Program Manual**

V2. 8/31/21

The City would like to encourage existing cannabis businesses/operations to create space for new licenses.

**Section 4. Services**

Services to be provided by the City of Clearlake Cannabis Local Equity Program may include one or more of the services listed in the below tables. The availability and scope of services will depend on need and the availability of funds from grants or other sources.

The City of Clearlake intends to provide a majority of services via direct funding assistance to equity applicants and licensees to assist them in entering and succeeding in the legal cannabis industry. Wherever possible, the City of Clearlake will align services with funding requirements and recommendations from the State of California.

To address and mitigate financial barriers of entering the legal market, the following services will be offered:

Section 4: Services	
1. Financial	
1.	Direct payment of fees on the applicant’s behalf for Application Assistance Meetings of up to four hours with the City of Clearlake.
2.	Assistance with application fees for a Commercial Cannabis Cultivation application for a period not to exceed three (3) years.
3.	Assistance with fees for trainings and certifications required by law.
4.	Direct payment on the applicant’s behalf to agencies and/or professionals who offer cannabis business support including but not limited to business planning, loan application preparation, site location services, human resource management, legal assistance, capital procurement services, bookkeeping and accounting practices and systems, for Clearlake-based cannabis businesses.
5.	Loans or grants to incentivize businesses that mitigate adverse environmental effects of cannabis businesses.
6.	Direct grants to applicants, not to exceed \$10,000.00 per grant, for purposes of assuring compliance with regulatory requirements of the City, County or California permits or licenses that mitigate adverse environmental effects of cannabis cultivation or other activities including, but not limited to:  Water storage for irrigation during forbearance periods of surface water diversion required by state or local regulations;





**City of Clearlake**  
**Cannabis Local Equity Program Manual**      V2. 8/31/21

	Installation of solar electrical systems to replace diesel or gasoline generator power for off-grid cannabis facilities where connecting to the grid is economically infeasible.
	Rent for said facilities where the above activity is occurring and when cultivation of cannabis activities are permitted by the owner.
	Funds to cover fire suppression and compliance, such as water tanks.

The following services are anticipated to address and mitigate administrative or technical barriers of entry into the legal cannabis market:

Section 4: Services	
2. Administrative/Technical	
1.	Direct payment on the applicant's behalf, fees to agencies and/or professionals who provide technical assistance for the formation of an incorporated cooperative comprised of members that are cannabis equity program applicants or licensees.
2.	Direct payment on the applicant's behalf, fees to agencies and/or professionals who offer Technical Assistance for the formation and administration of public and private road networks providing access to cannabis activity operations by eligible cannabis equity program applicants or licensees.
3.	Provide technical assistance to assist those with past cannabis convictions to get their records expunged, if not previously expunged.

These next services help equity applicants with establishing trust and confidence with participating in the legal cannabis market:

Section 4: Services	
3. Distrust of Government	
1.	Conduct outreach and education efforts in areas that were focused on by law enforcement for cannabis eradication and cannabis arrests; encourage those individuals to apply for licenses and enter the legal industry. An example of outreach may include hosting listening sessions.
2.	Create outreach materials that are clear, concise, and accessible to those with low literacy. Consider creating materials in multiple languages.



**City of Clearlake**  
**Cannabis Local Equity Program Manual**      V2. 8/31/21

The last collection of services will be focused on assisting equity applicants with developing adequate business acumen for thriving in the legal cannabis market:

Section 4: Services	
4. Business Acumen	
1.	Direct payment on the applicant’s behalf for fees related to employment skill training for equity participants and their employees in licensed cannabis operations in the City of Clearlake.
2.	Direct payment on the applicant’s behalf for fees related to training/support for business owners to understand workforce rules and regulations (view section below).
3.	Direct payment on the applicant’s behalf for fees associated with increasing the business acumen needed to act as an incubator for new cannabis-related businesses.

**Section 5. Additional Services for Cannabis Businesses**

If it is determined that there is funding available and an existing need from equity applicants and equity licensees, the City of Clearlake may explore the following additional services for inclusion in the Local Equity Program.

Recommendations are divided into the following categories listed in priority order: Manufacturing/Productions, Agriculture/Cultivation, and Retail. The City hopes to partner with the local community college to connect equity applicants and licensees with training and education opportunities.

Section 5: Additional Services	
1.Manufacturing/Production	
1.	Access to business planning (business startup strategy: how to build and manage a detailed startup business plan that can scale up and include facilities, marketing, tax and regulation, payroll, human resources hiring and supervision, and teamwork).
2.	Access to incubator programs such as manufacturing hubs that can hire, cross train and job share positions between small entrepreneurs. Incubation hubs will provide (1) mentorship in business skills; (2) technical assistance; (3) a reporting system to monitor and ensure neither equity licensee nor business mistreat the other; and (4) a system that allows equity licensees and businesses



**City of Clearlake**  
**Cannabis Local Equity Program Manual**

V2. 8/31/21

	to anonymously provide suggestions and complaints about the existing program.
3.	Training to learn how to use METRC, the state's track and trace system used to track commercial cannabis activity and movement across the distribution chain.

**Section 5: Additional Services**

**2.Agriculture/Cultivation**

1.	Access to business planning, low-cost loans or investment sources that can assist smaller, often multi-generational family farmers with the costs of legalization, so that income can be spent on hiring, training, growing wages and benefits of a variety of jobs-from farm management to bookkeeping.
2.	Support for reasonable regulations and zoning that promote and incentivize employers to build good business and workforce development practices.
3.	Access to standard human resource methods: hiring and orientation, training in proper and regulated land use for farm and field workers, hiring and supervision processes, setting job benchmarks and performance standards, evaluating performance for promotion or wage scale increases.
4.	Access to business and HR tools: developing HR manuals and procedures, how to frame up a request for a consultant scope, interview and select the right consultant or consultant firm, how to manage a consultant scope.
5.	Developing, securing, and increasing farm management skills in agricultural, biology, and land management.
6.	Access to agricultural extension services to help with the science of plant biology from a medicinal and commercial standpoint, and help feed local graduates in biology and environmental sciences into the industry-much like the timber industry has done.
7.	Training on Occupational Safety and Health Administration (OSHA) regulations and standards.

**Section 5: Additional Services**

**3. Retail**

1.	Access to comprehensive business and marketing strategies that connect cannabis retail to tourism, related workforce development (hiring, training, presentation, customer service, job readiness, and supervisory skills).
2.	Access, training, or mentorship in general business supervisory, customer service, workplace norms, and software skills.



**City of Clearlake**  
**Cannabis Local Equity Program Manual**      V2. 8/31/21

3.	Evaluate the specific need and content for a program that certifies front line positions (bud tending, security, track and trace, manufacturing, and packaging personnel).
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Please note that the some of the services listed in this section are sourced from the June 2018 *Workforce Report: Humboldt County’s New Cannabis Landscape* authored by Deborah Claesgens & Michael Kraft on behalf of the Humboldt County Workforce Development Board.

**Section 6. Program Administration**

The City of Clearlake intends to seek available funding from the State of California for the Local Equity Program as is outlined in Senate Bill 1294 (Bradford), referred to as the California Cannabis Equity Act. SB 1294 created a fund for local jurisdictions with cannabis equity programs to apply for funding to assist local equity applicants and local equity licensees gain entry to and successfully operate in the state’s regulated cannabis marketplace.

If funding is received from the State, the Clearlake City Council will explore local funding that can supplement these efforts. The use of local funding for the Local Equity Program will remain at the discretion of the city.

Section 6: Program Administration	
1.	No more than ten percent (10%) of any funding from the California Governor’s Office of Business and Economic Development (GO-Biz) Local Equity Program Grant Funds may be utilized for program administration.
2.	Principal administration and coordination of services shall be performed by the City of Clearlake Planning Department or other designated entity determined by the City Council.
3.	The City of Clearlake Planning Department or other designated entity determined by the City Council shall receive and process all applications to determine eligibility of equity program participants.
4.	The City of Clearlake Planning Department or other designated entity determined by the City Council shall monitor and report on all program services provided through the LEP, at least annually and more frequently as directed by the City Council, state law, or regulation.



**City of Clearlake**  
**Cannabis Local Equity Program Manual**

V2. 8/31/21

**Section 7. Provision of Services**

Staff in the Clearlake Planning Department serve as the liaison between equity licensees who receive grant funding and the selected agency that provides an eligible service.

Section 7: Provision of Services	
Involved agencies may include but are not limited to:	
1.	Small business development organizations
2.	Planning and Building & Safety Divisions
3.	Department of Health & Human Services
4.	Workforce development agencies
5.	Banking and financial institutions
6.	Commercial real estate brokerages and associations
7.	Police department
8.	Fire department
9.	Legal services
10.	Childcare providers

**Section 8. Program Monitoring and Evaluation**

For the purposes of understanding the impacts of the adult-use cannabis industry, the City of Clearlake will seek to track data on general and equity applicants. The purpose of collecting data on an ongoing basis is to measure the success of the local equity program.

Completion of an annual demographic questionnaire will be voluntary and will be aligned with the demographic questionnaire developed by the State of California. Applicants and licensees will be encouraged to participate so that the City of Clearlake can assure that equity funding is being awarded to populations of highest need. Recommended metrics are as follows and conform to the city’s discretion:

Section 8: Program Monitoring and Evaluation	
Recommended Metrics	
Number of equity applicants to apply	<ol style="list-style-type: none"><li>1. Types of drug-related offenses</li><li>2. Income status</li><li>3. Race Ethnicity</li><li>4. Gender</li><li>5. Sexual Identity</li><li>6. Residency Status</li></ol>



**City of Clearlake**

**Cannabis Local Equity Program Manual**

V2. 8/31/21

	7. Ownership Structure
Workforce characteristics	<div><div>1. Total number of employees</div><div>2. Number of local employees</div><div>3. Employment status (full-time, part-time, etc.)</div></div>
Equity program-specific data	<div><div>1. Number of applicants eligible for equity program</div><div>2. Number and types of services provided to equity applicants</div><div>3. Number of equity program applicants to receive licenses.</div><div>4. Number of equity program applicants starting ancillary businesses</div><div>5. Feedback from participants to understand the impact of receiving funds on their socioeconomic status or ability to stay in Clearlake</div></div>

The City of Clearlake will address feedback from communities and populations eligible for the Local Equity Program in the following ways:

- Written e-comment.
- Opportunities to speak with the planning commission.
- Listening sessions.
- Surveys.
- Other opportunities up to the discretion of the City of Clearlake.



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Adoption of Resolution 2021-61 Approving the Application for Rural Recreation and Tourism Program Grant Funds for the Burns Valley Sports Complex Project

**MEETING DATE:** Dec. 2, 2021

**SUBMITTED BY:** Alan D. Flora, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to approve a grant application, not to exceed \$3 million, for construction of the Burns Valley Sports Complex project.

The City has been working with community groups over the past year to design a new sports complex facility which will attract Little League tournaments, soccer tournaments and other events. The project will also include a recreation center that can be utilized for a variety of uses, including tournaments and after school activities.

The State of California has established the Rural Recreation and Tourism Program, designed to create new recreational opportunities within rural communities to support health-related and economic goals. This program is funded by Proposition 68, the same program through which the City has applied for funds for the renovation of Highlands Park.

The funding is designed for establishing new recreational opportunities in rural communities that have a lack of outdoor recreation infrastructure. Successful projects will support both economic and health-related goals for residential creation and will attract out of town visitors. Staff believe that the Burns Valley Project is a perfect fit for this funding opportunity. While we are still finalizing our cost estimates, phasing and other funding sources, this program will be a key part of the puzzle. Upon approval of this resolution by the Council, the City Manager will be authorized to complete the application and submit for funding in December.

#### OPTIONS:

1. Adopt the Resolution.

#### FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase:

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments: Grant application is budgeted. An appropriation of funds would be needed upon grant award.

**STRATEGIC PLAN IMPACT:**

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

- ☒ **Attachments: Resolution**



**RESOLUTION 2021-61**

**RESOLUTION OF THE City Council of the City of Clearlake**  
**Approving the Application for**  
**RURAL RECREATION AND TOURISM PROGRAM GRANT FUNDS**

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Rural Recreation and Tourism Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Clearlake hereby:

APPROVES THE FILING OF AN APPLICATION FOR THE BURNS VALLEY SPORTS COMPLEX PROJECT; AND

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

Approved and adopted the 2<sup>ND</sup> day of December, 2021

I, the undersigned, hereby certify that the foregoing Resolution Number 2021-61 was duly adopted by the City Council of the City of Clearlake following a roll call vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_

(Clerk)



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Continuation of Director of Emergency Services/City Manager Order (Directive #CACHE-01) Restricting Access to Specified Areas as a Result of Cache Fire

**SUBMITTED BY:** Alan D. Flora, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL:

On August 18, 2021 The Director of Emergency Services/City Manager issue a Proclamation of Local Emergency due to the Cache Fire, which was ratified by the City Council on August 19, 2021.

On August 23, 2021 the roadblocks into the fire area were lifted and unauthorized access to the Cache Fire impacted properties became a concern. Based on this concern and the need for law enforcement to have the appropriate tools to prohibit and take action against illegal activity in the area, the City Manager issued a directive restricting access to specified areas as a result of the Cache Fire.

Pursuant to Section 2-11.6.a.6.a of the Clearlake Municipal Code, the Director is empowered to make and issue rules and regulation on matters reasonably related to the protection of life and property as affected by such emergency; provide, however such rules and regulations must be confirmed at the earliest practical time by the City Council.

Staff believes there is still a need to restrict unauthorized access to the areas under the Cache Fire Directive #1 and it is in the best interests of the City to have the Council ratify and continue this order until the state of emergency can be lifted.

#### OPTIONS:

1. Continue to ratify order.

#### FISCAL IMPACT:

☒ None ☐ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

**STRATEGIC PLAN IMPACT:**

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☒ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

☐ **Attachments:**



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Continuation of Declaration of Local Emergency Issued on August 18, 2021 and Ratified by Council Action August 19, 2021

**MEETING DATE:**  
August 5, 2021

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to keep declaration of emergency active and set next review in sixty days.

#### BACKGROUND/DISCUSSION:

On August 18, 2021 City Manager Flora, as the Director of Emergency Services for the City of Clearlake, declared a Local Emergency due to the Cache Fire:

“A local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property”

According to California Government Code Section 8630:

- (a) A local emergency may be proclaimed only by the governing body of a city, county, or city and county, or by an official designated by ordinance adopted by that governing body.
- (b) Whenever a local emergency is proclaimed by an official designated by ordinance, the local emergency shall not remain in effect for a period in excess of seven days unless it has been ratified by the governing body.
- (c) The governing body shall review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency.
- (d) The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant.

On August 19, 2021, the Council ratified the Proclamation of the Local Emergency by adoption of Resolution No. 2021-44. The Council must continue the Proclamation every 60 days or terminate the local emergency.

It is recommended that the City Council again continue the Proclamation of Emergency Resolution No. 2021-44 and review the status of the Proclamation again within 60 days.

**OPTIONS:**

1. Move to continue the Proclamation of Emergency ratified in Resolution No. 2021-44 and review the status of the Proclamation again within 60 days
2. Other direction

**FISCAL IMPACT:**

☒ None      ☐ \$      Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No      If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments: There is potential for recovery of costs by the City due to the declared state of emergency.

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to continue the Proclamation of Emergency ratified in Resolution No. 2020-10 and review the status of the Proclamation again within 60 days.



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Continuation of Declaration of Local Emergency Issued on March 14, 2020 and Ratified by Council Action March 19, 2020

**MEETING DATE:**  
August 5, 2021

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to keep declaration of emergency active and set next review in sixty days.

#### BACKGROUND/DISCUSSION:

On March 13, 2020 City Manager Flora, as the Director of Emergency Services for the City of Clearlake, declared in the attached Proclamation by the Director of Emergency Services Declaring a Local Emergency due to the state and federal declaration of the COVID-19/Coronavirus pandemic:

“That conditions of disaster or extreme peril to the safety of the persons and property have within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City”

According to California Government Code Section 8630:

- (a) A local emergency may be proclaimed only by the governing body of a city, county, or city and county, or by an official designated by ordinance adopted by that governing body.
- (b) Whenever a local emergency is proclaimed by an official designated by ordinance, the local emergency shall not remain in effect for a period in excess of seven days unless it has been ratified by the governing body.
- (c) The governing body shall review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency.
- (d) The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant.

On March 19<sup>th</sup>, 2020, the Council ratified the Proclamation of the Local Emergency by a Resolution No. 2020-10. The Council must continue the Proclamation every 60 days or terminate the local emergency.

It is recommended that the City Council again continue the Proclamation of Emergency ratified in Resolution No. 2020-10 and review the status of the Proclamation again within 60 days.

# OPTIONS:

1. Move to continue the Proclamation of Emergency ratified in Resolution No. 2020-10 and review the status of the Proclamation again within 60 days
2. Other direction

# FISCAL IMPACT:

☒ None      ☐ \$      Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No    If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund    ☐ Measure P Fund    ☐ Measure V Fund    ☐ Other:

Comments: There is potential for recovery of costs by the City due to the declared state of emergency.

# STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

# SUGGESTED MOTIONS:

Move to continue the Proclamation of Emergency ratified in Resolution No. 2020-10 and review the status of the Proclamation again within 60 days.

- ☐ **Attachments:**      1)
- 2)





# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Continuation of Declaration of Local Emergency Issued on October 9, 2017 and Ratified by Council Action October 12, 2017

**MEETING DATE:**

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to keep declaration of emergency active and set next review in 30 days

#### BACKGROUND/DISCUSSION:

On October 9<sup>th</sup>, 2017, former City Manager Folsom, as the Director of Emergency Services for the City of Clearlake, declared in a Proclamation by the Director of Emergency Services Declaring a Local Emergency:

“That conditions of extreme peril to the safety of the persons and property have arisen within the City of Clearlake caused by the wildfire on October 9<sup>th</sup>, 2017.”

According to California Government Code Section 8630:

- (a) A local emergency may be proclaimed only by the governing body of a city, county, or city and county, or by an official designated by ordinance adopted by that governing body.
- (b) Whenever a local emergency is proclaimed by an official designated by ordinance, the local emergency shall not remain in effect for a period in excess of seven days unless it has been ratified by the governing body.
- (c) The governing body shall review the need for continuing the local emergency at least once every 30 days until the governing body terminates the local emergency.
- (d) The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant.

On October 12<sup>th</sup> the Council ratified the Proclamation of the Local Emergency by adoption of Resolution No. 2017-78. The Council must continue the Proclamation every 30 days or terminate the local emergency.

It is recommended that the City Council again continue the Proclamation of Emergency ratified in Resolution No. 2017-78 and review the status of the Proclamation again within 30 days.

**OPTIONS:**

1. Move to continue the Proclamation of Emergency ratified in Resolution No. 2017-78 and review the status of the Proclamation again within 30 days.
2. Other direction

**FISCAL IMPACT:**

☒ None      ☐ \$      Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No    If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund   ☐ Measure P Fund   ☐ Measure V Fund   ☐ Other:

Comments: There is potential for recovery of costs by the City due to the declared state of emergency.

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to continue the Proclamation of Emergency ratified in Resolution No. 2017-78 and review the status of the Proclamation again within 30 days.

- ☐ **Attachments:**      1)  
   2)



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Continuation of Authorization to Implement and Utilize Teleconference Accessibility to Conduct Public Meetings Pursuant to Assembly Bill 361

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to authorize the City Clerk to implement and utilize teleconference accessibility to conduct public meetings pursuant to Assembly Bill 361 (Stats. 2021, ch. 165).

#### BACKGROUND/DISCUSSION:

On Friday, September 17, 2021, the Governor signed AB 361. Because the bill contained urgency findings, the law is now in effect. AB 361 allows local agencies to continue to conduct remote ("Zoom") meetings during a declared state of emergency, provided local agencies comply with specified requirements. Absent this legislation, local agencies would have had to return to traditional meetings beginning on October 1, 2021.

Starting October 1, and running through the end of 2023, to participate in remote meetings, public agencies must comply with the requirements of new subsection (e) of Government Code section 54953.

The Council passed Resolution No. 2021-48 on October 7, 2021, which made the necessary findings for all subordinate legislative bodies of the City, such as the Planning Commission, so these bodies can also continue to meet remotely.

#### Subsequent Remote Meetings

Any time after the first remote meeting of the legislative body, it can meet remotely if both of the following apply:

1. State/local emergency/social distancing. Either:
  - a. "a state of emergency remains active" or
  - b. "state or local officials have imposed or recommended measures to promote social distancing" and
2. 30 days. Within the last 30 days (which vote may occur at that meeting) the legislative body has made the following findings by majority vote "(A) The legislative body has reconsidered the circumstances of the state of emergency. (B) Any of the following circumstances exist (i) The state of emergency continues to directly impact the ability of the members to meet safely in person. (ii) State or local officials continue to impose or recommend measures to promote social distancing."

#### OPTIONS:

1. Move to adopt the attached resolution to allow ongoing teleconferencing of public meetings
2. Other direction

**FISCAL IMPACT:**

☒ None      ☐ \$      Budgeted Item? ☐ Yes ☐ No  
Budget Adjustment Needed? ☐ Yes ☐ No    If yes, amount of appropriation increase: \$  
Affected fund(s): ☐ General Fund   ☐ Measure P Fund   ☐ Measure V Fund   ☐ Other:

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☒ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED ACTIONS:**

- 1. Adopt Resolution making the necessary findings to continue to hold remote meetings as required by AB 361.
  - ☒ **Attachments:**      1) Resolution No. 2021-62

## RESOLUTION NO. 2021-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE  
MAKING THE LEGALLY REQUIRED FINDINGS TO CONTINUE TO  
AUTHORIZE THE CONDUCT OF REMOTE “TELEPHONIC” MEETINGS  
DURING THE STATE OF EMERGENCY

WHEREAS, on March 4, 2020, pursuant to California Gov. Code Section 8625, the Governor declared a state of emergency stemming from the COVID-19 pandemic (“Emergency”); and

WHEREAS, on September 17, 2021, Governor Newsom signed AB 361, which bill went into immediate effect as urgency legislation; and

WHEREAS, AB 361 added subsection (e) to Government Code Section 54953 to authorize legislative bodies to conduct remote meetings provided the legislative body makes specified findings; and

WHEREAS, as of September 19, 2021, the COVID-19 pandemic has killed more than 67,612 Californians; and

WHEREAS, social distancing measures decrease the chance of spread of COVID-19; and

WHEREAS, this legislative body previously adopted a resolution to authorize this legislative body and all other subordinate legislative bodies of the City to conduct remote “telephonic” meetings; and

WHEREAS, Government Code 54953(e)(3) authorizes legislative bodies of the City to continue to conduct remote “telephonic” meetings provided that the City has timely made the findings specified therein.

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Clearlake as follows:

1. This legislative body declares that it has reconsidered the circumstances of the state of emergency declared by the Governor and at least one of the following is true: (a) the state of emergency, continues to directly impact the ability of the members of this legislative body and all subordinate legislative bodies of the City to meet safely in person; and/or (2) state or local officials continue to impose or recommend measures to promote social distancing.

PASSED, APPROVED AND ADOPTED this 2<sup>nd</sup> day of December, 2021 by the following roll call vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Dirk Slooten, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Swanson, City Clerk



Clearlake, CA

Section H, Item 18.

Check Register

Packet: APPKT00930 - 11/10/21 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: AP-Accounts Payable</b>						
001911	ADAMS ASHBY GROUP INC	11/10/2021	Regular	0.00	6,187.50	11553
000101	AMERIGAS	11/10/2021	Regular	0.00	1,253.82	11554
000085	ARAMARK UNIFORM SERVICES	11/10/2021	Regular	0.00	49.31	11555
001435	ARGONAUT CONSTRUCTORS	11/10/2021	Regular	0.00	37,176.35	11556
VEN01163	BELSON OUTDOORS, LLC	11/10/2021	Regular	0.00	4,299.43	11557
000068	BOB'S JANITORIAL	11/10/2021	Regular	0.00	186.42	11558
002349	CLAUDIA LOPEZ	11/10/2021	Regular	0.00	100.00	11559
000625	FIRST AMERICAN TITLE COMPANY	11/10/2021	Regular	0.00	17,317.77	11560
000797	GRANITE CONSTRUCTION	11/10/2021	Regular	0.00	29,845.28	11561
002065	HERC RENTALS INC	11/10/2021	Regular	0.00	3,309.71	11562
000121	HIGHLANDS WATER COMPANY	11/10/2021	Regular	0.00	7,378.65	11563
000501	KUSTOM SIGNALS, INC.	11/10/2021	Regular	0.00	2,841.45	11564
001663	LAKE COUNTY NEWS	11/10/2021	Regular	0.00	250.00	11565
000116	LAKE COUNTY TAX COLLECTOR	11/10/2021	Regular	0.00	52.44	11566
001489	NAPA AUTO PARTS	11/10/2021	Regular	0.00	84.06	11567
001483	PETERSON CAT	11/10/2021	Regular	0.00	43.33	11568
002340	RETAIL STRATEGIES	11/10/2021	Regular	0.00	45,000.00	11569
002228	SUMMIT BANK - LOAN OPERATIONS	11/10/2021	Regular	0.00	37,586.35	11570
VEN01196	SYNERGY SPORTS CHARLOTTE, LLC	11/10/2021	Regular	0.00	6,250.00	11571
VEN01216	THE CYPRESS COMPANIES, LLC	11/10/2021	Regular	0.00	3,573.98	11572
001540	US BANK CORPORATE PMT. SYSTEM	11/10/2021	Regular	0.00	6,477.22	11573
	**Void**	11/10/2021	Regular	0.00	0.00	11574

**Bank Code AP Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	55	21	0.00	209,263.07
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>55</b>	<b>22</b>	<b>0.00</b>	<b>209,263.07</b>

**Fund Summary**

Fund	Name	Period	Amount
999	Pooled Cash	11/2021	209,263.07
			<b>209,263.07</b>





Clearlake, CA

Section H, Item 18.

Check Register

Packet: APPKT00924 - 11/3/21 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: AP-Accounts Payable</b>						
VEN01168	ADAM J GIORDANO	11/03/2021	Regular	0.00	400.00	11516
002353	ALL IN ONE AUTO	11/03/2021	Regular	0.00	8,166.00	11517
000085	ARAMARK UNIFORM SERVICES	11/03/2021	Regular	0.00	49.31	11518
000861	BIG O TIRES	11/03/2021	Regular	0.00	50.00	11519
000068	BOB'S JANITORIAL	11/03/2021	Regular	0.00	173.84	11520
002162	CALIFORNIA ENGINEERING	11/03/2021	Regular	0.00	9,000.00	11521
2404	CALTRONICS	11/03/2021	Regular	0.00	18.77	11522
000024	CLEARLAKE POLICE ASSOCIATION	11/03/2021	Regular	0.00	1,437.50	11523
001977	CONCENTRA	11/03/2021	Regular	0.00	60.00	11524
000125	COUNTY OF LAKE PUBLIC WORKS	11/03/2021	Regular	0.00	12.00	11525
000160	DEPT OF JUSTICE	11/03/2021	Regular	0.00	337.00	11526
2411	ERIN MCCARRICK	11/03/2021	Regular	0.00	75.00	11527
VEN01108	FAWN CHRISTINE WILLIAMS	11/03/2021	Regular	0.00	75.00	11528
001732	GARY PRICE CONSULTING SERVICES	11/03/2021	Regular	0.00	1,665.00	11529
001402	GREEN VALLEY CONSULTING	11/03/2021	Regular	0.00	7,628.75	11530
002065	HERC RENTALS INC	11/03/2021	Regular	0.00	5,478.28	11531
001949	ICE WATER DISTRIBUTORS INC	11/03/2021	Regular	0.00	60.50	11532
001419	KELSEYVILLE AUTO SALVAGE	11/03/2021	Regular	0.00	49,184.00	11533
2419	KOI NATION OF NORTHERN CALIFORN	11/03/2021	Regular	0.00	937.50	11534
002286	LISA WILSON	11/03/2021	Regular	0.00	75.00	11535
001489	NAPA AUTO PARTS	11/03/2021	Regular	0.00	657.00	11536
000026	NATIONWIDE RETIREMENT SOLUTION	11/03/2021	Regular	0.00	1,320.08	11537
001392	OFFICE DEPOT	11/03/2021	Regular	0.00	210.16	11538
002355	RAINBOW AG	11/03/2021	Regular	0.00	1,169.04	11539
002031	REDWOOD COAST FUELS	11/03/2021	Regular	0.00	1,353.02	11540
002352	REDWOOD FORD	11/03/2021	Regular	0.00	1,839.23	11541
002215	ROBERT COKER	11/03/2021	Regular	0.00	75.00	11542
002376	ROBERT DEWALT	11/03/2021	Regular	0.00	200.00	11543
000506	SIGNS OF RANDY HARE	11/03/2021	Regular	0.00	225.00	11544
002375	THOMAS DEWALT	11/03/2021	Regular	0.00	800.00	11545
001540	US BANK CORPORATE PMT. SYSTEM	11/03/2021	Regular	0.00	12,156.40	11546
	**Void**	11/03/2021	Regular	0.00	0.00	11547
	**Void**	11/03/2021	Regular	0.00	0.00	11548
	**Void**	11/03/2021	Regular	0.00	0.00	11549
	**Void**	11/03/2021	Regular	0.00	0.00	11550
	**Void**	11/03/2021	Regular	0.00	0.00	11551
000708	VALIC LOCKBOX	11/03/2021	Regular	0.00	695.00	11552

**Bank Code AP Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	139	32	0.00	105,583.38
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>139</b>	<b>37</b>	<b>0.00</b>	<b>105,583.38</b>

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
999	Pooled Cash	11/2021	105,583.38
			<u>105,583.38</u>



Clearlake, CA

Section H, Item 18.

Check Register

Packet: APPKT00941 - 11/17/21 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: AP-Accounts Payable</b>						
001138	ADVENTIST HEALTH	11/17/2021	Regular	0.00	120.00	11575
000085	ARAMARK UNIFORM SERVICES	11/17/2021	Regular	0.00	49.31	11576
001397	AT&T CALNET 3	11/17/2021	Regular	0.00	22.75	11577
001397	AT&T CALNET 3	11/17/2021	Regular	0.00	22.55	11578
001397	AT&T CALNET 3	11/17/2021	Regular	0.00	22.55	11579
000068	BOB'S JANITORIAL	11/17/2021	Regular	0.00	421.92	11580
001864	BUSINESS DESIGN SERVICES	11/17/2021	Regular	0.00	742.50	11581
000024	CLEARLAKE POLICE ASSOCIATION	11/17/2021	Regular	0.00	1,500.00	11582
000548	COMPUTER LOGISTICS	11/17/2021	Regular	0.00	450.00	11583
VEN01219	CORDICO INC.	11/17/2021	Regular	0.00	10,000.00	11584
000774	DEEP VALLEY SECURITY	11/17/2021	Regular	0.00	82.90	11585
000160	DEPT OF JUSTICE	11/17/2021	Regular	0.00	448.00	11586
000073	EASTLAKE SANITARY LANDFILL	11/17/2021	Regular	0.00	43.10	11587
000851	ENTERPRISE TOWING	11/17/2021	Regular	0.00	150.00	11588
000120	FED EX	11/17/2021	Regular	0.00	48.12	11589
000121	HIGHLANDS WATER COMPANY	11/17/2021	Regular	0.00	147.69	11590
001775	JONES & MAYER	11/17/2021	Regular	0.00	12,097.16	11591
VEN01218	KAREN K PAVONE	11/17/2021	Regular	0.00	845.00	11592
001176	KEVIN NESS JEWELERS	11/17/2021	Regular	0.00	23.93	11593
000501	KUSTOM SIGNALS, INC.	11/17/2021	Regular	0.00	2,569.70	11594
002040	LINDA PERALTA	11/17/2021	Regular	0.00	10.65	11595
VEN01123	LOOMIS	11/17/2021	Regular	0.00	491.07	11596
VEN01048	Minnesota Life Insurance	11/17/2021	Regular	0.00	895.25	11597
000026	NATIONWIDE RETIREMENT SOLUTION	11/17/2021	Regular	0.00	1,320.08	11598
001392	OFFICE DEPOT	11/17/2021	Regular	0.00	516.61	11599
000009	OPERATING ENGINEERS LOCAL 3	11/17/2021	Regular	0.00	624.00	11600
000027	OPERATING ENGINEERS PUBLIC EMP	11/17/2021	Regular	0.00	68,721.00	11601
000129	PARAMEX SCREENING	11/17/2021	Regular	0.00	189.00	11602
001483	PETERSON CAT	11/17/2021	Regular	0.00	558.00	11603
001843	PG&E CFM	11/17/2021	Regular	0.00	4,858.14	11604
	**Void**	11/17/2021	Regular	0.00	0.00	11605
002061	PLEXUS GLOBAL LLC	11/17/2021	Regular	0.00	36.75	11606
001536	PRECISION WIRELESS SERVICES	11/17/2021	Regular	0.00	3,399.51	11607
002031	REDWOOD COAST FUELS	11/17/2021	Regular	0.00	856.62	11608
001538	REGIONAL GOVERNMENT SERVICES	11/17/2021	Regular	0.00	8,878.75	11609
000202	ROTO-ROOTER OF LAKE COUNTY	11/17/2021	Regular	0.00	993.03	11610
001448	SIRCHIE	11/17/2021	Regular	0.00	44.68	11611
001581	SQUAD ROOM EMBLEMS	11/17/2021	Regular	0.00	121.71	11612
002292	TYLER TECHNOLOGIES	11/17/2021	Regular	0.00	32,668.50	11613
001559	ULINE SHIPPING SUPPLIES	11/17/2021	Regular	0.00	558.63	11614

Check Register

Packet: APPKT00941

Section H, Item 18.

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
000708	VALIC LOCKBOX	11/17/2021	Regular	0.00	695.00	11615

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	67	40	0.00	156,244.16
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>67</b>	<b>41</b>	<b>0.00</b>	<b>156,244.16</b>

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
999	Pooled Cash	11/2021	156,244.16
			<u>156,244.16</u>



Clearlake, CA

Section H, Item 18.

# Check Register

Packet: APPKT00960 - 11/24/21 CEC PO CORRECTION

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: AP-Accounts Payable</b>						
002162	CALIFORNIA ENGINEERING	11/24/2021	Regular	0.00	46,825.70	11642
	**Void**	11/24/2021	Regular	0.00	0.00	11643

## Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	21	1	0.00	46,825.70
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>21</b>	<b>2</b>	<b>0.00</b>	<b>46,825.70</b>

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	11/2021	46,825.70
			<hr/>
			46,825.70



Clearlake, CA

Section H, Item 18.

Check Register

Packet: APPKT00957 - 11/23/21 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: AP-Accounts Payable</b>						
000085	ARAMARK UNIFORM SERVICES	11/23/2021	Regular	0.00	49.31	11616
001665	BRUNO SABATIER	11/23/2021	Regular	0.00	60.00	11617
002162	CALIFORNIA ENGINEERING	11/23/2021	Regular	0.00	82,480.70	11618
	**Void**	11/23/2021	Regular	0.00	0.00	11619
001835	DIRK SLOOTEN	11/23/2021	Regular	0.00	60.00	11620
VEN01122	DOCUSIGN INC.	11/23/2021	Regular	0.00	6,520.50	11621
000073	EASTLAKE SANITARY LANDFILL	11/23/2021	Regular	0.00	101.63	11622
000004	EDWARD A ROBEY JR	11/23/2021	Regular	0.00	60.00	11623
VEN01220	ELFEGO GARCIA	11/23/2021	Regular	0.00	9,301.00	11624
000797	GRANITE CONSTRUCTION	11/23/2021	Regular	0.00	257,424.35	11625
VEN01136	HUMBOLDT STATE UNIVERSITY SPONS	11/23/2021	Regular	0.00	689.65	11626
001939	JIM SCHOLZ	11/23/2021	Regular	0.00	60.00	11627
002274	JOHN R BENOIT	11/23/2021	Regular	0.00	5,547.67	11628
002276	JOSE L SIMON III	11/23/2021	Regular	0.00	60.00	11629
001593	K&R TREE SPECIALISTS	11/23/2021	Regular	0.00	4,000.00	11630
000108	LAKE COUNTY RECORD BEE	11/23/2021	Regular	0.00	137.52	11631
002280	LAW OFFICES OF P SCOTT BROWNE	11/23/2021	Regular	0.00	1,837.00	11632
VEN01055	NORCAL KENWORTH ANDERSON	11/23/2021	Regular	0.00	2,090.14	11633
002031	REDWOOD COAST FUELS	11/23/2021	Regular	0.00	2,339.46	11634
000583	RUSSELL PERDOCK	11/23/2021	Regular	0.00	60.00	11635
002273	STACEY MATTINA	11/23/2021	Regular	0.00	60.00	11636
002277	STANLEY A ARCHACKI	11/23/2021	Regular	0.00	60.00	11637
002275	SUZANNE LYONS	11/23/2021	Regular	0.00	60.00	11638
VEN01215	THOMAS BRIAN FISHER	11/23/2021	Regular	0.00	1,000.00	11639
002278	VICTORIA CAROL BRANDON	11/23/2021	Regular	0.00	60.00	11640
VEN01221	WINE COUNTRY VENTURES, INC	11/23/2021	Regular	0.00	550.00	11641

## Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	51	25	0.00	374,668.93
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>51</b>	<b>26</b>	<b>0.00</b>	<b>374,668.93</b>



Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	11/2021	374,668.93
			<u>374,668.93</u>



Clearlake, CA

Check Register

Packet: APPKT00962 - 11/24/21 DIAZ TRAINING

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
VEN01223	STEVEN DIAZ	11/24/2021	Regular	0.00	400.00	11644

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	2	1	0.00	400.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	1	0.00	400.00

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	11/2021	400.00
			400.00

MINUTES OF PREVIOUS MEETING

October 13, 2021

The regular monthly meeting of the Board of Trustees of the Lake County Vector Control District was called to order at 1:40 P.M. by President Giambruno.

Board Present: Rob Bostock, Curt Giambruno, Chuck Leonard, and Ron Nagy.

Absent: George Spurr (excused).

District Personnel: Jamesina J. Scott, Ph.D., Manager/Research Director and Ms. Jacinda Franusich, Office Manager.

Guests: None.

Citizen’s Input: None.

Agenda Additions and/or Deletions: None.

Mr. Bostock moved to approve the Board Minutes of the September 8, 2021 regular meeting with a correction to the check numbers to include checks 20387-20407 making the total expenditures for September 2021 \$91,008.50. Mr. Nagy seconded the motion. Motion carried unanimously.

**Research Report**

Dr. Scott reported on arbovirus activity. West Nile virus (WNV) activity was detected in four local mosquito samples this year. In addition, four sentinel chickens from the Upper Lake flock seroconverted for WNV.

For the rest of California, sixty-two cases of human West Nile virus illness were reported from eighteen counties, 198 dead birds tested positive for WNV from 19 counties, 2,191 WNV-positive mosquito samples were reported, and 79 sentinel chickens from nine counties tested positive for antibodies for West Nile virus.

St. Louis encephalitis (SLEV) virus illness was reported in a resident of Fresno County, and thirty-six mosquito samples from eight counties tested positive for SLEV.

In the rest of the United States, West Nile virus has been detected in 43 states, and includes 479 human illness cases

Dr. Scott reported on adult biting fly activity. Carbon dioxide-baited traps were set in various locations around the county in September. The biting black gnats were the most abundant biting fly collected.

The New Jersey light traps set near Borax Lake and in the Reclamation near Upper Lake collected four species of mosquitoes and large numbers of biting black gnats.

The resting box in Upper Lake was sampled during September. Two mosquito species were collected.

Dr. Scott reported on tick testing. This year, twenty-five *Ixodes pacificus* ticks that were removed from Lake County residents have been submitted to the Sonoma County Public Health Laboratory for testing for *Borrelia burgdorferi*. One sample was in poor condition and not tested, and the rest of the samples were negative.

Dr. Scott reported on Clear Lake gnats, Chironominae, and Tanypodinae surveillance in Clear Lake. Lake checks were not completed in September due to the fuel pump need to repair the boat being on backorder nation-wide.

### **Publications**

An article coauthored by three District employees (Vector Biologist Michelle Koschik, former Vector Biologist Bonnie Ryan, and District Manager Jamesina J. Scott) was published in the journal *Parasites & Vectors*. The article is titled "Presence of a cryptic *Onchocerca* species in black flies of northern California, USA."

### **Operation Report**

During September, 0.15 inches of rain was recorded in the District's rain gauge. The total rainfall for the 2020-21 season was 11.41 inches.

On September 1, the level of Clear Lake was at -0.98 feet on the Rumsey Gauge. The lake level decreased to -1.92 feet by September 30.

District Vector Control Technicians completed 38 service requests in September. Ten of the requests were for yellowjackets.

On September 15, Piper Kimball and Joe Daviss from Leading Edge Associates visited the District to update the staff on advancements in unmanned aerial vehicle or drone technology for mosquito control. They visited sites in the Clear Lake Keys, Clear Lake State Park, and Anderson March.

On September 21 the District issued a news release regarding new West Nile virus activity in mosquitoes and chickens. The release appeared in the Lake County News and the Lake County Record Bee.

The District hired Brandon Walker as a seasonal Vector Control Technician. Mr. Walker began his employment on September 16.

The District will be taking advantage of the low lake level this fall and completing maintenance projects on the pier. A permit was obtained from Lake County Water Resources in September to do a board-for-board replacement of the crossbeams that connect the wood pilings.

The District was contacted by its C Street neighbor regarding replacing the fence between the two properties with a cinder block wall. Dr. Scott is collecting bids from local contractors for the job.

Dr. Scott attended an informational webinar regarding the \$100 million that the State of California has set aside for COVID-19 relief to assist independent special districts.

Even though the District did not lose revenue due to COVID-19, it incurred pandemic-related unanticipated costs for additional personal protective equipment, video conference service, cleaning supplies, and mandated supplemental sick leave. The District has applied for a reimbursement of \$10,362.85.

Dr. Scott has been contacting the District's neighbors in-person regarding the District's application for zoning and general plan changes, and to share the concept drawings. So far, all the neighbors have been happy to hear that the District wants to improve its facility.

Dr. Scott will attend the Mosquito and Vector Control Association of California Fall Board of Directors and committee meetings in Costa Mesa on October 26-27.

**Consideration of Resolution No. 21-05 Continuing COVID-19 Supplemental Paid Sick Leave to District Employees through December 31, 2021**

Beginning April 1, 2020, employers were required to provide 80 hours of paid sick leave and expanded family and medical leave under the federal Families First Coronavirus Response Act (FFCRA). That program expired on December 31, 2020, but California continued to require employers to offer 80 hours of supplemental paid sick leave for COVID-19 related reasons from January 1, 2021 to September 30, 2021.

This has been a positive program and has afforded an additional level of protection to the District’s COVID-19 Illness Prevention Plan.

After some discussion, Mr. Nagy moved to approved Resolution No. 21-05 A Resolution Continuing COVID-19 Supplemental Paid Sick Leave to District Employees Through December 31, 2021. Mr. Bostock seconded the motion. Motion carried with a roll call vote as follows: 4 in favor (Mr. Giambruno, Mr. Bostock, Mr. Leonard, and Mr. Nagy), and 1 absent (Mr. Spurr).

**Approve Checks for the Month of October 2021**

Mr. Nagy moved to approve Check Nos. 20407-20449 for the month of October 2021 in the amount of \$53,634.94. Mr. Bostock seconded the motion. Motion carried unanimously.

**Other Business**

Dr. Scott mentioned that two trustees’ (Mr. Leonard and Mr. Nagy) terms would be up in January 2022. Both trustees said they would like to continue serving on the board.

**Announcement of the Next Board Meeting**

The next regular meeting of the Board of Trustees will be at 1:30 PM on Wednesday, November 10, 2021 in the Lake County Vector Control District Board Room, 410 Esplanade, Lakeport, CA 95453.

Mr. Nagy moved to adjourn the meeting. Mr. Bostock seconded the motion. There being no other business the meeting was adjourned by President Giambruno at 2:16 PM.

Respectfully submitted,

Ronald Nagy

Secretary





# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** City Hall Holiday Closure

**MEETING DATE:**

December 2,  
2021

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☒ Information only ☐ Discussion ☐ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Report for information only. No action by the Council is necessary.

#### BACKGROUND/DISCUSSION:

For your Council's information:

City Hall Administration offices, including Building, Planning, Administrative Services and Finance Departments, will be closed for the holidays December 24<sup>th</sup>, 2021 through January 2<sup>nd</sup>, 2022. This does not include the Police Department or affect Police Department lobby hours.

The Administration offices will reopen on Monday, January 3<sup>rd</sup>.

#### FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Authorization of an Agreement for Dry Utility Design for the Burns Valley Development Project

**MEETING DATE:** December 2, 2021

**SUBMITTED BY:** Adeline Brown, Engineer Tech

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a contract with E4 Design for \$49,220.00.

#### BACKGROUND/DISCUSSION:

The City solicited proposals for electrical engineering design for the Burns Valley Development Project. These services include dry utility planning and electrical design for the Public Works building, coffee shop, recreation center as well as street light service. The following proposals were received:

E4 Design - \$49,220.00

Apex Utility Consultants - \$38,900.00

Sunshine Design - \$54,500.00

#### OPTIONS:

1. Move to approve the contract with E4 Design in the amount of \$49,220.00
2. Other direction

#### FISCAL IMPACT:

☐ None ☒ 49,220.00 Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☒ Other:

Comments:

#### STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake

- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve the contract with E4 Design in the amount of \$49,220.00

☐ **Attachments:**



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Authorization of an Agreement for Dry Utility Design for the Airport Development Project

**MEETING DATE:** December 2, 2021

**SUBMITTED BY:** Adeline Brown, Engineer Tech

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a contract with E4 Design for \$54,200.00.

#### BACKGROUND/DISCUSSION:

The City solicited proposals for electrical engineering design for the Airport Property Development Project. These services include dry utility planning, facilities abandonments, and electrical design for the Airport Property Development Project. The following proposals were received:

E4 Design - \$54,200.00

Apex Utility Consultants - \$89,700.00

Sunshine Design - \$103,500.00

#### OPTIONS:

1. Move to approve the contract with E4 Design in the amount of \$54,200.00
2. Other direction

#### FISCAL IMPACT:

☐ None ☒ 54,200.00 Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☒ Other:

Comments:

#### STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake

- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

Move to approve the contract with E4 Design in the amount of \$54,200.00

☐ **Attachments:**



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Annual Calendar of Meetings for 2022

**MEETING DATE:** December 2, 2021

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve the proposed 2022 City Council meeting calendar.

#### BACKGROUND/DISCUSSION:

The proposed meeting schedule for 2022 is attached. In addition to the proposed regular meeting schedule, your Council may schedule additional special meetings and workshops with proper Brown Act noticing.

#### OPTIONS:

1. Move to approve the proposed 2022 City Council meeting calendar.
2. Other direction

#### FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

#### STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

#### SUGGESTED MOTIONS:

Move to approve the 2022 City Council meeting calendar

*Section H, Item 23.*

☒ **Attachments:** 1) Proposed meeting calendar



# CITY OF CLEARLAKE

City Council

## STAFF REPORT

<b>SUBJECT:</b> Consideration of Development Agreement, DA 2021-04 for Ogulin Canyon Holdings, LLC to allow a cannabis Operation located at 2185 Ogulin Canyon Road, Clearlake, CA 95422	<b>MEETING DATE:</b> December 2, 2021
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**SUBMITTED BY:** Mark Roberts – Senior Planner

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Consideration of Development Agreement, DA 2021-04 for Ogulin Canyon Holdings, LLC to allow a Cannabis Operation located at 2185 Ogulin Canyon Road, Clearlake, CA 95422.

### BACKGROUND/DISCUSSION:

On November 9th, 2021, the Planning Commission found the project to be in compliance with all applicable regulations and/or requirements. Based on the information brought before the Planning Commission, including no public and/or agency concerns, the Planning Commission adopted PC Resolution 2021-22 approving Conditional Use Permit Applications CUP 2021-05 through 2021-08, Commercial Cannabis Regulatory Permit with corresponding Mitigated Negative Declaration based on Initial Study, IS 2021-02, and recommended approval to the City Council of the Development Agreement, DA 2021-04.

In accordance with Section 5-25.030 of the City of Clearlake Municipal Code, a Development Agreement for the commercial cannabis operations is required. The use permits have been conditioned not to be effective until the Development Agreement has been adopted by the City Council. The applicant concurs with all provisions of the Development Agreement. This agenda item is focused on the approval of a Development Agreement regarding the subject business and does not venture into potential changes to existing City regulations or ordinances related to allowable cannabis operations. The approval of the proposed Development Agreement should be considered based on existing cannabis related regulations.

#### November 15, 2021

On November 15, 2021 (within the required time frame), staff received an appeal application appealing the Planning Commission's decision before the City Council. Therefore, Staff is recommending that the Development Agreement hearing be continued to January 6<sup>th</sup>, 2022.

### FINANCIAL AND/OR POLICY IMPLICATIONS:



The Development Agreement will create a positive revenue source for the City based on the fee set forth in the terms of the agreement. There will be a semi-annual production fee paid, as well as an annual facility fee. The actual revenue cannot be estimated at this time since it will be dependent upon the success of the business

**OPTIONS:**

Continue Development Agreement public hearing to January 6<sup>th</sup>, 2022, to allow staff adequate time to process the appeal application.

☒ **Attachments:**

- 1) Development Agreement Resolution PC 2021-21
- 2) Development Agreement (DA 2021-04)
- 3) Staff Report Packet from November 9<sup>th</sup>, 2021, Planning Commission Hearing

**Attachment 2: Resolution Recommending MND and DA****RESOLUTION No. PC 2021-21**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CLEARLAKE  
RECOMMENDING TO THE CITY COUNCIL APPROVAL OF THE MITIGATED  
NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING  
PROGRAM AND RECOMMENDING APPROVAL OF THE DEVELOPMENT  
AGREEMENT FOR CANNABIS BUSINESS USE PERMITS UP 2021-05 THROUGH UP  
2021-08 AND COMMERCIAL CANNABIS REGULATORY PERMIT CBRP 04-2021, FOR  
DEVELOPMENT AND OPERATION OF A COMMERCIAL CANNABIS FACILITY ON  
PROPERTY LOCATED IN THE I INDUSTRIAL AND CANNABIS BUSINESS ZONING  
DISTRICTS AT 2185 OGULIN CANYON ROAD, CLEARLAKE, CALIFORNIA, APN: 010-  
044-017**

WHEREAS, Brian Pensack applied for approval of Cannabis Business Use Permits for cultivation, manufacturing, distribution for property located at 2185 Ogulin Canyon Road, Clearlake, CA, in the I, Industrial, and CB, Commercial Cannabis Business Zoning Districts, APN 010-044-017; and

WHEREAS, Cannabis Business Use Permit Applications UP 2021-05 through UP 2021-08 has been made in accordance with Section 18-43, Commercial Cannabis of the Municipal Code, which refers to Commercial Cannabis Uses; and

WHEREAS, the Initial Study identified potentially significant adverse effects in the areas of air quality, biological resources, hazardous materials, and noise; and

WHEREAS, mitigation measures that avoid the effects or mitigate the effects to a point where clearly no significant effects would occur have been identified through the Initial Study (applicant has agreed to all mitigation measures in accordance with CEQA); and

WHEREAS, a Mitigation Monitoring and Reporting Program has been prepared in accordance with City of Clearlake regulations and is designed to ensure compliance during Project implementation; and

WHEREAS, the City determined that the mitigation proposed in the Mitigation Monitoring and Reporting Program would reduce the impacts to a less than significant level and a Mitigated Negative Declaration (MND) should be prepared; and

WHEREAS, the City distributed a Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration for the Project on June 30, 2021, which started a 30-day public review period, ending August 6, 2021. The NOI was posted at the Lake County Clerk / Recorder's office, distributed through the State Clearinghouse, posted at City offices, and mailed to project stakeholders, property owners, and residents within a 600 foot radius of the Project; and

WHEREAS, the City received four written comments within the 30-day public review period; and

WHEREAS, the comments did not identify any new significant environmental impacts beyond those already covered in the Draft MND and did not change the Draft MND text. As such, staff prepared a Final MND and Mitigation Monitoring and Reporting Program; and

WHEREAS, a companion application, Development Agreement DA 2021-04 has been reviewed by the Planning Commission at a public hearing on October 26<sup>th</sup>, 2021; and

WHEREAS, the proposed project is consistent with the General Plan which designates the project site as Industrial; and

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Clearlake as follows:

**A. Recommend Adoption of the Mitigated Negative Declaration**

4. The Planning Commission finds that the Mitigated Negative Declaration was presented to the Planning Commission, that the Planning Commission has reviewed the Mitigated Negative Declaration prepared for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit (the “Project”), all staff reports pertaining to the Project and all comments received there on, and that the Mitigated Negative Declaration has been prepared and completed in compliance with the California Environmental Quality Act (CEQA).
5. The Planning Commission finds that on the basis of the Mitigated Negative Declaration, comments received, and the whole record that there is no substantial evidence that the Project will have a significant adverse impact individually or cumulatively on the environment.
6. The Planning Commission finds that the Mitigated Negative Declaration reflects the City’s independent judgment and analysis.

**B. Recommend Adoption of the Mitigation Monitoring and Reporting Program**

3. The Planning Commission hereby recommends to the City Council adoption of the Mitigation Monitoring and Reporting Program, as attached to the Project staff report.
4. The Planning Commission hereby recommends to the City Council that the proposed mitigation measures described in the Mitigated Negative Declaration are feasible and therefore become binding upon the City and its construction contractors.

**C. Recommend Approval of the Development Agreement**

The Planning Commission hereby recommends to the City Council approval of the Development Agreement for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit project.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Clearlake does recommend to the City Council approval of the Mitigated Negative Declaration, the Mitigation

Monitoring and Reporting Program and the Development Agreement for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit project.

**PASSED AND ADOPTED on this 26th day of October, 2021 by the following vote:**

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chairman, Planning Commission

ATTEST: \_\_\_\_\_  
City Clerk, Planning Commission

**Attachment 3: Development Agreement 2021-04**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAILTO:

City of Clearlake 14050

Olympic Dr.

Clearlake, CA 95422Attention:

City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee Exempt per Government Code §27383

### **DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (the "Execution Date"), by and between the **CITY OF CLEARLAKE, a California municipal corporation** ("City") and Brian Pensack, Representative of Ogulin Hills, LLC ("Owner"). City and Owner are sometimes referenced together herein as the "Parties." In instances when a provision hereof applies to each of the Parties individually, either may be referenced as a "Party." The Parties hereby jointly render the following statement as to the background facts and circumstances underlying this Agreement.

### **RECITALS**

- A. The State of California enacted California Government Code Sections 65864 *et seq.* ("Development Agreement Statutes") to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within their jurisdiction.

- B. The purpose of the Development Agreement Statutes is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations, to vest certain rights in the developer, and to meet certain public purposes of the local government.
- C. Owner owns an approximately 20.94 acre property at 2185 Ogulin Canyon Road, Clearlake, CA, Assessor's Parcel No. 010-044-017 and proposes development and operation of cannabis cultivation, processing, manufacturing, distribution, and retail delivery with development of related facilities as described in more detail per development applications submitted to the City of Clearlake, on file with the City of Clearlake Community Development Department.
- D. Owner intends to operate a cannabis facility and operation. All such cannabis facilities shall operate in accordance with the California State Compassionate Use Act (Health & Safety Code § 11362.5) ("CUA"), the Medical Marijuana Program Act (Health & Safety Code §§ 11362.7 etseq.) ("MMPA"), and the 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General (the "AG Guidelines"), and Senate Bill 94, the Medicinal and Adult Use of Cannabis Regulation and Safety Act ("MAUCRSA"), creating a unified regulatory structure for adult use and medical cannabis, and all regulations promulgated by the responsible state agencies to implement MAUCRSA (collectively the "California Cannabis Laws"). Prior to operating a cannabis facility, Owner shall be required to obtain use and cannabis business regulatory permits from the City for the facility and operations.
- E. Ultimately, Owner intends to obtain state licenses issued pursuant to MAUCRSA to operate cannabis facilities at the Site, once such licenses are being issued.
- F. Owners presently intend to develop and open a cannabis operation on the Site consistent with the California Cannabis Laws and Project Approvals (known as the "Project").
- G. Owner applied to City for a development agreement and will subsequently need to obtain special use permits and regulatory permits for the Project. This Agreement, and the special use and regulatory permits, when and if issued by the City, shall collectively be referred to as "Project Approvals".
- H. The Project will maintain inventory of cannabis and cannabis products under the California Cannabis Laws.
- I. The City adopted a Zoning Ordinance permitting Cannabis Delivery Only Dispensaries and Cannabis Businesses (as those terms are defined in the applicable city ordinances) in strict compliance with the applicable California Cannabis Laws regulating delivery only dispensaries and cannabis cultivation, manufacturing, processing, and distribution under certain conditions and provisions.
- J. City and Owner have agreed that, as a condition of allowing the Project, as defined herein, and due to the unique circumstances of the proposed Project, Owner shall pay to the City a semi-annual fee based on the gross revenue of the operations, and an annual Facility Fee, as hereinafter defined, which fees shall abate if and when the City adopts a tax on Cannabis Delivery Only Dispensaries and Cannabis Businesses.

- K. All procedures of the California Environmental Quality Act (“CEQA”), California Public Resources Code §21000 *et seq.*, and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, §15000 *et seq.* have been satisfied as the project is categorically exempt under CEQA guidelines sec. 15301, for modification of existing facilities.
- L. City has given public notice of its intention to adopt this Agreement and has conducted public hearings thereon pursuant to California Government Code §65867. City has found that the provisions of this Agreement and its purposes are consistent with the objectives, policies, general land uses and programs specified in City’s General Plan, zoning code and municipal ordinances.
- M. City, in entering into this Agreement, acknowledges that certain City obligations hereby assumed shall survive beyond the terms of the present Council members, that this Agreement will serve to bind City and future Councils to the obligations hereby undertaken, and that this Agreement shall limit the future exercise of certain governmental and proprietary powers of City. By approving this Agreement, the Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than defer its actions to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by City and the Council and have been found to be fair, just and reasonable. City has concluded that the pursuit of the Project will serve the best interests of its citizens and that the public health, safety and welfare are best served by entering into this obligation. Owner has represented to City that it would not consider or engage in the Project absent City approving this Agreement; *i.e.*, assuring Owner that it will enjoy the development rights.
- N. The City agrees that Owner’s land use entitlements for the Project shall vest for the term of this Agreement as described below.
- O. After conducting a duly noticed hearing on October 26<sup>th</sup> in conjunction with certain amendments and additions to the City’s Municipal Code, the Planning Commission of the City reviewed, considered and approved the Project and recommended approval of the execution of this Agreement to the City Council. The Planning Commission found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized zoning code; is in conformity with the public necessity, public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and general welfare of the city; will not adversely affect the orderly development of property or the preservation of property values; and will have a positive fiscal impact on the City.
- P. After conducting a duly noticed hearing on \_\_\_\_\_, in conjunction with amendments and additions to the City’s Municipal Code creating an allowable use, appropriate zoning, and comprehensive regulations for the proposed use, and after independent review and consideration, the City Council approved the execution of this Agreement. The City Council found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the zoning code; is in conformity with good land use practices; will not be detrimental to the health, safety and general welfare of the City; and is in the best interest of the City of Clearlake and its residents.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

**AGREEMENT**

1. **Binding Effect of Agreement.** The Parties agree that the Recitals above are true and correct and intend to be bound by same; the Parties further agree to the incorporation by reference herein of said Recitals, together with all definitions provided and exhibits referenced therein. This Agreement pertains to the Site as described in **Exhibit A (Legal Description)** and shown in **Exhibit B (Site Map)** and incorporates by reference all Development Approvals approved by the City for the Site. Except as otherwise provided in Section 15 of this Agreement, the burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all successors-in-interest of the Parties and constitute covenants which run with the Site. In order to provide continued notice thereof, the Parties will record this Agreement with the Lake County Recorder. The word “Owner” as previously defined and used herein shall include successor owners, apart from government or quasi-public agencies, of any portion of the Site. Should the size or orientation of any Site component specified above be changed in minor respects, *e.g.*, changed by a lot line adjustment, this Agreement shall not thereby be deemed to have been affected or invalidated, but the rights and obligations of the Parties and their successors shall remain as provided herein.

2. **Relationship of the Parties.** It is hereby specifically understood and acknowledged that the Project is a private project and that neither City nor Owners will be deemed to be the agent of the other for any purpose whatsoever. City and Owners hereby renounce the existence of any form of joint venture or partnership between or among them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Owners joint ventures or partners.

3. **Term.** Except as otherwise specified herein, the term of this Agreement (the “Term”) is 3 years from the date the Owner begins commercial operation at the Project Site (“Operation Date”). The Operation Date shall be no later than 12 months following the Execution Date. The Term shall generally be subject to earlier termination or extension as hereinafter provided.

3.1 **Term Extension – Third Party Issues.** Notwithstanding the Parties’ expectation that there will be no limit or moratorium upon the Project’s development or the issuance of building or other development related permits (a “Development Limitation”) during the Term, the Parties understand and agree that various third parties may take action causing a *de facto* Development Limitation. Consequently, the Term shall be extended for any delay arising from or related to any of the potential Development Limitations that follow in the subsections below for a time equal to the duration of that delay occurring during the Term. No Development Limitation may arise or result from an action or omission by Owner.

3.1.1 **Litigation.** Any third party-initiated litigation that arises from or is related to



any City action or omission with respect to this Agreement or any subsequent City approval required in connection with the Project's development, or third party- initiated litigation having the actual effect of delaying the Project's development. This extension period related hereto shall include any time during which appeals may be filed or are pending.

3.1.2 Government Agencies. Any delay arising from or related to the act(s) or omission(s) any third party governmental agency, quasi-public entity or public utility, and beyond the reasonable control of Owner.

3.1.3 Force Majeure. Any delay resulting from riot, war, acts of terrorism, an event during the Term creating radioactive or toxic/hazardous contamination, a catastrophic earthquake, flood, fire or other physical natural disaster, excluding weather conditions regardless of severity, strikes or industrial disputes at national level effecting development involved personnel not employed by Owner, their subcontractors or suppliers and effecting an essential portion of the Project's development, excluding any industrial dispute that is specific to development taking place as a part of the Project.

3.2 Term Extensions. The Term of this Agreement will be extended for seven additional years upon a determination of the City Council, by way of resolution of the City Council acted on at a regularly scheduled meeting, that both of the conditions listed in subparts 3.2.1 and 3.2.2 below have been fully satisfied are the Owner is in full compliance:

3.2.1. No Default by Owner. Owner shall not be in default with respect to any provision of this Agreement or any subsequent agreement or understanding between the Parties arising from or related to this Agreement, having received notice from City of said default per this Agreement, or if Owner did in fact default as to this Agreement, upon notice from City, that Owner did cure said default during the period to cure provided herein to City's satisfaction.

3.2.2 Finding of Community Compatibility. The City Council shall review the operations of Owner prior to granting an extension of the term of this Agreement and make a finding that the Project, notwithstanding that the Project activities may not be in precise

technical compliance with the issued regulatory permit and special use permit, continue to be compatible with surrounding land uses and are not detrimental to the public health, safety and general welfare.

3.2.3. Mutual Agreement of Parties. In addition to the process listed above for a seven-year term extension, this Agreement's Term may be extended by mutual agreement of the Parties and formal amendment of this Agreement.

3.3 Termination of Agreement. Upon the termination of this Agreement, either by expiration or otherwise, Owner shall have no right to engage in the Project activities at the Project Site, except as may otherwise be allowed by City ordinance, law or separate development agreement.

4. Defined Terms. As used in this Agreement, the following terms shall have the meanings hereinafter set forth:

4.1. Certified Report. "Certified Report" shall mean a detailed document prepared by Owner on a form acceptable to the City's Director of Finance to report to the City the gross receipts of the Project's operations and sales, as defined herein, in the Project during each semi-annual period starting January 1 and July 1 of each calendar year. Each Certified Report shall be certified as true and correct by a duly-authorized officer of Owner.

4.2. Development Approvals. "Development Approvals" means the land use entitlements approved by the City for the development of site improvements and buildings on the Site which define the permitted uses of the property, the density or intensity of use, and the maximum height and size of proposed buildings.

4.3. Production Fee. "Production Fee" shall mean a semi-annual fee remitted to the City by Owner based on the Gross Receipts of its Project operations, as defined below, in the amount of 5% of gross sales from operations.

4.4. Certification of Non-Income Tax Exemption. Owner certifies that Owner is not income tax exempt under State or Federal Law and that Owner will not file for such an exemption from the Internal Revenue Service or the Franchise Tax Board.

4.5. Facility Fee. Facility Fee shall mean an annual fee remitted to the City by Owner in the amount of \$2 per gross square foot of the entire Project facility. The Facility Fee shall be paid annually, starting July 1<sup>st</sup> of each year. A late fee of 5% of the amount due shall be added to any payment 5 days past due. Fees later than 30 days past due will constitute a breach subject to Section 20 of this agreement.

4.6. Semi-Annual Production Fee. The semi-annual Production Fee will be due no later than July 30<sup>th</sup> for the preceding period of January 1<sup>st</sup> through June 30<sup>th</sup> and no later than January 31<sup>st</sup> for the preceding period of July 1<sup>st</sup> through December 31<sup>st</sup>. A late fee of 5% of the amount due shall be added to any payment 30 days past due.

4.7. "Land Use Regulations" shall mean all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land,

including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction and initial occupancy standards and specifications applicable to the Project. “Land Use Regulations” do not include any City ordinance, resolution, code, rule, regulation or official policy governing:

4.7.1. The conduct or taxation of businesses, professions, and occupations applicable to all businesses, professions, and occupations in the City;

4.7.2. Other than as provided in this Agreement, taxes and assessments of general application upon all residents of the City, provided that the taxes and assessments are not imposed for the purpose of taxing the right, power or privilege of developing or improving land (e.g., excise tax) or to directly finance the acquisition or dedication of open space or any other public improvement in respect of which the Developer is paying any fee or providing any improvement pursuant to this Agreement;

4.7.3. The control and abatement of nuisances;

4.7.4. The granting of encroachment permits and the conveyance of rights and interests which provides for the use of, access to or the entry upon public property, as may be approved by mutual agreement between Developer and City; and

4.7.5. The exercise of the power of eminent domain.

4.8. “Existing Land Use Regulations” means all Land Use Regulations in effect as of the approval date of this Agreement, including the Project Approvals.

4.9. “Gross Receipts” means 5% (five percent) for 1) wholesale and retail sales of cannabis products by Owner to third parties.

5. Fee Payments by Owner. In consideration of City’s entering into this Agreement and authorizing the development and operation of the Project, the requirements for City services created by the Project, the City insuring Owner’s compliance with this Agreement, California Cannabis Laws and the City’s municipal ordinances, throughout the Term of this Agreement, Owner shall make the following payments to City:

5.1. Production Fee Payments by Owner. Semi-annual payments of the Production Fee by Owner to the City as specified in Section 7 herein. The obligations of Owner under this Section shall survive the expiration or any earlier termination, as applicable, of this Agreement, but the Production Fee under this Agreement shall cease if any City-wide tax is imposed specifically on Cannabis cultivation.

5.2. Facility Fee Payments by Owner. Annual payments of the Facility Fee by Owner to the City. The obligations of Owner under this Section shall survive the expiration or any earlier termination of this Agreement, but the Facility Fee shall cease if any City-wide tax is imposed specifically on Cannabis cultivation.

5.3. Sales Tax Point of Sale. Owner agrees that Clearlake will be designated as the point of sale for all operations, as allowed by law.

6. Community Participation. Owner agrees to participate in the community as a good corporate citizen and sponsor events and organizations that improve the community.

6.1. Clearlake Chamber of Commerce. Owner agrees to immediately apply for membership in the Clear Lake Chamber of Commerce and, if accepted, maintain an annual membership in good standing.

7. Payment Procedures. The following payment procedures shall apply during the operation of the Project:

7.1. Remittance of Production Fee/Certified Reports. Within thirty (30) calendar days following the end of each semi-annual period during the Term of this Agreement, Owner shall submit the Certified Report to the City's Finance Director and a payment for the Production Fee for that Operational Period as identified in the Certified Report. Owner shall pay Production Fees to the City on a semi-annual basis without exception. Any material misstatement or misrepresentation in the Certified Report and any failure to pay Production Fees when due shall constitute events of default by Owner subject to the default provisions of this Agreement.

7.2. Maintenance of Records. Owner shall maintain complete records of their operations to substantiate and document the content of each Certified Report. Such records shall include, without limitation, invoices and payments taken by Tenants and/or any operator of the facility. Owner shall maintain such records in a form and location reasonably accessible to the City, following reasonable notice to Owner and/or any operator, for a period of at least five (5) calendar years following Owner's submission of the Certified Report to which the records apply.

7.3. Audit. Within ninety (90) calendar days following the end of each semi-annual payment term, the City may conduct an audit or arrange for a third-party independent audit, at Owner's expense, of Owner records regarding Certified Reports and the Production Fees. The City's Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Owner, and shall reasonably attempt to schedule the audit so as to reduce the impact on Tenants' operations as much as is feasible. Owner shall cooperate with the City in completing the audit. If the audit reveals that Owner has underpaid the Production Fee, Owner shall pay such underpaid amounts to the City within thirty (30) calendar days of receipt of written notice from the City's Director of Finance in addition to all costs of the audit, including city staff time and outside consultants. If the audit reveals that the Owner has overpaid any amount of the Production Fee, City shall provide written notification to Owner and shall credit such amount against Owner's subsequent semi-annual payment of Production Fees.

8. Covenants of Owner. During the Term of this Agreement, Owner hereby covenants and agrees with the City as follows:

8.1. Implementation. Owner shall use commercial reasonable efforts to pursue the implementation of the Project as expeditiously as feasible, in the form approved by the City, subject to all applicable laws, this Agreement, the Project Approvals and the Municipal Code.

8.2. Enhanced Design Requirement. Owner shall submit a design plan for

the building and site, for review and approval by the Planning Director, which shall incorporate at a minimum upgraded fencing and landscaping improvements consistent with the Community Character and Design Policies in the City's General Plan.

8.3. Maintain & Operate Project. Owner shall maintain and operate the Project on the Site throughout the Term of this Agreement, in accordance with the Project Approvals and all City, and State laws.

8.4. Hold Harmless. Owner shall defend (with counsel reasonably acceptable to City), indemnify and hold City and its councilpersons, officers, attorneys, agents, contractors, and employees (collectively, the "Indemnified Parties") harmless from and against all losses, costs and expenses (including, without limitation, reasonable attorneys' fees and costs), damages (including, without limitation, consequential damages), claims and liabilities arising from the Project, this Agreement, the approval of the Project, and the activities of Owner, their members, officers, employees, agents, contractors, invitees and any third parties on the Site, from and against any challenges to the validity of this Agreement or other Project Approvals. The obligations of Owner under this Section shall survive the expiration or any earlier termination, as applicable, of this Agreement.

9. Covenants of City. During the Term of this Agreement, City hereby covenants and agrees with Owner as follows:

9.1. Expeditious Services. City shall process applications and address questions and concerns raised by Owner representatives at the "counter" at City Hall as expeditiously as reasonably possible. Upon Owner's request, or if, in an exercise of City's own discretion, City staff determines that it cannot comply with this section, City shall expeditiously engage the services of private contract planners, plan checkers or inspectors ("Private Contractors") to perform such services as may be necessary to assist in processing the project plans as described herein. Compensation of such Private Contractors shall be at Owner's sole cost and expense, inclusive of any administrative cost to City of integrating services by Private Contractors into the project's development processing. Owner shall pay such costs and expenses of Private Contractors via reimbursement to City, per City's applicable policies and procedures. City shall have absolute discretion in the selection of such Private Contractors.

9.2 Vested Rights. During the Term of this Agreement, Owner shall have the vested right and entitlement to develop and operate the Project in accordance with the Existing Land Use Ordinances, in addition to any Cannabis Cultivation Operating Standards adopted by the City Council, which may be amended at the City's discretion. Parties acknowledge that neither the City nor the Owner can at this time predict when or the rate at which or the order in which parts of the Project will be developed. Owner shall have the vested right to develop the Project in such order and at such rate and at such times as Owner deems appropriate in the exercise of its business judgment, provided that Owner is in compliance with the Project Approvals.

9.3 Building Permits and Other Approvals and Permits. Subject to (a) Owner's compliance with this Agreement, the Project Approvals the Existing Land Use Ordinances, the Building Ordinances, and Operating Standards; and (b) payment of the usual and

customary fees and charges of general application charged for the processing of such applications, permits and certificates and for any utility connection, or similar fees and charges of general application, the City shall process and issue to Owner promptly upon application therefore all necessary use permits, building permits, occupancy certificates, regulatory permits, licenses and other required permits for the construction, use and occupancy of the Project, or any portion thereof, as applied for, including connection to all utility systems under the City's jurisdiction and control (to the extent that such connections are physically feasible and that such utility systems are capable of adequately servicing the Project).

9.4 Procedures and Standards. The standards for granting or withholding permits or approvals required hereunder in connection with the development of the Project shall be governed as provided herein by the standards, terms and conditions of this Agreement and the Project Approvals, and to the extent not inconsistent therewith, the Existing Land Use Ordinances, but the procedures for processing applications for such permits or approvals (including the usual and customary fees of general application charged for such processing) shall be governed by such ordinances and regulations as may then be applicable.

## 10. Effect of Agreement.

10.1 Grant of Right. This Agreement shall constitute a part of the Enacting Ordinance, as if incorporated by reference therein in full. The Parties acknowledge that this Agreement grants to Owner the right and entitlement to develop the Project and use the land pursuant to specified and known criteria and rules as set forth in the Project Approvals and Existing Land Use Ordinances, and to grant the City and the residents of the City certain benefits which they otherwise would not receive.

10.2 Binding on City/Vested Right of Owner. This Agreement shall be binding upon the City and its successors in accordance with and subject to its terms and conditions notwithstanding any subsequent action of the City, whether taken by ordinance or resolution of the City Council, by referendum, initiative, or otherwise. The Parties acknowledge and agree that by entering into this Agreement and relying thereupon, the Owner has obtained, subject to the terms and conditions of this Agreement, a vested right to proceed with its development of the Project as set forth in the Project Approvals and the Existing Land Use Ordinances, and the timing provisions of Section 3, and the City has entered into this in order to secure the public benefits conferred upon it hereunder which are essential to alleviate current and potential problems in the City and to protect the public health, safety and welfare of the City and its residents, and this Agreement is an essential element in the achievement of those goals.

10.3 Future Conflicting Local Laws. If any City law, including ordinances, resolutions, rules, regulations, standards, policies, conditions and specifications (collectively "City Laws") are enacted or imposed by a citizen-sponsored initiative or referendum, or by the City Council directly or indirectly in connection with any proposed initiative or referendum, which City Law would conflict with this Agreement, such City Law shall not apply to the Project Site or Project. The Parties, however, acknowledge that the City's approval of this Agreement and the City Approvals are legislative actions subject to referendum.

10.3.1 Without limiting the generality of the foregoing, no moratorium or other limitation whether relating to the rate, timing, phasing or sequencing of development affecting subdivision maps, building permits, or other Subsequent Approvals shall apply to the Project. Owner agrees and understands that the City does not have authority or jurisdiction over another public agency's authority to grant a moratorium or to impose any other limitation that may affect the Project.

## 11. Specific Criteria Applicable to Development of the Project.

11.1 Applicable Ordinances. Except as set forth in the Project Approvals and subject to the provisions of Section 10.2 below, the Existing Land Use Ordinances shall govern the development of the Site hereunder and the granting or withholding of all permits or approvals required to develop the Site; provided, however, that (a) Owner shall be subject to all changes in processing, inspection and plan-check fees and charges imposed by City in connection with the processing of applications for development and construction upon the Site so long as such fees and charges are of general application and are not imposed solely with respect to the Project Site, (b) Owner shall abide by the Building Ordinances in effect at the time of such applications, (c) Development Impact Fees to be paid by Owner shall be those in effect at the time permits are issued subject to those fees, and (d) development shall be consistent with current Operating Standards.

11.2 Amendment to Applicable Ordinances. Any change to the Existing Land Use Ordinances that conflicts with the Project Approvals shall nonetheless apply to the Project if, and only if (i) it is consented to in writing by Owner in Owner's sole and absolute discretion; (ii) it is determined by City and evidenced through findings adopted by the City Council that the change or provision is reasonably required in order to prevent a condition dangerous to the public health or safety; (iii) it is required by changes in State or Federal law; (iv) it consists of changes in, or new fees permitted by, Section 4.1; or (v) it is otherwise expressly permitted by this Agreement. The Parties anticipate that the City shall subsequently adopt Operating Standards that govern this type of use, which Regulations, and any amendments thereto, shall apply to the Project.

11.3 Applicability of Zoning Amendments. In the event that the City zoning ordinance is amended by the City in a manner which provides more favorable site development standards for the Project Site or any part thereof than those in effect as of the Effective Date, Owner shall have the right to notify the City in writing of its desire to be subject to all or any such new standards for the remaining term of this Agreement. If City agrees, by resolution of the City Council, such new standards shall become applicable to the Project. Should City thereafter amend such new standards, upon the effective date of such amendment, the original new standards shall continue to apply to the Project as provided above, but Owner may notify City in writing of its desire to be subject to all or any such amended new standards and City shall agree in the manner above provided to apply such amended new standards to the Project.

## 12. Permitted Delays; Supersedure by Subsequent Laws.

12.1 Permitted Delays. In addition to any other provisions of this Agreement with respect to delay, Owner and City shall be excused from performance of their obligations hereunder during any period of delay caused by acts of mother nature, civil commotion, riots, strikes, picketing, or other labor disputes, shortage of materials or supplies, or damage to or prevention of work in process by reason of fire, floods, earthquake, or other casualties, litigation, acts or neglect of the other party, any referendum elections held on the Enacting Ordinance, or the Land Use Ordinances, or any other ordinance effecting the Project or the approvals, permits or other entitlements related thereto, or restrictions imposed or mandated by governmental or quasi-governmental entities, enactment of conflicting provisions of the Constitution or laws of the United States of America or the State of California or any codes, statutes, regulations or executive mandates promulgated thereunder (collectively, "Laws"), orders of courts of competent jurisdiction, or any other cause similar or dissimilar to the foregoing beyond the reasonable control of City or Owner, as applicable. Each Party shall promptly notify the other Party of any delay hereunder as soon as possible after the same has been ascertained. The time of performance of such obligations shall be extended by the period of any delay hereunder.

## 12.2 Supersedure of Subsequent Laws or Judicial Action.

12.2.1 The provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with any new Law or decision issued by a court of competent jurisdiction (a "Decision"), enacted or made after the Effective Date which prevents or precludes compliance with one or more provisions of this Agreement. Promptly after enactment of any such new Law, or issuance of such Decision, the Parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. In addition, Owner and City shall have the right to challenge the new Law or the Decision preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect, except that the Term shall be extended, in accordance with Section 2.1 above, for a period of time equal to the length of time the challenge was pursued, to extent such challenge delayed the implementation of the project.

13. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Owner. It is anticipated due to the term of this Agreement that refinements to the approvals may be appropriate with respect to the details of performance of the City and the Owner. To the extent allowable by law, the Owner shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement. When and if the Owner finds it necessary or appropriate to make changes, adjustments or clarifications, the Parties shall enter into memoranda ("Operating Memoranda") approved by the Parties in writing, which reference this Section of the Agreement. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore, public notices and hearings shall not be required. The City Attorney shall be authorized upon consultation with the Owner, to determine whether a requested clarification may be effectuated pursuant to this Section or



whether the requested clarification is of such character to constitute an amendment to the Agreement which requires compliance with the provisions of this Agreement pertaining to amendments. The authority to enter into such Operating Memoranda is hereby delegated to the City Manager, and the City Manager is hereby authorized to execute any operating Memoranda hereunder without further City Council action.

14. CEQA. All procedures of the California Environmental Quality Act ("CEQA"), California Public Resources Code §21000 *et seq.*, and the CEQA guidelines, Title 14 of the California Code of Regulations, chapter 3, §15000 *et seq.* have been satisfied based on the Project being categorically exempt.

15. Building Permits. Nothing set forth herein shall impair or interfere with the right of City to require the processing of building permits as required by law relating to any specific improvements proposed for the Project pursuant to the applicable provisions of the City's municipal code, inclusive of such California and International Codes as have been adopted in accord therewith, that are in effect at the time such permits are applied for; provided, however, no such permit processing shall authorize or permit City to impose any condition on and/or withhold approval of any proposed improvement the result of which would be inconsistent with this Agreement.

16. Assignment and Transfer of Rights. Except as otherwise provided in this Section, the burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all successors-in-interest of the Parties and constitute covenants that run with the Site. Owner, for itself, its heirs, distributes, executors, administrators, legal representatives, successors and assigns, shall not, at any time during the Term, assign, convey, lease, sell or otherwise transfer all or any portion of its rights under this Agreement ("Assignable Rights") to a third party, a subordinate entity, or a related entity (make an "Assignment") without the prior written consent of City in each instance, which consent may be withheld in City's sole discretion. Any assignment in violation of this Section will be void. No permitted assignee of this Agreement may further assign this Agreement without City's prior written consent.

17. Review for Compliance.

17.1 Periodic Review. Pursuant to CGC §65865.1, City shall engage in an annual review this Agreement, on or before the anniversary of the date of execution, in order to ascertain Owner's good faith compliance with its terms (the "Periodic Review"). In the event City fails to formally conduct such annual review, Owner shall be deemed to be in full compliance with the Agreement.

18. Amendment or Cancellation. This Agreement may be amended or canceled in whole or in part only by mutual consent of the Parties or in the manner provided in CGC §65865.1 or CGC §65868 and subsection 3.2 above.

18.1 Provide Notice. Provide the other Party with written notice of such State or Federal law or regulation, a copy of such law or regulation and a statement identifying how such law regulation conflicts with the provisions of this Agreement.

18.2 Meet and Confer. Upon notice by one Party to another as to preemption or frustration of this Agreement by law or regulation, the Parties shall promptly meet and confer in good faith and make a reasonable attempt to modify or suspend this Agreement to comply with such applicable Federal or State law or regulation. If the Parties cannot agree on a manner or method to comply with such Federal or State law or regulation, the Parties may, but shall not be required to, engage in alternative dispute resolution.

19. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be either personally delivered (which shall include delivery by means of professional overnight courier service which confirms receipt in writing [such as Federal Express or UPS] ), sent by telecopier or facsimile ("Fax") machine capable of confirming transmission and receipt, or sent by certified or registered mail, return receipt requested, postage prepaid to the following parties at the following addresses or numbers:

**If to City:** City of Clearlake  
14050 Olympic Drive  
Clearlake CA 95422 Attention: City Manager

With copy to: Jones & Mayer, City Attorney 8150 Sierra College Blvd., Suite 190  
Roseville California 95661 Attention: Ryan R. Jones, Esq.

**If to Owner:** Ogulin Hills, LLC  
637 Lindaro St., Suite 201, San Rafael, CA 94901

Notices sent in accordance with this Section shall be deemed delivered upon the: **(a)** date of delivery as indicated on the written confirmation of delivery (if sent by overnight courier service); **(b)** date of actual receipt (if personally delivered by other means); **(c)** date of transmission (if sent by email or telecopier, so long as sender receives actual confirmation that the transmission was received); or **(d)** date of delivery as indicated on the return receipt (if sent

by certified or registered mail, return receipt requested). Notice of change of address shall be given by written notice in the manner detailed in this Section.

20. Breach and Remedies. Notwithstanding any provision of this Agreement to the contrary, Owner shall not be deemed to be in default under this Agreement with respect to any obligation owed solely to City, and City may not terminate or modify Owner's rights under this Agreement, unless City shall have first delivered a written notice of any alleged default to Owner that specifies the nature of such default. If such default is not cured by Owner within sixty (60) days after receipt of such notice of default, or with respect to defaults that cannot be cured within such period, Owner fails to commence to cure the default within thirty (30) days after receipt of the notice of default, or thereafter fails to diligently pursue the cure of such default, City may terminate Owner's rights under this Agreement. Default by any Assignee or Owner's successor in interest shall affect only that portion of the Site owned by such Assignee or successor, and shall not cancel or diminish in any way Owner's rights with respect to any portion of the Site not owned by such Assignee or successor. In the event that a breach of this Agreement occurs, irreparable harm is likely to occur to the non-breaching Party and damages will be an inadequate remedy. To the extent permitted by law, therefore, it is expressly recognized that injunctive relief and specific enforcement of this Agreement are proper and desirable remedies, and it is agreed that any claim by Owner against City for an alleged breach of this Agreement shall be remedied by injunctive relief or an appropriate action for specific enforcement of this Agreement and not by a claim or action for monetary damages.

21. Entire Agreement. This Agreement and the Exhibits herein contain the entire integrated agreement among the Parties. The Parties intend that this Agreement state their agreement in full to each and every one of its provisions. Any prior agreements, understandings, promises, negotiations or representations respecting the matters dealt with herein or the duties of any Party in relation thereto, not expressly set forth in this Agreement, are agreed by all Parties to be null and void.

22. Severability. If any term, provision, condition, or covenant of this Agreement, or the application thereof to any Party or circumstance, shall to any extent be held invalid or unenforceable, the remainder of the instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. Attorneys' Fees. If the services of any attorney are required by any party to secure the performance of this Agreement or otherwise upon the breach or default of another party, or

if any judicial remedy or arbitration is necessary to enforce or interpret any provisions of this Agreement or the rights and duties of any person in relation to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Prevailing party includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

Whenever provision is made in this Agreement for the payment of attorney's fees, such fees shall be payable whether the legal services are rendered by a salaried employee for the party or by independent counsel and shall include such fees as are incurred in connection with any pretrial proceeding, trial or appeal of the action. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which constitute one and the same instrument.

25. Execution of Agreement. The Parties shall sign this Agreement on or within five (5) business days of approval.

26. Authority to Execute. All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.

27. Estoppel Certificate. City shall, at any time and from time to time within ten (10) days after receipt of written notice from Owner so requesting, execute, acknowledge and deliver to Owner a statement in writing: **(a)** certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); and **(b)** acknowledging that there are no uncured defaults on the part of Owner hereunder or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrances of all or any portion of the Site. Upon Owner's written request, City shall issue a certificate of performance evidencing completion of any of Owner's obligation(s) under this Agreement.

## 28. Encumbrances on Real Property.

28.1 Discretion to Encumber. The Parties hereto agree that this Agreement shall not prevent or limit Owner, in any manner, at Owner's sole discretion, from encumbering the Site or any portion thereof or any improvements thereon then owned by such person with any mortgage, deed of trust or other security device ("Mortgage") securing financing with respect to the Site or such portion. City acknowledges that the lenders providing such financing may require certain modifications, and City agrees, upon request, from time to time, to meet with Owner and/or representatives of such lenders to negotiate in good faith any such request for modification. City further agrees that it will not unreasonably withhold its consent to any such requested modification. Any mortgagee or trust deed beneficiary of the Site or any portion thereof or any improvements thereon and its successors and assigns ("Mortgagee") shall be entitled to the following rights and privileges.

28.2 Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Owner may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement, provided, further, that any modifications of this Agreement are subject to the provisions of this Agreement relative to modifications or amendments.

28.3 Mortgage Protection. This Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Site or any portion thereof by a Mortgagee (whether pursuant to a Mortgage, foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise) shall be subject to all of the terms and conditions of this Agreement.

28.4 Mortgagee Not Obligated. Notwithstanding the provisions of Section 26.2, no Mortgagee will have any obligation or duty under this Agreement to perform the obligations of Owner or other affirmative covenants of Owner hereunder, or to guarantee such performance, except that to the extent that Mortgagee opts to receive the benefits of the Agreement, including the right to operate, any covenant to be performed by Owner is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder. No Mortgagee will be liable for any monetary defaults arising prior to its acquisition of title to the Site or any portion thereof. Uncured monetary defaults will terminate the Agreement and Mortgagee's right to operate.

28.5 Written Notice of Default. Each Mortgagee shall be entitled to receive written notice from City of any default by Owner under this Agreement, if such default is not

cured within thirty (30) days, provided such Mortgagee has delivered a written request to City for such notice. Each Mortgagee shall have a further right, but not the obligation, to cure such default for a period of thirty (30) days after receipt of such notice of default. Any non-curable defaults of Owner of any obligation owed solely to City arising prior to Mortgagee's acquisition of title to the Site or any portion thereof shall be waived; provided, however, the non-payment of money shall not be deemed a non-curable default.

29. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and, subject to City's written consent, their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

30. Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California. Furthermore, the Parties agree to venue in the Superior Court of Lake County, California.

31. Mutual Covenants. The covenants contained herein, including those contained in the Recitals herein, are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

32. Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement ("Successors"). Furthermore, the rights and remedies, together with the benefits and burdens of this Agreement of each Party to this Agreement shall be coextensive with those of its Successors. All provisions of this Agreement shall be enforceable as equitable servitude's and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Site: (a) is for the benefit of and is a burden upon every portion of the Site; (b) runs with the Site and each portion thereof; and, (c) is binding upon each Party and each Successor during ownership of the Site or any portion thereof. From and after recordation of this Agreement, the Agreement shall impute notice to all persons and entities in accord with the recording laws of this State.

33. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their Successors and Assignees. No other person or entity shall have any right of action based upon any provision of this Agreement.

34. Waiver. Failure by a Party to insist upon the strict performance of any of this

Agreement's provisions by the other party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

35. Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

36. Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the County Recorder by the City Clerk within the period required by Government Code Section 65868.5.

37. Headings. The headings in this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.

38. Jointly Drafted. It is agreed among the parties that this Agreement was jointly negotiated and jointly drafted by the Parties and their respective counsel, and that it shall not be interpreted or construed in favor of or against any party solely on the ground that it drafted the Agreement. It is also agreed and represented by all Parties that said Parties were of equal or relatively equal bargaining power and that in no way whatsoever shall this Agreement be deemed to be a contract of adhesion, or unreasonable or unconscionable.

39. Independent Legal Counsel. Each party acknowledges that it has been represented by independent legal counsel of its own choice throughout all of the negotiations that preceded the execution of this Agreement or has knowingly and voluntarily declined to consult legal counsel, and that each Party has executed this Agreement with the consent and on the advice of such independent legal counsel.

40. Further Cooperation. The parties herein agree to execute any and all agreements, documents or instruments as may be reasonably necessary in order to fully effectuate the agreements and covenants of the Parties contained in this Agreement, or to evidence this Agreement as a matter of public record, if required to fulfill the purposes of this Agreement. The Parties further agree to mutually cooperate with one another in carrying out the purposes of this

Agreement.

41. Enforceability. This Agreement shall not become binding and shall have no force and effect whatsoever until such time as it has been fully executed by and delivered to all of the parties hereto.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the Execution Date.

“CITY”

CITY OF CLEARLAKE, CA a California  
Municipal Corporation

Date: \_\_\_\_\_, 2021

By: \_\_\_\_\_

Mayor

Attest:

By: \_\_\_\_\_

City Clerk

*Approved as to form:*

Jones & Mayer

By: \_\_\_\_\_

\_\_\_\_\_  
Ryan R. Jones, Esq.

City Attorney



“OWNER”

Ogulin Hills, LLC, Brian D. Pensack, Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_, 2021

Brian D. Pensack, Manager

## **EXHIBIT A: LEGAL DESCRIPTION**

Real property in the City of Clearlake, County of Lake, State of California, described as follows:  
PARCEL C AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY  
RECORDER OF SAID LAKE COUNTY ON MARCH 22, 1984, IN BOOK 25 OF PARCEL MAPS AT  
PAGE 3, LAKE COUNTY RECORDS.

APN: 010-044-170-00

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
 County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,  
 (Date) (Here Insert Name and Title of the Officer)

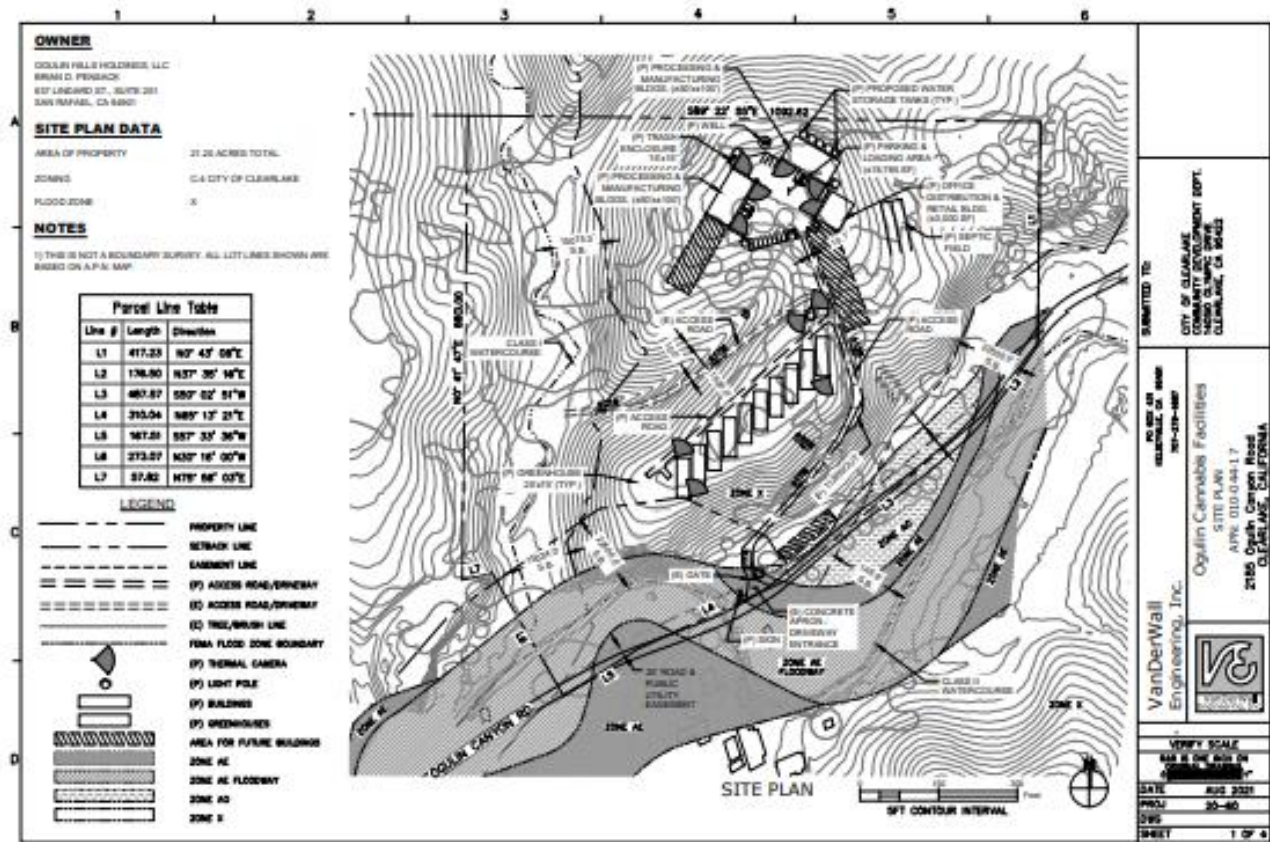
personally appeared \_\_\_\_\_,  
 (Name(s) of Signer(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

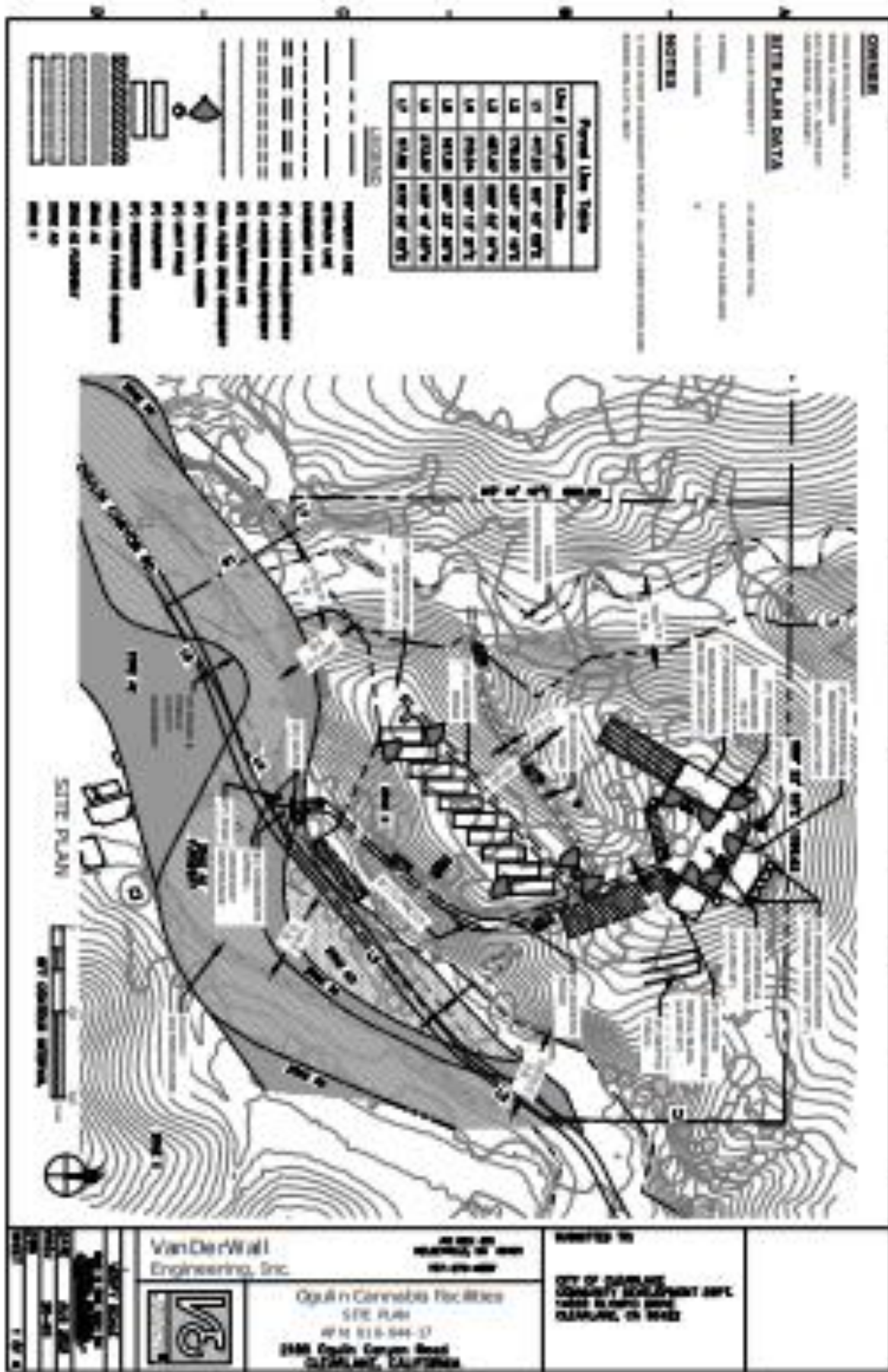
Signature \_\_\_\_\_ (Seal)  
 (Signature of Notary Public)




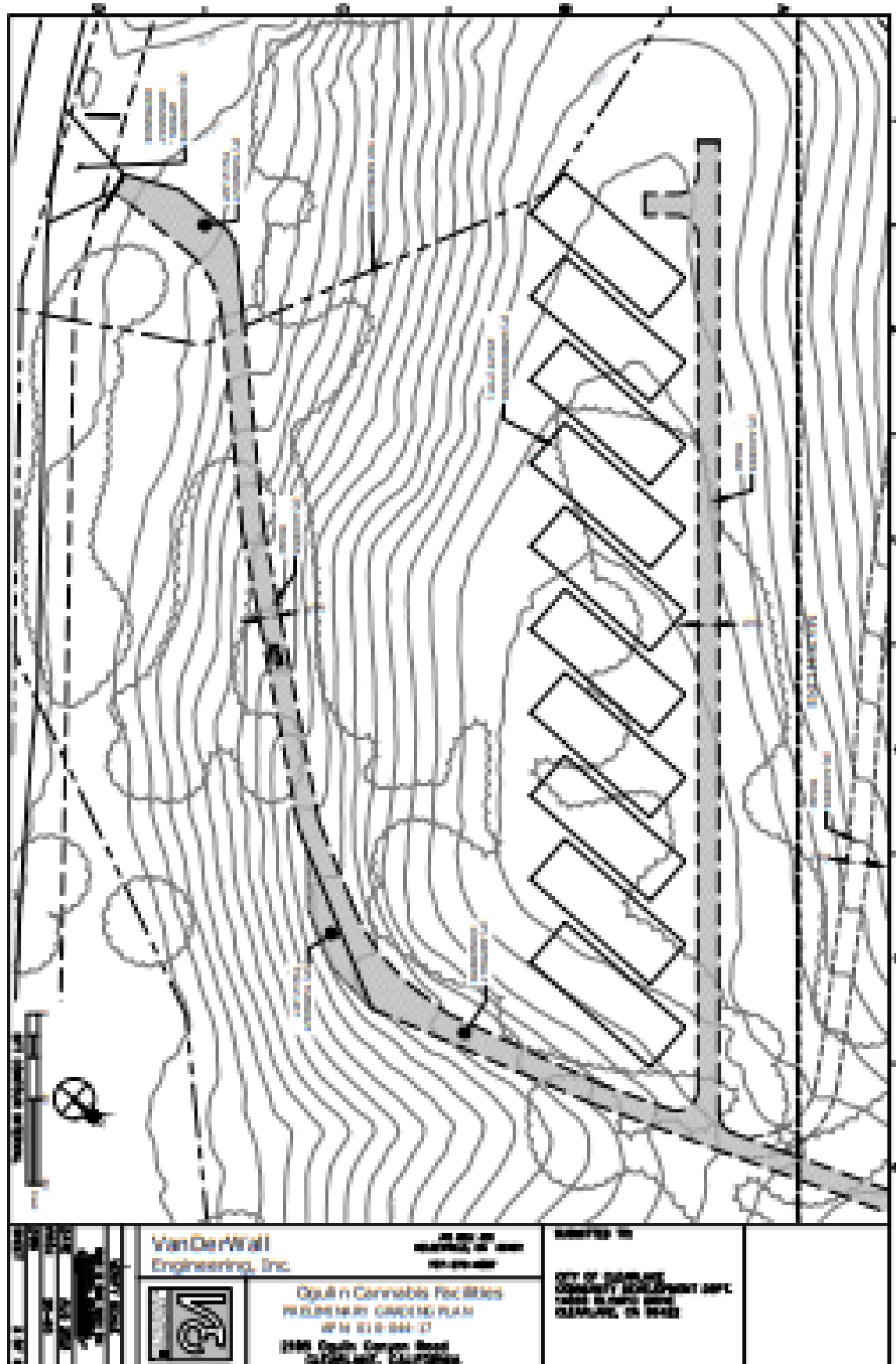




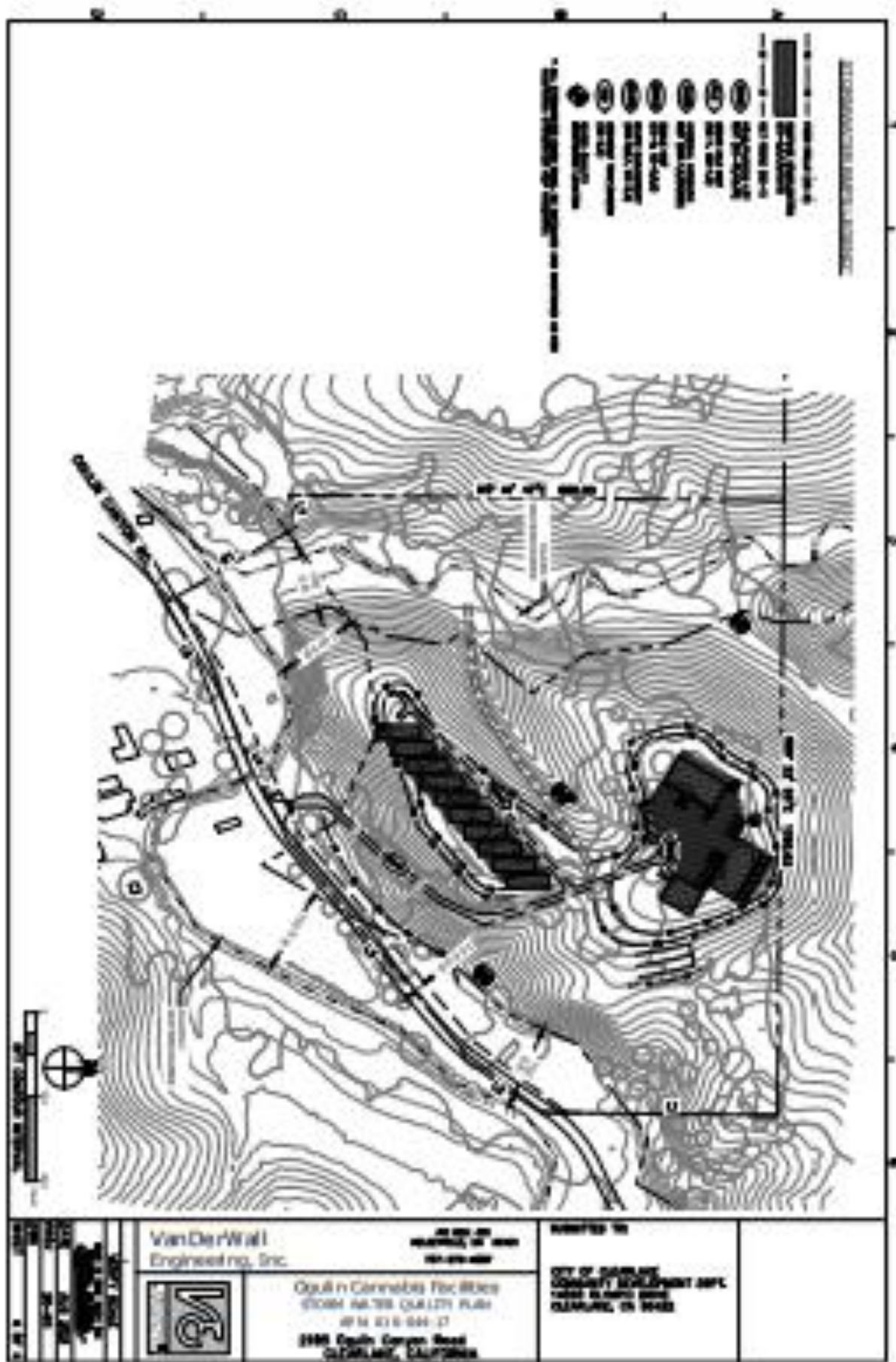


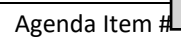


	<p><b>VanDerWal Engineering, Inc.</b></p> <p>20000 Van Der Wal Blvd. Van Nuys, CA 91411 818-709-1000</p>	<p><b>RECEIVED BY</b></p> <p>OFFICE OF THE ATTORNEY GENERAL DEPARTMENT OF JUSTICE ATTORNEY GENERAL STATE OF CALIFORNIA</p>	<p>DATE: 10/10/2000</p>
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## PLANNING COMMISSION MEETING

Clearlake City Hall Council Chambers  
14050 Olympic Dr, Clearlake, CA

Tuesday, November 09, 2021

6:00 PM

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which allows Commission Members to attend Planning Commission meetings telephonically. On June 11, 2021, Governor Newsom extended this Order through September 30, 2021. Please be advised that some, or all, of the Clearlake Planning Commission Members may attend this meeting telephonically.

The Planning Commission meetings are viewable in person in the Council Chambers, via livestreaming on the City's YouTube Channel ([https://www.youtube.com/channel/UCTyifT\\_nKS-3woxEu1ilBXA](https://www.youtube.com/channel/UCTyifT_nKS-3woxEu1ilBXA)) or "Lake County PEG TV Live Stream" at <https://www.youtube.com/user/LakeCountyPegTV/featured> and the public may participate through Zoom at the link listed below. The public can submit comments and questions in writing for Commission consideration by sending them to the Administrative Services Director/City Clerk at [mswanson@clearlake.ca.us](mailto:mswanson@clearlake.ca.us). To give the Planning Commission adequate time to review your questions and comments, please submit your written comments prior to 4:00 p.m. on the day of the meeting.

## AGENDA

**MEETING PROCEDURES:** *All items on agenda will be open for public comments before final action is taken. Citizens wishing to introduce written material into the record at the public meeting on any item are requested to provide a copy of the written material to the Administrative Services Director/City Clerk prior to the meeting date so that the material may be distributed to the Planning Commission prior to the meeting. Speakers must restrict comments to the item as it appears on the agenda and stay within a three minutes time limit. The Mayor has the discretion of limiting the total discussion time for an item.*

### AMERICANS WITH DISABILITY ACT (ADA) REQUESTS

If you need disability related modification, including auxiliary aids or services, to participate in this meeting, please contact Melissa Swanson, Administrative Services Director/City Clerk at the Clearlake City Hall, 14050 Olympic Drive, Clearlake, California 95422, phone (707) 994-8201, ext 106, or via email at [mswanson@clearlake.ca.us](mailto:mswanson@clearlake.ca.us) at least 72 hours prior to the meeting, to allow time to provide for special accommodations.

### AGENDA REPORTS

Staff reports for each agenda item are available for review at [www.clearlake.ca.us](http://www.clearlake.ca.us). Any writings or documents pertaining to an open session item provided to a majority of the Planning Commission less than 72 hours prior to the meeting, shall be made available for public inspection on the City's website at [www.clearlake.ca.us](http://www.clearlake.ca.us).

Zoom Link: <https://clearlakeca.zoom.us/j/82241493046>

**A. ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. ADOPTION OF THE AGENDA** *(This is the time for agenda modifications.)*

**D. BUSINESS**

1. Swearing In of Newly Appointed Planning Commissioner
2. Appointment of the Chair/Vice Chair  
Recommended Action: By motion, nominate Chair/Vice Chair

**E. PUBLIC COMMENT:** *This is the time for any member of the public to address the Planning Commission on any matter not on the agenda that is within the subject matter jurisdiction of the City. **The Brown Act, with limited exceptions, does not allow the Commission or staff to discuss issues brought forth under Public Comment.** The Commission cannot take action on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Please note that comments from the public will also be taken on each agenda item. Comments shall be limited to three (3) minutes per person.*

**F. PUBLIC HEARING**

3. CONTINUED FROM OCTOBER 26, 2021: Consideration of Conditional Use Permit Applications CUP 2021-05 through 2021-08 for the development of a Commercial Cannabis Operation, corresponding Mitigated Negative Declaration based on Initial Study 2021-02 and companion application Development Agreement DA 2021-04 located at 2185 Ogulin Canyon Road, further described as Assessor Parcel Number 010-044-017. Recommended Action: Staff recommends approving Resolutions No. PC 2021-21 and 2021-22 recommending the Mitigated Negative Declaration and the Development Agreement to the City Council for approval and authorizing Conditional Use Permits 2021-05 through 2021-08 for the operation of a cannabis business at 2185 Ogulin Canyon Road, further described as APN 010-044-017.

**G. CITY MANAGER AND COMMISSIONER REPORTS**

**H. FUTURE AGENDA ITEMS**

**I. ADJOURNMENT**

POSTED: November 3, 2021

BY:

A handwritten signature in blue ink that reads "Melissa Swanson". The signature is fluid and cursive, with the first name "Melissa" and the last name "Swanson" clearly distinguishable.

Melissa Swanson, Administrative Services Director/City Clerk



## CITY OF CLEARLAKE

## Planning Commission

STAFF REPORT	
<b>SUBJECT:</b> Conditional Use Permits CUP 2021-05, 06, 07, 08 Mitigated Negative Declaration IS 2021-02 and Development Agreement DA 2021-04	<b>MEETING DATE (Regular):</b> 10/26/2021
<b>SUBMITTED BY:</b> Mark Roberts, Planning Department	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	
<b>LOCATION:</b> 2185 Ogulin Canyon Road APN: 010-044-017	<b>APPLICANT/OWNER:</b> Ogulin Hills Holdings, LLC Rep. Brian Pensack,
<b>ZONING:</b> Industrial ("I"); Cannabis Business ("CB")	<b>GENERAL PLAN:</b> Industrial

**WHAT IS BEING ASKED OF THE PLANNING COMMISSION:**

The Planning Commission is being asked to consider *Conditional Use Permit Applications CUP 2021-05, through UP 2021-08*, and corresponding environmental assessment/Mitigated Negative Declaration IS 2021-02 to establish and operate a Commercial Cannabis facility at 2185 Ogulin Canyon Drive. Specifically, the following use permits are being requested in accordance with Section 18-43 of the Clearlake Zoning Ordinance:

- **CUP 2021-05 – Manufacturing:** compounding, blending, extracting, infusing or otherwise making or preparing and packaging the cannabis product.
- **CUP 2021-06 – Cannabis Cultivation/Processing:** germinating, cloning, seed production, planting, growing and harvesting cannabis plants. Also may include on-site drying, curing, grading, or trimming of cannabis plants, as well as the processing of raw cannabis plants for the purpose of manufacturing, distribution and retail delivery.
- **CUP 2021-07 – Distribution:** procuring cannabis plants from permitted cannabis cultivation sites or cannabis manufacturers for sale to permitted cannabis dispensaries and the inspection,

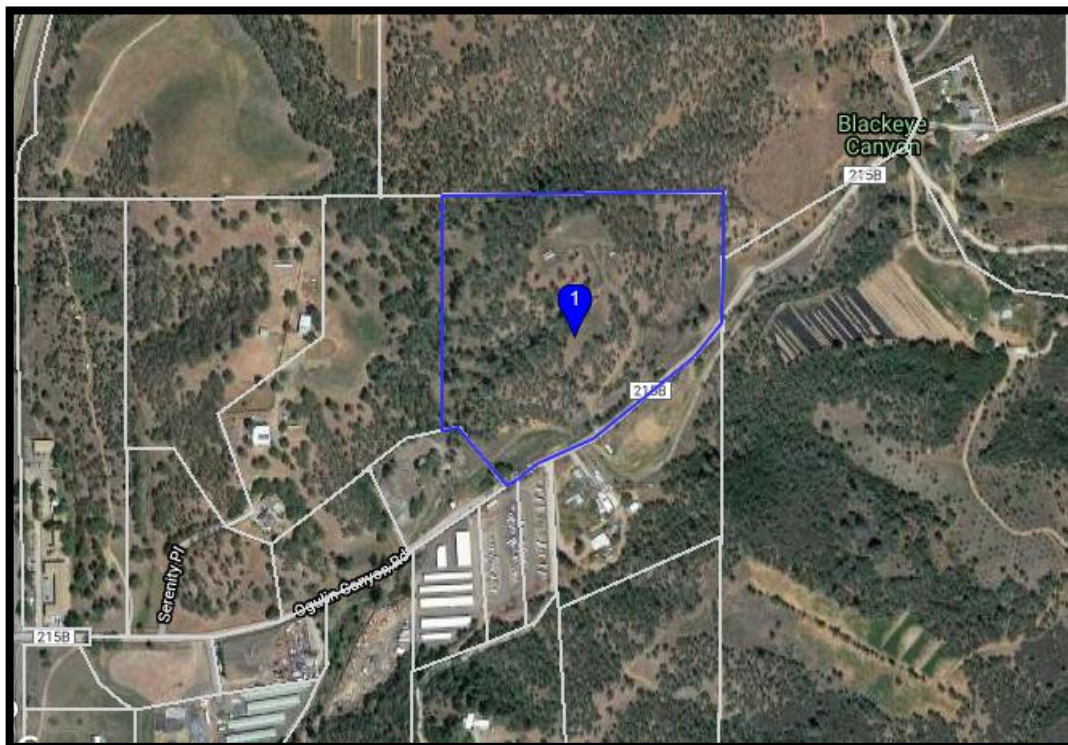


quality assurance, batch testing by a Type 8 licensee, storage, labeling, packaging, and other processes prior to permitted medical cannabis dispensaries.

- **CUP 2021-08 – Retail Dispensary; Delivery Only:** The commercial transfer of cannabis or cannabis products from a licensed or permitted dispensary to a customer. “Delivery” also includes the use by a licensed or permitted dispensary of any technology platform owned or accessed via software license that enables the consumer to arrange for or facilitate the commercial transfer of cannabis by a licensed dispensary or retailer of cannabis or cannabis products. Note: the facility will not be open to the public.
- **Development Agreement, DA 2021-04:** The project also includes Planning Commission review and recommendation on a Development Agreement (Attachment 3) as required by the Zoning Code.
- **Mitigated Negative Declaration Initial Study IS 2021-02:** Pursuant to California Environmental Quality Act (CEQA) guidelines staff prepared an Initial Study to assess the potential adverse environmental effects of the proposed project, reduced to a level of non-significance subject to a number mitigation measures.

### **BACKGROUND/DISCUSSION:**

The applicants are requesting approval of a series of conditional use permits to develop a commercial cannabis operation at 2185 Ogulin Canyon Drive. The project site is approximately 21.25 acres in size and is located in Industrial zoning in the northwest section of the of the City.





As illustrated on the site plan below, the proposed project involves development of a cannabis operation including:

- Two – 5,000 Square feet (10,000 sq. ft. total) for manufacturing, and processing,
- A 3,000 square foot building for distribution, retail delivery only and office building
- Ten greenhouses (1,875 sq. ft. each) structures for a total square footage of 18,750.
- Approximately five water storage tanks (size to be determined)
- 15'X15' (225 sq. ft.) trash enclosure
- The project is anticipated to have up to up to ten employees during typical operations and up to twenty-five employees during harvest season



**OWNER**

OGULIN HILLS HOLDINGS, LLO  
 BRIAN D. PENGACK  
 637 LINDARD ST., SUITE 201  
 SAN RAFAEL, CA 94901

**SITE PLAN DATA**

AREA OF PROPERTY 21.25 ACRES TOTAL  
 ZONING D-4 CITY OF CLEARLAKE  
 FLOOD ZONE X

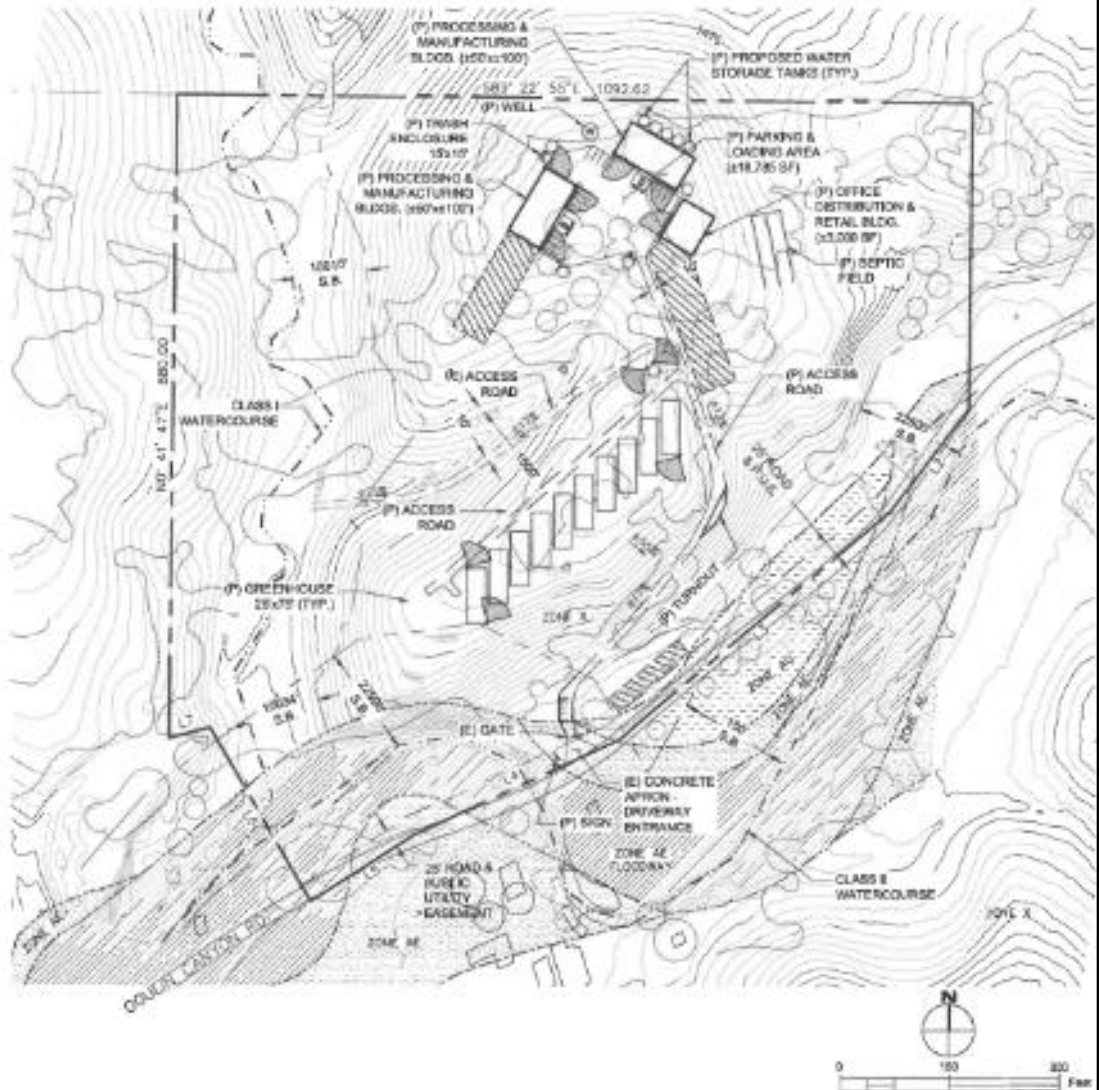
**NOTES**

1) THIS IS NOT A BOUNDARY SURVEY. ALL LOT LINES SHOWN ARE BASED ON A.P.N. MAP.

Parcel Line Table		
Line #	Length	Direction
L1	417.23	N0° 45' 06"E
L2	176.50	N37° 35' 16"E
L3	487.57	S50° 02' 51"W
L4	310.04	N85° 13' 21"E
L5	167.51	S57° 33' 36"W
L6	273.07	N30° 16' 00"W
L7	57.52	N75° 56' 03"E

**LEGEND**

	PROPERTY LINE
	SETBACK LINE
	EASEMENT LINE
	(P) ACCESS ROAD/DRIVEWAY
	(E) ACCESS ROAD/DRIVEWAY
	(G) TREE/BRUSH LINE
	FEMA FLOOD ZONE BOUNDARY
	(P) THERMAL CAMERA
	(P) LIGHT POLE
	(P) BUILDINGS
	(P) GREENHOUSES
	AREA FOR FUTURE BUILDINGS
	ZONE AE
	ZONE AE FLOODWAY
	ZONE AD
	ZONE X



- The project site is accessible from an existing gated accessway (located on the north side of Ogulin Canyon Road). This driveway extends north onto the property and then extends off to the west, east, and northeast up the hill and terminates at the top of the hill at the north end of the parcel into the parking area where the three new buildings will be constructed. A secondary road connects into the driveway near the center of the parcel and extends east to west. The greenhouse structures will be sited off this secondary road below the main buildings.
- The two 5,000 sq. ft. buildings will be a simple design of prefabricated metal with a gable roof. Both of the large metal building will have an overhead rollup door for loading and unloading deliveries. The third building is similar in design and materials but smaller at 3,025 sq ft and will serve as the office and retail space. The development will have a total of 42 parking spaces including a minimum of four accessible spaces as illustrated on the site plan.

**Operation and Business Plans:** The applicants have submitted a number of plans as required per section 18-43.060 of the zoning ordinance, related to the operation and production of the commercial cannabis business including:

- Business Plan
- Workers Health and Safety
- Dust Control
- Water Availability and Usage Analysis

**GENERAL PLAN CONSISTENCY, AND ZONING AND DESIGN STANDARDS COMPLIANCE:**

General Plan Consistency:

- The General Plan identifies the project site for industrial land uses. The project involves commercial agriculture, processing and distribution would be consistent with the industrial land use. There are also a number of general plan policies which promote economic and job creation which this project proposes. For example, the Economic Development Element supports the development of diverse businesses in the community. Policy ED 1.1.2 states “Support a healthy mix of local businesses and mid-sized companies. “Policy ED 3.1.1 states “Prioritize economic activities that utilize Clearlake's natural geographic location in the region”. Program ED2.1.1.2 states: “Incorporate light industry and compatible uses along State Route 53”.

Zoning Ordinance Regulations:

- The proposed operations would involve cultivation, manufacturing and processing, distribution to dispensaries of cannabis. The project is anticipated to have up to up to ten (10) employees during typical operations and up to twenty-five (25) employees during harvest season. The business would operate every day 8 a.m. to 5 p.m.
- The project is located in the Commercial Cannabis Business District and the proposed operations and development is subject to a commercial cannabis business use permit (issued by the Planning Commission) in accordance with Section 18-43.060 of the Zoning Code. Section 18-43.020 (C) of the Code also requires concurrent processing and approval of a Cannabis Regulatory Permit (issued by the City Manager) and a Development Agreement (approved by the City Council).
- In addition to the use permits required for the operation, the project also requires a *Commercial Cannabis Regulatory Permit* per section 5-25 of the Police Code issued by the City Manager. These regulations may seem to be redundant to the use permits because the criteria for review are similar to the use permit considerations of the Planning Commission, but provides consistency with State Cannabis regulations and provides the City the ability to more

immediately enforce the regulations and cease operations if there is an immediate threat to the public health and safety.

Off-Street Parking:

- As indicated on the site plan (Attachment 4), 42 parking spaces are proposed on site for the project and there appears to be sufficient loading area in front of the roll up doors although these areas are not specifically designated as loading “spaces”. The number of parking spaces complies the number of required spaces per the City’s Off-Street Parking Code requirements for the size of buildings proposed:

Distributor or Manufacturer	1 space per 800 sf processing area and 300 sf of office area.	1 space per 20,000 sf.
Nursery/Cultivation	1 space per 1,000 sf nursery or cultivation area and 1 space per 300 sf of office or processing floor area	1 space per 20,000 sf.

The parking lot design complies with the City’s Parking Design Standards in terms of size, orientation and access.

Exterior Lighting:

- The applicant has not provided a lighting plan at this time. Any new lighting will be subject to compliance with **Section 18-20.120** of the Zoning Code regarding night sky preservation as well as the City’s *Lighting Standards*. Use permit conditions of approval requires submittal and approval by staff of a detailed lighting plan that complies with these standards.

Trash/Recycling Containment:

- In accordance with **Section 18-20.070**, a 15’ x 15’ trash enclosure plan for storage of recycling and trash will provided adjacent to building no. 2. A condition of approval requires that such installation shall be completed, consistent with the City’s *Trash/Recycling Enclosure Design Standards* prior to occupancy.

Signage:

- The applicant has not indicated any new signage for the facility. As a condition of approval, the applicant will need to submit a sign program (if proposed in the future) for staff review for compliance with the Zoning Code prior to installation of any signs.

### Landscaping:

- Application materials did not include any upgrades to landscaping, which would have to be compliant with the City's *Landscaping and Irrigation Standards*. Use permit conditions of approval requires submittal and approval by staff of a detailed landscaping and irrigation plan that complies with these standards (specifically for the parking area).

### ENVIRONMENTAL REVIEW (CEQA):

#### Initial Study 2021-02 and Mitigated Negative Declaration

- Pursuant to California Environmental Quality Act (CEQA) Guidelines staff prepared an Initial Study to assess the potential adverse environmental effects of the proposed Project. The study concludes that any potentially significant adverse environmental impacts from the project would be reduced to a level of non-significance subject to a number mitigation measures.
- This proposed mitigated negative declaration of environmental impact was noticed and circulated for agency review and comment in accordance with CEQA. Four written agency comments were received regarding the Draft MND during the public review period. These comments and staff responses can be reviewed in Attachment 5 of this report. The more substantive comments were from the California Department of Cannabis Control (DCC), a responsible agency who would be issuing State Cannabis licenses for the project if the City approves the project.
  - The City responded to the DCC's initial letter of August 8, 2021, making some clarifying adjustments to the initial study, but none of these changes substantially changed the environmental analysis or mitigation measures which did not warrant recirculation of the document.
- The Final Initial Study was then transmitted to the DCC for further comment. The DCC then submitted an additional letter of September 10, 2021, again noting more detailed concerns with the project's environmental impacts; substantively, concerns with the specific manufacturing process that is proposed. To respond to the DCC's comments on manufacturing process, the applicant submitted more detailed (see Attachment 7). This attachment includes specific staff responses to all of DCC's comments. This staff report will be circulated to the DCC for further opportunity to comment on the project to the Planning Commission during the public hearing. As noted in Attachment 7, the City and applicant have diligently addressed continuing comments of the DCC. Staff feels that through this more extensive outreach to DCC and responses to their ongoing comments, that the City has diligently and adequately responded and that the final initial study and proposed mitigated negative declaration for this project is adequate.
- In accordance with CEQA, the Planning Commission will need to concur with the adequacy of the Final Initial Study and proposed mitigated negative declaration before taking action to approve the project and moving this project forward to the City Council for final determination

(on the Development Agreement). Because the City Council will be taking the final action on the project, regarding the Development Agreement, in accordance with the City's Environmental Guidelines, the Council will need to make the final action of issuing the mitigated negative declaration. The Council's determination on the adequacy of the mitigated negative declaration will be based on staff/Commission recommendation.

## **WATER AVAILABILITY AND USAGE**

- A Water Availability Analysis (Attachment 9) has been prepared for the proposed project. It states that water for both domestic and irrigation uses will be delivered from an existing permitted water well. The well is approximately 375 feet deep and has a capacity of 80 gallons per minute. The water system will use ground water pumped from the well directly into five 10,000-gallon water tanks for distribution to the building(s) plumbing system and to the greenhouses for irrigation. Additional water tanks may be installed in the area of the greenhouses if necessary and a water meter will be installed with consumption logged daily.
- The report indicates that a project of this size (10 greenhouses totaling 18,750 sq. ft) calculates to less than 0.5 acres with a daily requirement of about 1 gallon of water per minute. Using 1,500 gallons per day for 0.5 acres of cannabis canopy, 300 grow days annually, the annual irrigation water demand for the project is estimated to be 450,000 gallons per year. The estimated total water demand for the project is 582,000 gallons per year (450,000 gallons+132,000 gallons). The yield of the well on the property is 80 gallons per minute, with a capacity in excess of 9.9 million gallons per year (40 hours/week x 52 weeks/year x 80 gallons/minute).
- The report also indicates the facility will implement the following water conservation practices:
  - Selection of plant varieties that are suitable for mixed light cultivation.
  - The use of driplines and drip emitters (instead of spray irrigation).
  - Mulch to reduce evaporation.
  - Water application rates modified from data from soil moisture meters and weather monitoring.
  - Rooftop rainwater collection (where feasible and permitted).
  - Shutoff valves on hoses and water pipes.
  - Daily visual inspections of irrigation systems.
  - Immediate repair of leaking or malfunctioning equipment.
  - Water metering and budgeting.
  - Practices to prevent discharges from water supply equipment.
  - Water application rates minimized as necessary to prevent runoff and water equipment leaks repaired immediately.
  - Water filtration systems to be installed.
  - Tanks will supply gravitational head to the irrigation system. PVC pipes will deliver the water to the plants.
  - Mixing tanks will be used to mix liquid fertilizers, which will then be injected into

the irrigation system supply lines.

- At each planting station, black polyvinyl flexible tubes and drip emitters will be used to irrigate the plants.

The report concludes that there is adequate water available for the proposed operation.

#### **AGENCY AND PUBLIC REVIEW:**

Staff received the comments from the following public agencies.

- Lake County Health Services Department, Environmental Health Division
- Central Valley Water Quality Control Board
- Lake County Fire Protection District
- Lake County Air Quality Management District
- CA State Department of Cannabis Control

Table 1 (Attachment 6) summarizes the public agency comments received during the 30-day review period.

#### **DEVELOPMENT AGREEMENT:**

- A Development Agreement allows a project sponsor to secure vested rights, and it allows the City to secure certain benefits. Development Agreements are enabled by California Government Code Sections 6584-65869.5. Per state law, the City Council must approve a Development Agreement by Ordinance upon the Planning Commission making a recommendation of support for the requested Agreement. Once approved, development agreements are recorded with the County Clerk. As required per section 18-43.020(c) for cannabis operations and in compliance with section 18-30 of the zoning ordinance, Attachment 3 of this report consists of the draft Development Agreement DA 2021-04.

Section 18-30.070 of the zoning ordinance outlines the following procedures for development agreements:

- a) The Planning Commission shall consider the proposed Development Agreement and shall make its recommendation to the council. The recommendation shall include whether or not the proposed Development Agreement meets the following findings:*
- b) The proposed Development Agreement is consistent with the Clearlake General Plan and any applicable Specific Plan;*
- c) The proposed Development Agreement complies with zoning, subdivision and other applicable ordinances and regulations;*



*d) The proposed Development Agreement promotes the general welfare, allows more comprehensive land use planning and provides substantial public benefits or necessary public improvements, making it in the City's interest to enter into the Development Agreement with the applicant; and*

*i. The proposed project and Development Agreement:*

*ii. Will not adversely affect the health, safety or welfare of persons living or working in the surrounding area;*

*iii. Will be appropriate at the proposed location and will be compatible with adjacent land uses;*

*or*

*iv. Will not have a significant adverse impact on the environment.*

- The term of this Agreement will be for three years from the date the owner begins operation with the ability for an extension of seven additional years upon approval by resolution of the City Council with the owner being in full compliance with the conditions of the Agreement. A separate resolution from the Planning Commission recommending approval of the development agreement is included in this report.
- The applicant has reviewed the Draft. If the Commission recommends approval of the Development Agreement, it will be reviewed by the City Attorney and then formally transmitted to the City Council for adoption.

#### **RECOMMENDATION:**

Staff recommends option no. 1 below – that the Planning Commission approve Resolution No. 2021- 21 recommending approving the Mitigated Negative Declaration and the Development Agreement to the City Council and approve a second Resolution PC 2021-22 approving use permits CUP 2021-05 through CUP 2021-08 to allow a commercial cannabis facility to be developed and operated at 2185 Ogulin Canyon Road with conditions of approval as attached.

#### **MOTION/OPTIONS:**

1. Move to Adopt Resolution PC 2021-21, A Resolution of the Planning Commission of the City of Clearlake Recommending Approval of a Mitigated Negative Declaration based on Initial Study 2021-02 and Development Agreement DA 2021-04 to the City Council. And Move to Approve Resolution PC 2021-22, A Resolution of the Planning Commission of the City of Clearlake Approving Conditional Use Permits CUP 2021-05 through CUP 2021-08 for the development of a Commercial Cannabis Operation located at 2185 Ogulin Canyon Road.

2. Move to Deny Resolutions PC 2021-21, and PC 2021-22 and direct staff to prepare appropriate findings.
3. Move to continue the item and provide alternate direction to staff.

**Attachments:**

- 1) Resolution PC 2021-22 with Conditions of Approval (Exhibit A)
- 2) Resolution PC 2021- 21 Development Agreement Recommendation
- 3) Development Agreement
- 4) Site Plan, Elevations, Floor Plans, Site Photographs
- 5) Mitigated Negative Declaration
- 6) Table 1 – Response to Public Agency Comments
- 7) Description of Manufacturing Process
- 8) Project Business and Operation Plans
- 9) Water Availability Analysis

**Attachment 1: Resolution for Conditional Use Permits Approval**

**RESOLUTION No. PC 2021-22**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CLEARLAKE  
APPROVING CONDITIONAL USE PERMITS, CUP 2021-05 THROUGH CUP 2021-08 AND  
COMMERCIAL CANNABIS REGULATORY PERMIT CBRP 04-2021, FOR THE  
DEVELOPMENT AND OPERATION OF A COMMERCIAL CANNABIS FACILITY ON  
PROPERTY LOCATED IN THE “I” INDUSTRIAL, AND CANNABIS BUSINESS ZONING  
DISTRICTS AT 2185 OGULIN CANYON ROAD, CLEARLAKE, CALIFORNIA, APN: 010-  
044-017**

WHEREAS, **Ogulin Hills Holdings, LLC - Rep;** Brian Pensack applied for approval of Cannabis Business Use Permits for cultivation, manufacturing, distribution for property located at 2185 Ogulin Canyon Road, Clearlake, CA, in the I, Industrial, and CB, Commercial Cannabis Business Zoning Districts, APN 010-044-017; and

WHEREAS, Cannabis Business Use Permit Applications CUP 2021-05 through CUP 2021-08 have been made in accordance with Section 18-43, Commercial Cannabis of the Municipal Code, which refers to Commercial Cannabis Uses; and

WHEREAS, a companion application, Development Agreement DA 2021-04 has been filed for commercial cannabis operations by Brian Pensack, et al at the same location; and

WHEREAS, the Initial Study identified potentially significant adverse effects in the areas of air quality, biological resources, hazardous materials, and noise; and

WHEREAS, mitigation measures that avoid the effects or mitigate the effects to a point where clearly no significant effects would occur have been identified through the Initial Study (applicant has agreed to all mitigation measures in accordance with CEQA); and

WHEREAS, a Mitigation Monitoring and Reporting Program has been prepared in accordance with City of Clearlake Environmental Review Guidelines and related regulations and is designed to ensure compliance during Project implementation; and

WHEREAS, the City determined that the mitigation proposed in the Mitigation Monitoring and Reporting Program would reduce the impacts to a less than significant level and a Mitigated Negative Declaration (MND) should be prepared; and

WHEREAS, the City distributed a Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration for the Project on June 30, 2021, which started a 30-day public review period, ending August 6, 2021. The NOI was posted at the Lake County Clerk / Recorder’s office, distributed through the State Clearinghouse, posted at City offices, and mailed to project stakeholders, property owners, and residents within a 600 foot radius of the Project; and

WHEREAS, the City received four written comments within the 30-day public review period; and

WHEREAS, the City responded to all comments by preparing a final initial study and mitigated negative declaration, and the Planning Commission staff report, that adequately address these comments and found these documents adequate to complying with the CEQA, the City's Environmental Review Guidelines and related regulations; and

WHEREAS, the proposed project is consistent with the General Plan which designates the project site as Industrial; and

WHEREAS, In accordance with Section 18-28.040 of the Zoning Code the use as proposed will not be detrimental to the health, safety or welfare of persons working or living at the site or within the vicinity; and

WHEREAS, the Planning Commission has considered this project on this date at a duly noticed public hearing, the staff report, public testimony, and found that the project is compatible with the surrounding area, it will not be detrimental to adjacent property owners or the public at large, and approval is in the public interest.

**NOW, THEREFORE, BE IT RESOLVED** by the Planning Commission of the City of Clearlake as follows:

**A. Recommend Adoption of the Mitigated Negative Declaration**

1. The Planning Commission finds that the Mitigated Negative Declaration was presented to the Planning Commission, that the Planning Commission has reviewed the Mitigated Negative Declaration prepared for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit (the "Project"), all staff reports pertaining to the Project and all comments received there on, and that the Mitigated Negative Declaration has been prepared and completed in compliance with the California Environmental Quality Act (CEQA).
2. The Planning Commission finds that on the basis of the Mitigated Negative Declaration, comments received, and the whole record that there is no substantial evidence that the Project will have a significant adverse impact individually or cumulatively on the environment.
3. The Planning Commission finds that the Mitigated Negative Declaration reflects the City's independent judgment and analysis.

**B. Recommend Adoption of the Mitigation Monitoring and Reporting Program**

1. The Planning Commission hereby recommends to the City Council adoption of the Mitigation Monitoring and Reporting Program, as attached to the Project staff report.
2. The Planning Commission hereby recommends to the City Council that the proposed mitigation measures described in the Mitigated Negative Declaration are feasible and therefore become binding upon the City and its construction contractors.

**C. Approval of the Project**

Having independently reviewed, analyzed, and recommended approval of the Mitigated Negative Declaration, and mitigation measures as set forth in the Mitigation Monitoring and Reporting Program, the Planning Commission hereby approves the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit Project.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Clearlake that the project is hereby approved, subject to approved Conditions of Approval in Exhibit A.

**PASSED AND ADOPTED on this 26th day of October, 2021 by the following vote:**

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chairman, Planning Commission

ATTEST: \_\_\_\_\_  
City Clerk, Planning Commission

**EXHIBIT A to Resolution No. PC 2021-22****CITY OF CLEARLAKE  
CONDITIONAL USE PERMITS**

**CUP 2021-05 (MANUFACTURING)**  
**CUP 2021-06 (CULTIVATION/PROCESS)**  
**CUP 2021-07 – DISTRIBUTION**  
**CUP 2021-08 RETAIL DISPENSARY/DELIVERY ONLY**

**INITIAL STUDY (CEQA) IS 2021-02****CONDITIONS OF APPROVAL****Ogulin Hills, LLC**

Pursuant to the approval of the City of Clearlake's – Planning Commission on October 26, 2021, it is hereby granted Ogulin Hills, LLC, with the following conditions of approval to allow the development and operation of a commercial cannabis operation located at 2185 Ogulin Canyon Road; Clearlake, CA 95422; further described as Assessor Parcel Number (APN) 010-044-17-000 is subject to the following terms and conditions of approval.

**A. GENERAL CONDITIONS:**

1. The use hereby permitted shall substantially conform to the **Site Plan(s), and Project Description** and any conditions of approval imposed by the above **Conditional Use Permits** and Review Authority as shown on the approved site plan for this action **dated October 26, 2021**.
2. Any modifications and/or additions to a use requiring use permit approval shall itself be subject to use permit approval. The addition of an allowed use to a premise occupied by a conditionally allowed use shall require use permit approval of the type required for the existing use. The Community Development Director shall determine when such an addition and/or change is of such a minor or incidental nature that the intent of these regulations can be met without further use permit control.
3. Any conditions established pursuant to these regulations shall be met before the use is established, except that the Community Development Director, Planning Commission or on appeal, the City Council, may establish a schedule for certain conditions to be met after establishment of the use. Continuance of the use shall then be contingent on complying with the schedule for meeting deferred conditions.
4. This use permit does not abridge or supersede the regulatory powers and permit requirements of any federal, state, or local agency requirements, which may retain a regulatory or advisory function as

specified by statute or ordinance. The applicant shall obtain and maintained permits as may be required from each agency.

5. The California Department of Fish & Wildlife filing fee shall be submitted as required by California Environmental Quality Act (CEQA) statute, Section 21089(b) and Fish and Game Code Section 711.4. **The fee should be paid within five (5) days of approval of the mitigated negative declaration at the Lake County Clerk's Office.** Once fees have been paid, the applicant shall submit a copy of all documentation to the City of Clearlake, verifying the fees have been paid. **Said permit shall not become valid, vested or operative until the fee has been paid, including the issuance of any permits.**

6. **Prior to operation**, the applicant(s) shall obtain and maintain all applicable permits from all Federal, State and local agencies having jurisdiction over this project, including but not limited to:

- *CDFA - CAL Cannabis California Department of Food and Agriculture: (Cultivation licenses)*
- *BCC - Bureau of Cannabis Control (Issues Distributor, Retailer, Testing Lab, Microbusiness, and Temporary Event licenses)*
- *CDPH - MCSB California Department of Public Health's Manufactured Cannabis Safety Branch (Issues Manufacturing licenses)*
- *California Department of Pesticide Regulation*
- *California Department of Fish and Wildlife*
- *California State Water Resources Control Board*
- *California Central Valley or North Coast Regional Water Quality Control Board*

7. If the subject parcel is on a **septic system and/or well**, the applicant shall bring a minimum of three (3) site plans drawn to scale to the Lake County Environmental Health Department for review and approval **prior to submitting a Building Permit Application** with the City of Clearlake.

8. The use permit may be transferred to new owners subject to obtaining a new commercial cannabis regulatory permit, upon the new owner's written agreement to maintain all conditions of approval.

9. If there is a change in the project manager (permit holder representative), the permit holder shall submit notarized written documentation to the City of Clearlake for review and approval. Said documentation shall include the following:

- *Name of Individual and Title*
- *Contact Information (Phone, email and address)*
- *What that individual is authorized to do.*

10. The developer/operator shall agree to indemnify, defend, and hold harmless the City or its agents, officers and employees from and against any and all claims, actions, demands or proceeding (including damage, attorney fees, and court cost awards) against the City or its agents, officers, or employees to attach, set aside, void, or annul an approval of the City, advisory agency, appeal board, or legislative body concerning the permit or entitlement when such action is brought within the applicable statute of limitations. In providing any defense under this Paragraph, the applicant, business operator, property owner, developer shall use counsel reasonably acceptable to the City. The City shall promptly notify the

applicant, business operator, property owner, developer of any claim, action, demands or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the developer/operator of any claim, action, or proceeding, or if the City fails to cooperate fully in the defense, the developer/operator shall not thereafter be responsible to defend, indemnify, or hold the City harmless as to that action. The City may require that the developer/operator to post a bond, in an amount determined to be sufficient, to satisfy the above indemnification and defense obligation. Developer/operator understands and acknowledges that City is under no obligation to defend any claim, action, demand or proceeding challenging the City's actions with respect to the permit or entitlement.

11. The developer/operator shall be responsible to pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law and pursuant to the approved Development Agreement for the project.

12. This developer/operator shall cooperate with the City with respect to any reasonable request to audit the business' books and records for the purpose of verifying compliance with the Municipal Code and the Use Permits and related Development Agreement including but not limited to a verification of the amount of taxes required to be paid during any period for the project.

13. The applicant is responsible for ensuring that all project workers are informed of, understand, and agree to abide by the approved plans and project conditions.

14. **Prior to operation**, the applicant shall be enrolled in and comply with the *State of California Track and Trace* program and all requirements, including having all cannabis plants properly tagged.

15. **Prior to Operation**, all personnel listed as owners, managers or supervisors shall under undergo and pass a background check by the City of Clearlake Police Department.

- Pursuant to California Business and Professions Code, Section 26057, if an individual who has failed a background check becomes involved in any aspect of the cultivation process, or if any employee is involved with the cultivation who has not undergone a background check, the use permit will be brought before the Planning Commission for consideration of revocation.

16. **Prior to operation**, all parking areas, routes of travel, building access and bathrooms shall meet the American with Disabilities Act (ADA) requirements and must be reviewed and approved of a Certified Accessibility Access Specialist (CASP).

17. The applicant(s) shall adhere to the Lake County Division of Environmental Health requirements regarding on-site wastewater treatment and/or potable water requirements. The applicant shall contact the Lake County Division of Environmental Health for details.

18. The use permit approval shall not become effective, operative, vested or final until a Notice of Determination has been filed with the State Clearing House and the Lake County Clerk's Office.

19. The use permit shall not become operational until a Development Agreement has been adopted by the City Council in accordance and a commercial cannabis regulatory permit has been approved and



issued by the City Manager, at the recommendation of the Planning Commission, in accordance with the Municipal Code.

20. The permit holder shall operate in full compliance with fire safety rules and regulations of the Lake County Fire District.

21. **Prior to operation and/or development**, the applicant shall secure any required permits from the City of Clearlake (Building Department, Planning and Public Works), Fire District, Lake County Air Quality Management District, Lake County Water Resources Department, Lake County Environmental Health Department and/or all applicable Federal, State and local agency permits.

22. In accordance with the Municipal Code and requirements made by the Lake County Fire Protection Lake County Air Quality Management District and Lake County Health Department, the following detailed plans shall be submitted for review and approval by the Planning, Building, and/or Police Departments and other related agencies as applicable prior to operation/occupancy:

- *Odor Control Plan (compliant with Section 18-43.060)*
- *Security Plan (compliant with Section 18-43.060).*
- *Exterior Lighting Plan (compliant with Sections 18-20.120 and 18-43.060 and with the City's Lighting Standards, including design review approval)*
- *Waste/Recycling and Enclosure Plan (compliant with Section 18-20.070 and with the City's Trash and Recycling Enclosure Requirements and Design Standards, including design review approval).*
- *Fencing Plan for security of all cannabis businesses activities (compliant with Section and the City's Fence Design Standard including design review approval).*
- *Hazardous Materials Mitigation Plan if required by the Lake County Fire Protection District and/or the Lake County Environmental Health Department)*
- *Air Quality Permit if required by Lake County Air Quality Management District.*
- *If applicable, Civil Site plans identifying existing and proposed storm drains, drainage ditches, curbs, sidewalks, gutters, and striping, as regulated by the City's Design and Construction Standards, Off-Street Parking Regulations, and Parking Design Standards to be found in compliance with all other applicable local/federal/state laws, including ADA and CASP requirements.*
- *Sign plan that demonstrates compliance with the City's sign regulations. All non-compliant signs shall be immediately removed. Installation of signs without prior City approval may be grounds for revocation of this use permit.*

23. The applicant shall adhere to all applicable requirements in the City of Clearlake Municipal Code.

## **B. AESTHETICS**

1. All outdoor lighting shall be directed downwards and shielded onto the project site and not onto adjacent properties. All lighting shall comply and adhere to all federal, state and local agency requirements, including all requirements in darksky.org. (Refer to the City's Design Standards). (*Initial Study Mitigation Measure AES -1*)

C. **AIR QUALITY**

1. Construction activities shall be conducted with adequate dust suppression methods, including watering during grading and construction activities to limit the generation of fugitive dust or other methods approved by the Lake County Air Quality Management District. Prior to initiating soil removing activities for construction purposes, the applicant shall pre-wet affected areas with at least 0.5 gallons of water per square yard of ground area to control dust. (*Initial Study Mitigation Measure AIR-1*)
2. Driveways, access roads and parking areas shall be surfaced in a manner so as to minimize dust. The applicant shall obtain all necessary encroachment permits for any work within the right-of-way. All improvement shall adhere to all applicable federal, State and local agency requirements. (*Initial Study Mitigation Measure AIR-2*).
3. Any disposal of vegetation removed as a result of lot clearing shall be lawfully disposed of, preferably by chipping and composting, or as authorized by the Lake County Air Quality Management District and the Lake County Fire Protection District. (*Initial Study Mitigation Measure AIR-3*)
4. **During construction activities**, the applicant shall remove daily accumulation of mud and dirt from any roads adjacent to the site. (*Initial Study Mitigation Measure AIR-4*)
5. Grading permits shall be secured for any applicable activity from the Community Development Department, Building Division. Applicable activities shall adhere to all grading permit conditions, including Best Management Practices. All areas disturbed by grading shall be either surfaced in manner to minimize dust, landscaped or hydro seeded. All BMPs shall be routinely inspected and maintained for life of the project.. (*Initial Study Mitigation Measure AIR-5*)
6. All refuse generated by the facility shall be stored in approved disposal/storage containers, and appropriately covered. Removal of waste shall be on a weekly basis so as to avoid excess waste. All trash receptacles/containers shall remain covered at all times to prevent fugitive odors and rodent infestation. An odor control plan shall be submitted for review and approval by the City in accordance with the Zoning Code. Odor control shall be maintained to an acceptable level at all times. (*Initial Study Mitigation Measure AIR-6*)
7. An odor control plan shall be submitted for review and approval by the City that complies with the City's Zoning Code. Odor control shall be maintained at all times so that odor from cannabis operations on the site will not be detected outside structures. This plan shall include enhanced carbon filtering to ensure compliance with the Code. (*Initial Study Mitigation Measure AIR-7*).
8. Any demolition or renovation is subject to the Federal National Emissions Standard for Hazardous Air Pollutants (NESHAP) for asbestos in buildings requires asbestos inspections by a Certified Asbestos Consultant for all major renovations and all demolition. An Asbestos Notification Form with the Asbestos inspection report must be submitted to the district at least 14 days prior to beginning any demolition work. The applicant must contact the district for more details and proper approvals. Regardless of asbestos content or reporting requirements all demolition and renovation activities should use adequate water/ amended water to prevent dust generation and nuisance conditions. (*Initial Study Mitigation Measure AIR-8*).

9. Construction activities that involve pavement, masonry, sand, gravel, grading, and other activities that could produce airborne particulate should be conducted with adequate dust controls to minimize airborne emissions. A dust mitigation plan may be required should the applicant fail to maintain adequate dust controls (*Initial Study Mitigation Measure AIR-9*).

10. If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction activities. Contact LCAQMD for more details (*Initial Study Mitigation Measure AIR-10*).

11. All engines must notify LCAQMD prior to beginning construction activities and prior to engine Use. Mobile diesel equipment used for construction and/or maintenance must be in compliance with State registration requirements. All equipment units must meet Federal, State and local requirements. All equipment units must meet RICE NESHAP/ NSPS requirements including proper maintenance to minimize airborne emissions and proper record-keeping of all activities, all units must meet the State Air Toxic Control Measures for CI engines and must meet local regulations. (*Initial Study Mitigation Measure AIR-11*).

12. Site development, vegetation disposal, and site operation shall not create nuisance odors or dust. During the site preparation phase, the district recommends that any removed vegetation be chipped and spread for ground cover and erosion control. Burning of debris/construction material is not allowed on commercial property, materials generated from the commercial operation, and waste material from construction debris, must not be burned as a means of disposal. (*Initial Study Mitigation Measure AIR-12*).

13. Significant dust may be generated from increase vehicle traffic if driveways and parking areas are not adequately surfaced. Surfacing standards should be included as a requirement in the use permit to minimize dust impacts to the public, visitors, and road traffic. At a minimum, the district recommends chip seal as a temporary measure for primary access roads and parking. Paving with asphaltic concrete is preferred and should be required for long term occupancy. All areas subject to semi-truck / trailer traffic should require asphaltic concrete paving or equivalent to prevent fugitive dust generation. Gravel surfacing may be adequate for low use driveways and overflow parking areas; however, gravel surfaces require more maintenance to achieve dust control, and permit conditions should require regular palliative treatment if gravel is utilized. White rock is not suitable for surfacing (and should be prohibited in the permit) because of its tendency to break down and create excessive dust. Grading and re-graveling roads should utilizing water trucks if necessary, reduce travel times through efficient time management and consolidating solid waste removal/supply deliveries, and speed limits. (*Initial Study Mitigation Measure AIR-13*).

14. All mobile diesel equipment used for construction and/or maintenance shall be compliant with State registration requirements. Portable and stationary diesel-powered equipment must meet the requirements of the State Air Toxic Control Measures for CI engines as well as the Lake County Noise Emission Standards.

15. The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District such information in order to complete an updated Air Toxic Emission Inventory.

**D. BIOLOGICAL RESOURCES:**

1. **Prior to development**, a protocol-level botanical survey shall be completed within the location defined as being feasible for project activities to occur within this Report. The survey shall follow procedures recommended by CDFW and in accordance with the guidelines established by CNPS, from the document “*Protocols for Surveying and Evaluating Impacts to Specie Status Native Plant Opulations and Sensitive Natural Communities*”. (*Initial Study Mitigation Measure BIO-1*)

2. If project development results in a sufficient amount of noise from the use of machinery, construction shall occur between September 1 and January 31 to avoid disturbance to migratory nesting birds, or a buffer shall be established by a qualified biologist if nesting birds are present. (*Initial Study Mitigation Measure BIO-2*)

3. If construction occurs within the migratory bird nesting season (February 1 and August 31), a qualified biologist shall conduct a nesting birds survey fourteen (14) days prior to project development, including vegetation removal.. (*Initial Study Mitigation Measure BIO-3*)

4. **Prior to any ground disturbance**, the applicant shall conduct a site inspection for Burrowing Owls Presence within the project area. If Burrow Owls are observed, a pre-construction surveys shall be completed by a qualified biologist fourteen (14) days prior to site development. The survey shall be conducted to determine if the project area has active dens and determine if avoidance of these active dens can occur. If active dens are determined to be present, owl relocation shall occur to other onsite suitable habitat prior to development. (*Initial Study Mitigation Measure BIO-4*)

5. If additional activities are proposed that may result in take of a listed species, agency personnel from CDFW and SFWS shall further analyze the potential impacts and provide technical assistance for any listed species. If required, guidelines for these reconnaissance surveys should be followed in accordance to the CDFW Survey and Monitoring Protocols and Guidelines, which can be located here: <https://www.wildlife.ca.gov/conservation/survey-protocols>. (*Initial Study Mitigation Measure BIO-5*)

**E. CULTURAL/TRIBAL RESOURCES**

1. **During construction activities**, if any subsurface archaeological remains are uncovered, all work shall be halted within 100 feet of the find and the applicant shall retain a qualified cultural resources consultant from the City’s approved list of consultants to identify and investigate any subsurface historic remains and define their physical extent and the nature of any built features or artifact-bearing deposits. Significant historic cultural materials may include finds from the late 19th and early 20th centuries including structural remains, trash pits, isolated artifacts, etc. (*Initial Study Mitigation Measure CUL-1*)

2. The cultural resource consultant's investigation shall proceed into formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, additional exposure of the feature(s), photo-documentation and recordation, and analysis of the artifact assemblage(s). If the evaluation determines that the features and artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – it will be necessary to mitigate any Project impacts. Mitigation of impacts might include avoidance of further disturbance to the resources through Project redesign. If avoidance is determined to be infeasible, pursuant to CEQA Guidelines Section 15126.4(b)(3)(C), a data recovery plan, which makes provisions for adequately recovering the scientifically consequential information from and about the historical resource, shall be prepared and adopted prior to any excavation being undertaken. Such studies shall be deposited with the California Historical Resources Regional Information Center. Archeological sites known to contain human remains shall be treated in accordance with the provisions of Section 7050.5 Health and Safety Code. If an artifact must be removed during Project excavation or testing, curation may be an appropriate mitigation. This language of this mitigation measure shall be included on any future grading plans and utility plans approved by the City for the Project. (*Initial Study Mitigation Measure CUL-2*)

3. If human remains are encountered, no further disturbance shall occur within 100 feet of the vicinity of the find(s) until the Lake County Coroner has made the necessary findings as to origin (California Health and Safety Code Section 7050.5). Further, pursuant to California Public Resources Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the Lake County Coroner determines the remains to be Native American, the Native American Heritage Commission must be contacted within 24 hours. The Native American Heritage Commission must then identify the “most likely descendant(s)”, which parties agree will likely be the Koi Nation based upon the Tribe's ancestral ties to the area and previous designation as MLD on projects in the geographic vicinity. The landowner shall engage in consultations with the most likely descendant (MLD). The MLD will make recommendations concerning the treatment of the remains within 48 hours as provided in Public Resources Code 5097.98. (*Initial Study Mitigation Measure CUL-3*)

F. **GEOLOGY & SOILS**

1. The project shall incorporate Best Management Practices (BMPs) consistent with the City Code and the State Storm Water Drainage Regulations to the maximum extent practicable to prevent and/or reduce discharge of all construction or post-construction pollutants into the local storm drainage system. (*Initial Study Mitigation Measure GEO-1*)

G. **HAZARDS & HAZARDOUS MATERIALS**

1. All hazardous waste shall not be disposed of on-site without review or permits from Environmental Health Department, the California Regional Water Control Board, and/or the Air Quality Board. Collected hazardous or toxic waste materials shall be recycled or disposed of through a registered waste hauler to an approved site legally authorized to accept such material. (*Initial Study Mitigation Measure HAZ-1*)

2. The storage of potentially hazardous materials shall be located at least 100 feet from any existing water well. These materials shall not be allowed to leak into the ground or contaminate surface waters. Collected hazardous or toxic materials shall be recycled or disposed of through a registered waste hauler to an approved site legally authorized to accept such materials. (*Initial Study Mitigation Measure HAZ-2*)
3. Any spills of oils, fluids, fuel, concrete, or other hazardous construction material shall be immediately cleaned up. All equipment and materials shall be stored in the staging areas away from all known waterways. (*Initial Study Mitigation Measure HAZ-3*)
4. The storage of hazardous materials equals to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, then a Hazardous Materials Inventory Disclosure Statement/Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is to be stored on site. (*Initial Study Mitigation Measure HAZ-4*)
5. All equipment shall be maintained and operated in a manner that minimizes any spill or leak of hazardous materials. Hazardous materials and contaminated soil shall be stored, transported, and disposed of consistent with applicable local, state, and federal regulations. (*Initial Study Mitigation Measure HAZ-5*)
6. Hazardous Waste must be handled according to all Hazardous Waste Control Laws. Any generation of a hazardous waste must be reported to Lake County Environmental Health within thirty days.
7. All employees and/or staff members shall be properly trained in and utilize Personnel Protective Equipment in accordance with all federal, state and local regulations regarding handling any biological and/or chemical agents.
8. Hazardous waste must be handled according to all Hazardous Waste Control and Generator regulations. Waste shall not be disposed of onsite without review or permits from EHD, the California Regional Water Control Board, and/or the Air Quality Board. Collected hazardous or toxic waste materials shall be recycled or disposed of through a registered waste hauler to an approved site legally authorized to accept such material.

**J. HYDROLOGY AND WATER QUALITY:**

1. The project design shall incorporate appropriate BMPs consistent with County and State storm water drainage regulations to prevent or reduce discharge of all construction or post-construction pollutants and hazardous materials offsite or all surface water. (*Initial Study Mitigation Measure HYD-1*)
2. The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be

constructed, and monitoring begun at least three months prior to the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually (*Initial Study Mitigation Measure HYD-2*)

**K. NOISE**

1. All construction activities including engine warm-up shall be limited to weekdays and Saturday, between the hours of 7:00am and 7:00pm to minimize noise impacts on nearby residents. (*Initial Study Mitigation Measure NOI-1*)
2. Permanent potential noise sources such as, generators used for power shall be designed and located to minimize noise impacts to surrounding properties. (*Initial Study Mitigation Measure NOI-2*)
3. During construction noise levels shall not exceed 65 decibels within fifty (50) feet of any dwellings or transient accommodations between the hours of 7:00 AM and 6:00 PM. This threshold can be increased by the Building Inspector or City Engineer have approved an exception in accordance with Section 5-4.4(b)(1) of the City Code. An exception of up to 80 decibels may be approved within one hundred (100) feet from the source during daylight hours. Project is expected to result in less than significant impacts with regards to noise and vibration. (*Initial Study Mitigation Measure NOI-3*)

**L. TRANSPORTATION & TRAFFIC**

1. Improvements shall be made to the project access off of Ogulin Canyon Road as required by the City of Clearlake – Public Works Department. Applicant shall submit plans prepared by a certified Engineer to the City of Clearlake for review and approval. All necessary permits shall be secured from the City of Clearlake prior to development.
2. The applicant shall comply with the State of California Weights and Measures requirements found in the California Food and Agriculture Code, California Code of Regulations, and the California Business and Professions Code.
3. All access roads, yards and parking areas shall be properly maintained for life of the project to prevent a source of contamination where cannabis products are handled or transported.

**M. TIMING & MITIGATION MONITORING**

1. **Prior to this use permit becoming, valid, effective or operative**, until the Development Agreement has been reviewed and approved by the City Council.
2. If the approved use permit is not established within one (1) year of the date of approval or such longer time as may be stipulated as a condition of approval, the use permit shall expire.
3. If a structure(s) or associated site development authorized by use permit is not issued building permits (if building permits are required) within three (3) years of the date of approval, the use permit shall expire.
4. **Upon written request received prior to expiration**, the Community Development Director may grant renewals of use permit approval for successive periods of not more than one (1) year each.
  - *Approvals of such renewals shall be in writing and for a specific period.*

- *Renewals may be approved with new or modified conditions upon a finding that the circumstances under which the use permit was originally approved have substantially changed.*
- *Renewal of a use permit shall not require public notice or hearing unless the renewal is subject to new or modified conditions. In order to approve a renewal, the Community Development Director must make the findings required for initial approval.*

5. The Planning Commission may revoke or modify the use permit in the future if the Commission finds that the use to which the permit allows is detrimental to health, safety, comfort, general welfare of the public; constitutes a public nuisance; if the permit was obtained or is being used by fraud; and/or if one or more the conditions upon which a permit was granted are in noncompliance or have been violated. Applicant shall be notified of potential violations of the use permit prior to action taken by the Planning Commission.

6. Said Use Permits shall be subject to revocation or modification by the Planning Commission if the Commission finds that there has been:
- a. *Noncompliance with any of the foregoing conditions of approval; or*
  - b. *The Planning Commission finds that the use for which this permit is hereby granted is so exercised as to be substantially detrimental to persons or property in the neighborhood of the use. Any such revocation shall be preceded by a public hearing noticed and heard pursuant to the City of Clearlake Municipal Code. 15.*

7. All conditions are necessary to protect the general health, safety and welfare of the public. If any condition of this entitlement is held to be invalid by a court, the whole entitlement shall be invalid. The Planning Commission specifically declares that it would not have approved this entitlement unless all of the conditions herein are held as valid.

**To be Complete by Authorized Representative/Applicant**

**Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**To Be Completed by Staff Only**

**Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_



**Attachment 2: Resolution Recommending MND and DA**

**RESOLUTION No. PC 2021-21**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CLEARLAKE  
RECOMMENDING TO THE CITY COUNCIL APPROVAL OF THE MITIGATED  
NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING  
PROGRAM AND RECOMMENDING APPROVAL OF THE DEVELOPMENT  
AGREEMENT FOR CANNABIS BUSINESS USE PERMITS UP 2021-05 THROUGH UP  
2021-08 AND COMMERCIAL CANNABIS REGULATORY PERMIT CBRP 04-2021, FOR  
DEVELOPMENT AND OPERATION OF A COMMERCIAL CANNABIS FACILITY ON  
PROPERTY LOCATED IN THE I INDUSTRIAL AND CANNABIS BUSINESS ZONING  
DISTRICTS AT 2185 OGULIN CANYON ROAD, CLEARLAKE, CALIFORNIA, APN: 010-  
044-017**

WHEREAS, Brian Pensack applied for approval of Cannabis Business Use Permits for cultivation, manufacturing, distribution for property located at 2185 Ogulin Canyon Road, Clearlake, CA, in the I, Industrial, and CB, Commercial Cannabis Business Zoning Districts, APN 010-044-017; and

WHEREAS, Cannabis Business Use Permit Applications UP 2021-05 through UP 2021-08 has been made in accordance with Section 18-43, Commercial Cannabis of the Municipal Code, which refers to Commercial Cannabis Uses; and

WHEREAS, the Initial Study identified potentially significant adverse effects in the areas of air quality, biological resources, hazardous materials, and noise; and

WHEREAS, mitigation measures that avoid the effects or mitigate the effects to a point where clearly no significant effects would occur have been identified through the Initial Study (applicant has agreed to all mitigation measures in accordance with CEQA); and

WHEREAS, a Mitigation Monitoring and Reporting Program has been prepared in accordance with City of Clearlake regulations and is designed to ensure compliance during Project implementation; and

WHEREAS, the City determined that the mitigation proposed in the Mitigation Monitoring and Reporting Program would reduce the impacts to a less than significant level and a Mitigated Negative Declaration (MND) should be prepared; and

WHEREAS, the City distributed a Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration for the Project on June 30, 2021, which started a 30-day public review period, ending August 6, 2021. The NOI was posted at the Lake County Clerk / Recorder's office, distributed through the State Clearinghouse, posted at City offices, and mailed to project stakeholders, property owners, and residents within a 600 foot radius of the Project; and

WHEREAS, the City received four written comments within the 30-day public review period; and

WHEREAS, the comments did not identify any new significant environmental impacts beyond those already covered in the Draft MND and did not change the Draft MND text. As such, staff prepared a Final MND and Mitigation Monitoring and Reporting Program; and

WHEREAS, a companion application, Development Agreement DA 2021-04 has been reviewed by the Planning Commission at a public hearing on October 26<sup>th</sup>, 2021; and

WHEREAS, the proposed project is consistent with the General Plan which designates the project site as Industrial; and

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Clearlake as follows:

**A. Recommend Adoption of the Mitigated Negative Declaration**

4. The Planning Commission finds that the Mitigated Negative Declaration was presented to the Planning Commission, that the Planning Commission has reviewed the Mitigated Negative Declaration prepared for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit (the “Project”), all staff reports pertaining to the Project and all comments received there on, and that the Mitigated Negative Declaration has been prepared and completed in compliance with the California Environmental Quality Act (CEQA).
5. The Planning Commission finds that on the basis of the Mitigated Negative Declaration, comments received, and the whole record that there is no substantial evidence that the Project will have a significant adverse impact individually or cumulatively on the environment.
6. The Planning Commission finds that the Mitigated Negative Declaration reflects the City’s independent judgment and analysis.

**B. Recommend Adoption of the Mitigation Monitoring and Reporting Program**

3. The Planning Commission hereby recommends to the City Council adoption of the Mitigation Monitoring and Reporting Program, as attached to the Project staff report.
4. The Planning Commission hereby recommends to the City Council that the proposed mitigation measures described in the Mitigated Negative Declaration are feasible and therefore become binding upon the City and its construction contractors.

**C. Recommend Approval of the Development Agreement**

The Planning Commission hereby recommends to the City Council approval of the Development Agreement for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit project.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Clearlake does recommend to the City Council approval of the Mitigated Negative Declaration, the Mitigation

Monitoring and Reporting Program and the Development Agreement for the 2185 Ogulin Canyon Road Commercial Cannabis Business Use Permit project.

**PASSED AND ADOPTED on this 26th day of October, 2021 by the following vote:**

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chairman, Planning Commission

ATTEST: \_\_\_\_\_  
City Clerk, Planning Commission

**Attachment 3: Development Agreement 2021-04**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAILTO:

City of Clearlake 14050

Olympic Dr.

Clearlake, CA 95422Attention:

City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee Exempt per Government Code §27383

### **DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (the "Execution Date"), by and between the **CITY OF CLEARLAKE, a California municipal corporation** ("City") and Brian Pensack, Representative of Ogulin Hills, LLC ("Owner"). City and Owner are sometimes referenced together herein as the "Parties." In instances when a provision hereof applies to each of the Parties individually, either may be referenced as a "Party." The Parties hereby jointly render the following statement as to the background facts and circumstances underlying this Agreement.

### **RECITALS**

- A. The State of California enacted California Government Code Sections 65864 *et seq.* ("Development Agreement Statutes") to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within their jurisdiction.

- B. The purpose of the Development Agreement Statutes is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations, to vest certain rights in the developer, and to meet certain public purposes of the local government.
- C. Owner owns an approximately 20.94 acre property at 2185 Ogulin Canyon Road, Clearlake, CA, Assessor's Parcel No. 010-044-017 and proposes development and operation of cannabis cultivation, processing, manufacturing, distribution, and retail delivery with development of related facilities as described in more detail per development applications submitted to the City of Clearlake, on file with the City of Clearlake Community Development Department.
- D. Owner intends to operate a cannabis facility and operation. All such cannabis facilities shall operate in accordance with the California State Compassionate Use Act (Health & Safety Code § 11362.5) ("CUA"), the Medical Marijuana Program Act (Health & Safety Code §§ 11362.7 etseq.) ("MMPA"), and the 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General (the "AG Guidelines"), and Senate Bill 94, the Medicinal and Adult Use of Cannabis Regulation and Safety Act ("MAUCRSA"), creating a unified regulatory structure for adult use and medical cannabis, and all regulations promulgated by the responsible state agencies to implement MAUCRSA (collectively the "California Cannabis Laws"). Prior to operating a cannabis facility, Owner shall be required to obtain use and cannabis business regulatory permits from the City for the facility and operations.
- E. Ultimately, Owner intends to obtain state licenses issued pursuant to MAUCRSA to operate cannabis facilities at the Site, once such licenses are being issued.
- F. Owners presently intend to develop and open a cannabis operation on the Site consistent with the California Cannabis Laws and Project Approvals (known as the "Project").
- G. Owner applied to City for a development agreement and will subsequently need to obtain special use permits and regulatory permits for the Project. This Agreement, and the special use and regulatory permits, when and if issued by the City, shall collectively be referred to as "Project Approvals".
- H. The Project will maintain inventory of cannabis and cannabis products under the California Cannabis Laws.
- I. The City adopted a Zoning Ordinance permitting Cannabis Delivery Only Dispensaries and Cannabis Businesses (as those terms are defined in the applicable city ordinances) in strict compliance with the applicable California Cannabis Laws regulating delivery only dispensaries and cannabis cultivation, manufacturing, processing, and distribution under certain conditions and provisions.
- J. City and Owner have agreed that, as a condition of allowing the Project, as defined herein, and due to the unique circumstances of the proposed Project, Owner shall pay to the City a semi-annual fee based on the gross revenue of the operations, and an annual Facility Fee, as hereinafter defined, which fees shall abate if and when the City adopts a tax on Cannabis Delivery Only Dispensaries and Cannabis Businesses.

- K. All procedures of the California Environmental Quality Act (“CEQA”), California Public Resources Code §21000 *et seq.*, and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, §15000 *et seq.* have been satisfied as the project is categorically exempt under CEQA guidelines sec. 15301, for modification of existing facilities.
- L. City has given public notice of its intention to adopt this Agreement and has conducted public hearings thereon pursuant to California Government Code §65867. City has found that the provisions of this Agreement and its purposes are consistent with the objectives, policies, general land uses and programs specified in City’s General Plan, zoning code and municipal ordinances.
- M. City, in entering into this Agreement, acknowledges that certain City obligations hereby assumed shall survive beyond the terms of the present Council members, that this Agreement will serve to bind City and future Councils to the obligations hereby undertaken, and that this Agreement shall limit the future exercise of certain governmental and proprietary powers of City. By approving this Agreement, the Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than defer its actions to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by City and the Council and have been found to be fair, just and reasonable. City has concluded that the pursuit of the Project will serve the best interests of its citizens and that the public health, safety and welfare are best served by entering into this obligation. Owner has represented to City that it would not consider or engage in the Project absent City approving this Agreement; *i.e.*, assuring Owner that it will enjoy the development rights.
- N. The City agrees that Owner’s land use entitlements for the Project shall vest for the term of this Agreement as described below.
- O. After conducting a duly noticed hearing on October 26<sup>th</sup> in conjunction with certain amendments and additions to the City’s Municipal Code, the Planning Commission of the City reviewed, considered and approved the Project and recommended approval of the execution of this Agreement to the City Council. The Planning Commission found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized zoning code; is in conformity with the public necessity, public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and general welfare of the city; will not adversely affect the orderly development of property or the preservation of property values; and will have a positive fiscal impact on the City.
- P. After conducting a duly noticed hearing on \_\_\_\_\_, in conjunction with amendments and additions to the City’s Municipal Code creating an allowable use, appropriate zoning, and comprehensive regulations for the proposed use, and after independent review and consideration, the City Council approved the execution of this Agreement. The City Council found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the zoning code; is in conformity with good land use practices; will not be detrimental to the health, safety and general welfare of the City; and is in the best interest of the City of Clearlake and its residents.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

### AGREEMENT

1. Binding Effect of Agreement. The Parties agree that the Recitals above are true and correct and intend to be bound by same; the Parties further agree to the incorporation by reference herein of said Recitals, together with all definitions provided and exhibits referenced therein. This Agreement pertains to the Site as described in **Exhibit A (Legal Description)** and shown in **Exhibit B (Site Map)** and incorporates by reference all Development Approvals approved by the City for the Site. Except as otherwise provided in Section 15 of this Agreement, the burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all successors-in-interest of the Parties and constitute covenants which run with the Site. In order to provide continued notice thereof, the Parties will record this Agreement with the Lake County Recorder. The word “Owner” as previously defined and used herein shall include successor owners, apart from government or quasi-public agencies, of any portion of the Site. Should the size or orientation of any Site component specified above be changed in minor respects, *e.g.*, changed by a lot line adjustment, this Agreement shall not thereby be deemed to have been affected or invalidated, but the rights and obligations of the Parties and their successors shall remain as provided herein.

2. Relationship of the Parties. It is hereby specifically understood and acknowledged that the Project is a private project and that neither City nor Owners will be deemed to be the agent of the other for any purpose whatsoever. City and Owners hereby renounce the existence of any form of joint venture or partnership between or among them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Owners joint ventures or partners.

3. Term. Except as otherwise specified herein, the term of this Agreement (the “Term”) is 3 years from the date the Owner begins commercial operation at the Project Site (“Operation Date”). The Operation Date shall be no later than 12 months following the Execution Date. The Term shall generally be subject to earlier termination or extension as hereinafter provided.

3.1 Term Extension – Third Party Issues. Notwithstanding the Parties’ expectation that there will be no limit or moratorium upon the Project’s development or the issuance of building or other development related permits (a “Development Limitation”) during the Term, the Parties understand and agree that various third parties may take action causing a *de facto* Development Limitation. Consequently, the Term shall be extended for any delay arising from or related to any of the potential Development Limitations that follow in the subsections below for a time equal to the duration of that delay occurring during the Term. No Development Limitation may arise or result from an action or omission by Owner.

3.1.1 Litigation. Any third party-initiated litigation that arises from or is related to

any City action or omission with respect to this Agreement or any subsequent City approval required in connection with the Project's development, or third party- initiated litigation having the actual effect of delaying the Project's development. This extension period related hereto shall include any time during which appeals may be filed or are pending.

3.1.2 Government Agencies. Any delay arising from or related to the act(s) or omission(s) any third party governmental agency, quasi-public entity or public utility, and beyond the reasonable control of Owner.

3.1.3 Force Majeure. Any delay resulting from riot, war, acts of terrorism, an event during the Term creating radioactive or toxic/hazardous contamination, a catastrophic earthquake, flood, fire or other physical natural disaster, excluding weather conditions regardless of severity, strikes or industrial disputes at national level effecting development involved personnel not employed by Owner, their subcontractors or suppliers and effecting an essential portion of the Project's development, excluding any industrial dispute that is specific to development taking place as a part of the Project.

3.2 Term Extensions. The Term of this Agreement will be extended for seven additional years upon a determination of the City Council, by way of resolution of the City Council acted on at a regularly scheduled meeting, that both of the conditions listed in subparts 3.2.1 and 3.2.2 below have been fully satisfied are the Owner is in full compliance:

3.2.1. No Default by Owner. Owner shall not be in default with respect to any provision of this Agreement or any subsequent agreement or understanding between the Parties arising from or related to this Agreement, having received notice from City of said default per this Agreement, or if Owner did in fact default as to this Agreement, upon notice from City, that Owner did cure said default during the period to cure provided herein to City's satisfaction.

3.2.2 Finding of Community Compatibility. The City Council shall review the operations of Owner prior to granting an extension of the term of this Agreement and make a finding that the Project, notwithstanding that the Project activities may not be in precise



technical compliance with the issued regulatory permit and special use permit, continue to be compatible with surrounding land uses and are not detrimental to the public health, safety and general welfare.

3.2.3. Mutual Agreement of Parties. In addition to the process listed above for a seven-year term extension, this Agreement's Term may be extended by mutual agreement of the Parties and formal amendment of this Agreement.

3.3 Termination of Agreement. Upon the termination of this Agreement, either by expiration or otherwise, Owner shall have no right to engage in the Project activities at the Project Site, except as may otherwise be allowed by City ordinance, law or separate development agreement.

4. Defined Terms. As used in this Agreement, the following terms shall have the meanings hereinafter set forth:

4.1. Certified Report. "Certified Report" shall mean a detailed document prepared by Owner on a form acceptable to the City's Director of Finance to report to the City the gross receipts of the Project's operations and sales, as defined herein, in the Project during each semi-annual period starting January 1 and July 1 of each calendar year. Each Certified Report shall be certified as true and correct by a duly-authorized officer of Owner.

4.2. Development Approvals. "Development Approvals" means the land use entitlements approved by the City for the development of site improvements and buildings on the Site which define the permitted uses of the property, the density or intensity of use, and the maximum height and size of proposed buildings.

4.3. Production Fee. "Production Fee" shall mean a semi-annual fee remitted to the City by Owner based on the Gross Receipts of its Project operations, as defined below, in the amount of 5% of gross sales from operations.

4.4. Certification of Non-Income Tax Exemption. Owner certifies that Owner is not income tax exempt under State or Federal Law and that Owner will not file for such an exemption from the Internal Revenue Service or the Franchise Tax Board.

4.5. Facility Fee. Facility Fee shall mean an annual fee remitted to the City by Owner in the amount of \$2 per gross square foot of the entire Project facility. The Facility Fee shall be paid annually, starting July 1<sup>st</sup> of each year. A late fee of 5% of the amount due shall be added to any payment 5 days past due. Fees later than 30 days past due will constitute a breach subject to Section 20 of this agreement.

4.6. Semi-Annual Production Fee. The semi-annual Production Fee will be due no later than July 30<sup>th</sup> for the preceding period of January 1<sup>st</sup> through June 30<sup>th</sup> and no later than January 31<sup>st</sup> for the preceding period of July 1<sup>st</sup> through December 31<sup>st</sup>. A late fee of 5% of the amount due shall be added to any payment 30 days past due.

4.7. "Land Use Regulations" shall mean all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land,

including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction and initial occupancy standards and specifications applicable to the Project. “Land Use Regulations” do not include any City ordinance, resolution, code, rule, regulation or official policy governing:

4.7.1. The conduct or taxation of businesses, professions, and occupations applicable to all businesses, professions, and occupations in the City;

4.7.2. Other than as provided in this Agreement, taxes and assessments of general application upon all residents of the City, provided that the taxes and assessments are not imposed for the purpose of taxing the right, power or privilege of developing or improving land (e.g., excise tax) or to directly finance the acquisition or dedication of open space or any other public improvement in respect of which the Developer is paying any fee or providing any improvement pursuant to this Agreement;

4.7.3. The control and abatement of nuisances;

4.7.4. The granting of encroachment permits and the conveyance of rights and interests which provides for the use of, access to or the entry upon public property, as may be approved by mutual agreement between Developer and City; and

4.7.5. The exercise of the power of eminent domain.

4.8. “Existing Land Use Regulations” means all Land Use Regulations in effect as of the approval date of this Agreement, including the Project Approvals.

4.9. “Gross Receipts” means 5% (five percent) for 1) wholesale and retail sales of cannabis products by Owner to third parties.

5. Fee Payments by Owner. In consideration of City’s entering into this Agreement and authorizing the development and operation of the Project, the requirements for City services created by the Project, the City insuring Owner’s compliance with this Agreement, California Cannabis Laws and the City’s municipal ordinances, throughout the Term of this Agreement, Owner shall make the following payments to City:

5.1. Production Fee Payments by Owner. Semi-annual payments of the Production Fee by Owner to the City as specified in Section 7 herein. The obligations of Owner under this Section shall survive the expiration or any earlier termination, as applicable, of this Agreement, but the Production Fee under this Agreement shall cease if any City-wide tax is imposed specifically on Cannabis cultivation.

5.2. Facility Fee Payments by Owner. Annual payments of the Facility Fee by Owner to the City. The obligations of Owner under this Section shall survive the expiration or any earlier termination of this Agreement, but the Facility Fee shall cease if any City-wide tax is imposed specifically on Cannabis cultivation.

5.3. Sales Tax Point of Sale. Owner agrees that Clearlake will be designated as the point of sale for all operations, as allowed by law.

6. Community Participation. Owner agrees to participate in the community as a good corporate citizen and sponsor events and organizations that improve the community.

6.1. Clearlake Chamber of Commerce. Owner agrees to immediately apply for membership in the Clear Lake Chamber of Commerce and, if accepted, maintain an annual membership in good standing.

7. Payment Procedures. The following payment procedures shall apply during the operation of the Project:

7.1. Remittance of Production Fee/Certified Reports. Within thirty (30) calendar days following the end of each semi-annual period during the Term of this Agreement, Owner shall submit the Certified Report to the City's Finance Director and a payment for the Production Fee for that Operational Period as identified in the Certified Report. Owner shall pay Production Fees to the City on a semi-annual basis without exception. Any material misstatement or misrepresentation in the Certified Report and any failure to pay Production Fees when due shall constitute events of default by Owner subject to the default provisions of this Agreement.

7.2. Maintenance of Records. Owner shall maintain complete records of their operations to substantiate and document the content of each Certified Report. Such records shall include, without limitation, invoices and payments taken by Tenants and/or any operator of the facility. Owner shall maintain such records in a form and location reasonably accessible to the City, following reasonable notice to Owner and/or any operator, for a period of at least five (5) calendar years following Owner's submission of the Certified Report to which the records apply.

7.3. Audit. Within ninety (90) calendar days following the end of each semi-annual payment term, the City may conduct an audit or arrange for a third-party independent audit, at Owner's expense, of Owner records regarding Certified Reports and the Production Fees. The City's Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Owner, and shall reasonably attempt to schedule the audit so as to reduce the impact on Tenants' operations as much as is feasible. Owner shall cooperate with the City in completing the audit. If the audit reveals that Owner has underpaid the Production Fee, Owner shall pay such underpaid amounts to the City within thirty (30) calendar days of receipt of written notice from the City's Director of Finance in addition to all costs of the audit, including city staff time and outside consultants. If the audit reveals that the Owner has overpaid any amount of the Production Fee, City shall provide written notification to Owner and shall credit such amount against Owner's subsequent semi-annual payment of Production Fees.

8. Covenants of Owner. During the Term of this Agreement, Owner hereby covenants and agrees with the City as follows:

8.1. Implementation. Owner shall use commercial reasonable efforts to pursue the implementation of the Project as expeditiously as feasible, in the form approved by the City, subject to all applicable laws, this Agreement, the Project Approvals and the Municipal Code.

8.2. Enhanced Design Requirement. Owner shall submit a design plan for

the building and site, for review and approval by the Planning Director, which shall incorporate at a minimum upgraded fencing and landscaping improvements consistent with the Community Character and Design Policies in the City's General Plan.

8.3. Maintain & Operate Project. Owner shall maintain and operate the Project on the Site throughout the Term of this Agreement, in accordance with the Project Approvals and all City, and State laws.

8.4. Hold Harmless. Owner shall defend (with counsel reasonably acceptable to City), indemnify and hold City and its councilpersons, officers, attorneys, agents, contractors, and employees (collectively, the "Indemnified Parties") harmless from and against all losses, costs and expenses (including, without limitation, reasonable attorneys' fees and costs), damages (including, without limitation, consequential damages), claims and liabilities arising from the Project, this Agreement, the approval of the Project, and the activities of Owner, their members, officers, employees, agents, contractors, invitees and any third parties on the Site, from and against any challenges to the validity of this Agreement or other Project Approvals. The obligations of Owner under this Section shall survive the expiration or any earlier termination, as applicable, of this Agreement.

9. Covenants of City. During the Term of this Agreement, City hereby covenants and agrees with Owner as follows:

9.1. Expeditious Services. City shall process applications and address questions and concerns raised by Owner representatives at the "counter" at City Hall as expeditiously as reasonably possible. Upon Owner's request, or if, in an exercise of City's own discretion, City staff determines that it cannot comply with this section, City shall expeditiously engage the services of private contract planners, plan checkers or inspectors ("Private Contractors") to perform such services as may be necessary to assist in processing the project plans as described herein. Compensation of such Private Contractors shall be at Owner's sole cost and expense, inclusive of any administrative cost to City of integrating services by Private Contractors into the project's development processing. Owner shall pay such costs and expenses of Private Contractors via reimbursement to City, per City's applicable policies and procedures. City shall have absolute discretion in the selection of such Private Contractors.

9.2 Vested Rights. During the Term of this Agreement, Owner shall have the vested right and entitlement to develop and operate the Project in accordance with the Existing Land Use Ordinances, in addition to any Cannabis Cultivation Operating Standards adopted by the City Council, which may be amended at the City's discretion. Parties acknowledge that neither the City nor the Owner can at this time predict when or the rate at which or the order in which parts of the Project will be developed. Owner shall have the vested right to develop the Project in such order and at such rate and at such times as Owner deems appropriate in the exercise of its business judgment, provided that Owner is in compliance with the Project Approvals.

9.3 Building Permits and Other Approvals and Permits. Subject to (a) Owner's compliance with this Agreement, the Project Approvals the Existing Land Use Ordinances, the Building Ordinances, and Operating Standards; and (b) payment of the usual and

customary fees and charges of general application charged for the processing of such applications, permits and certificates and for any utility connection, or similar fees and charges of general application, the City shall process and issue to Owner promptly upon application therefore all necessary use permits, building permits, occupancy certificates, regulatory permits, licenses and other required permits for the construction, use and occupancy of the Project, or any portion thereof, as applied for, including connection to all utility systems under the City's jurisdiction and control (to the extent that such connections are physically feasible and that such utility systems are capable of adequately servicing the Project).

9.4 Procedures and Standards. The standards for granting or withholding permits or approvals required hereunder in connection with the development of the Project shall be governed as provided herein by the standards, terms and conditions of this Agreement and the Project Approvals, and to the extent not inconsistent therewith, the Existing Land Use Ordinances, but the procedures for processing applications for such permits or approvals (including the usual and customary fees of general application charged for such processing) shall be governed by such ordinances and regulations as may then be applicable.

## 10. Effect of Agreement.

10.1 Grant of Right. This Agreement shall constitute a part of the Enacting Ordinance, as if incorporated by reference therein in full. The Parties acknowledge that this Agreement grants to Owner the right and entitlement to develop the Project and use the land pursuant to specified and known criteria and rules as set forth in the Project Approvals and Existing Land Use Ordinances, and to grant the City and the residents of the City certain benefits which they otherwise would not receive.

10.2 Binding on City/Vested Right of Owner. This Agreement shall be binding upon the City and its successors in accordance with and subject to its terms and conditions notwithstanding any subsequent action of the City, whether taken by ordinance or resolution of the City Council, by referendum, initiative, or otherwise. The Parties acknowledge and agree that by entering into this Agreement and relying thereupon, the Owner has obtained, subject to the terms and conditions of this Agreement, a vested right to proceed with its development of the Project as set forth in the Project Approvals and the Existing Land Use Ordinances, and the timing provisions of Section 3, and the City has entered into this in order to secure the public benefits conferred upon it hereunder which are essential to alleviate current and potential problems in the City and to protect the public health, safety and welfare of the City and its residents, and this Agreement is an essential element in the achievement of those goals.

10.3 Future Conflicting Local Laws. If any City law, including ordinances, resolutions, rules, regulations, standards, policies, conditions and specifications (collectively "City Laws") are enacted or imposed by a citizen-sponsored initiative or referendum, or by the City Council directly or indirectly in connection with any proposed initiative or referendum, which City Law would conflict with this Agreement, such City Law shall not apply to the Project Site or Project. The Parties, however, acknowledge that the City's approval of this Agreement and the City Approvals are legislative actions subject to referendum.

10.3.1 Without limiting the generality of the foregoing, no moratorium or other limitation whether relating to the rate, timing, phasing or sequencing of development affecting subdivision maps, building permits, or other Subsequent Approvals shall apply to the Project. Owner agrees and understands that the City does not have authority or jurisdiction over another public agency's authority to grant a moratorium or to impose any other limitation that may affect the Project.

## 11. Specific Criteria Applicable to Development of the Project.

11.1 Applicable Ordinances. Except as set forth in the Project Approvals and subject to the provisions of Section 10.2 below, the Existing Land Use Ordinances shall govern the development of the Site hereunder and the granting or withholding of all permits or approvals required to develop the Site; provided, however, that (a) Owner shall be subject to all changes in processing, inspection and plan-check fees and charges imposed by City in connection with the processing of applications for development and construction upon the Site so long as such fees and charges are of general application and are not imposed solely with respect to the Project Site, (b) Owner shall abide by the Building Ordinances in effect at the time of such applications, (c) Development Impact Fees to be paid by Owner shall be those in effect at the time permits are issued subject to those fees, and (d) development shall be consistent with current Operating Standards.

11.2 Amendment to Applicable Ordinances. Any change to the Existing Land Use Ordinances that conflicts with the Project Approvals shall nonetheless apply to the Project if, and only if (i) it is consented to in writing by Owner in Owner's sole and absolute discretion; (ii) it is determined by City and evidenced through findings adopted by the City Council that the change or provision is reasonably required in order to prevent a condition dangerous to the public health or safety; (iii) it is required by changes in State or Federal law; (iv) it consists of changes in, or new fees permitted by, Section 4.1; or (v) it is otherwise expressly permitted by this Agreement. The Parties anticipate that the City shall subsequently adopt Operating Standards that govern this type of use, which Regulations, and any amendments thereto, shall apply to the Project.

11.3 Applicability of Zoning Amendments. In the event that the City zoning ordinance is amended by the City in a manner which provides more favorable site development standards for the Project Site or any part thereof than those in effect as of the Effective Date, Owner shall have the right to notify the City in writing of its desire to be subject to all or any such new standards for the remaining term of this Agreement. If City agrees, by resolution of the City Council, such new standards shall become applicable to the Project. Should City thereafter amend such new standards, upon the effective date of such amendment, the original new standards shall continue to apply to the Project as provided above, but Owner may notify City in writing of its desire to be subject to all or any such amended new standards and City shall agree in the manner above provided to apply such amended new standards to the Project.

## 12. Permitted Delays; Supersedure by Subsequent Laws.

12.1 Permitted Delays. In addition to any other provisions of this Agreement with respect to delay, Owner and City shall be excused from performance of their obligations hereunder during any period of delay caused by acts of mother nature, civil commotion, riots, strikes, picketing, or other labor disputes, shortage of materials or supplies, or damage to or prevention of work in process by reason of fire, floods, earthquake, or other casualties, litigation, acts or neglect of the other party, any referendum elections held on the Enacting Ordinance, or the Land Use Ordinances, or any other ordinance effecting the Project or the approvals, permits or other entitlements related thereto, or restrictions imposed or mandated by governmental or quasi-governmental entities, enactment of conflicting provisions of the Constitution or laws of the United States of America or the State of California or any codes, statutes, regulations or executive mandates promulgated thereunder (collectively, "Laws"), orders of courts of competent jurisdiction, or any other cause similar or dissimilar to the foregoing beyond the reasonable control of City or Owner, as applicable. Each Party shall promptly notify the other Party of any delay hereunder as soon as possible after the same has been ascertained. The time of performance of such obligations shall be extended by the period of any delay hereunder.

## 12.2 Supersedure of Subsequent Laws or Judicial Action.

12.2.1 The provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with any new Law or decision issued by a court of competent jurisdiction (a "Decision"), enacted or made after the Effective Date which prevents or precludes compliance with one or more provisions of this Agreement. Promptly after enactment of any such new Law, or issuance of such Decision, the Parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. In addition, Owner and City shall have the right to challenge the new Law or the Decision preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect, except that the Term shall be extended, in accordance with Section 2.1 above, for a period of time equal to the length of time the challenge was pursued, to extent such challenge delayed the implementation of the project.

13. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Owner. It is anticipated due to the term of this Agreement that refinements to the approvals may be appropriate with respect to the details of performance of the City and the Owner. To the extent allowable by law, the Owner shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement. When and if the Owner finds it necessary or appropriate to make changes, adjustments or clarifications, the Parties shall enter into memoranda ("Operating Memoranda") approved by the Parties in writing, which reference this Section of the Agreement. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore, public notices and hearings shall not be required. The City Attorney shall be authorized upon consultation with the Owner, to determine whether a requested clarification may be effectuated pursuant to this Section or

whether the requested clarification is of such character to constitute an amendment to the Agreement which requires compliance with the provisions of this Agreement pertaining to amendments. The authority to enter into such Operating Memoranda is hereby delegated to the City Manager, and the City Manager is hereby authorized to execute any operating Memoranda hereunder without further City Council action.

14. CEQA. All procedures of the California Environmental Quality Act ("CEQA"), California Public Resources Code §21000 *et seq.*, and the CEQA guidelines, Title 14 of the California Code of Regulations, chapter 3, §15000 *et seq.* have been satisfied based on the Project being categorically exempt.

15. Building Permits. Nothing set forth herein shall impair or interfere with the right of City to require the processing of building permits as required by law relating to any specific improvements proposed for the Project pursuant to the applicable provisions of the City's municipal code, inclusive of such California and International Codes as have been adopted in accord therewith, that are in effect at the time such permits are applied for; provided, however, no such permit processing shall authorize or permit City to impose any condition on and/or withhold approval of any proposed improvement the result of which would be inconsistent with this Agreement.

16. Assignment and Transfer of Rights. Except as otherwise provided in this Section, the burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all successors-in-interest of the Parties and constitute covenants that run with the Site. Owner, for itself, its heirs, distributes, executors, administrators, legal representatives, successors and assigns, shall not, at any time during the Term, assign, convey, lease, sell or otherwise transfer all or any portion of its rights under this Agreement ("Assignable Rights") to a third party, a subordinate entity, or a related entity (make an "Assignment") without the prior written consent of City in each instance, which consent may be withheld in City's sole discretion. Any assignment in violation of this Section will be void. No permitted assignee of this Agreement may further assign this Agreement without City's prior written consent.

17. Review for Compliance.

17.1 Periodic Review. Pursuant to CGC §65865.1, City shall engage in an annual review this Agreement, on or before the anniversary of the date of execution, in order to ascertain Owner's good faith compliance with its terms (the "Periodic Review"). In the event City fails to formally conduct such annual review, Owner shall be deemed to be in full compliance with the Agreement.



18. Amendment or Cancellation. This Agreement may be amended or canceled in whole or in part only by mutual consent of the Parties or in the manner provided in CGC §65865.1 or CGC §65868 and subsection 3.2 above.

18.1 Provide Notice. Provide the other Party with written notice of such State or Federal law or regulation, a copy of such law or regulation and a statement identifying how such law regulation conflicts with the provisions of this Agreement.

18.2 Meet and Confer. Upon notice by one Party to another as to preemption or frustration of this Agreement by law or regulation, the Parties shall promptly meet and confer in good faith and make a reasonable attempt to modify or suspend this Agreement to comply with such applicable Federal or State law or regulation. If the Parties cannot agree on a manner or method to comply with such Federal or State law or regulation, the Parties may, but shall not be required to, engage in alternative dispute resolution.

19. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be either personally delivered (which shall include delivery by means of professional overnight courier service which confirms receipt in writing [such as Federal Express or UPS] ), sent by telecopier or facsimile ("Fax") machine capable of confirming transmission and receipt, or sent by certified or registered mail, return receipt requested, postage prepaid to the following parties at the following addresses or numbers:

**If to City:** City of Clearlake  
14050 Olympic Drive  
Clearlake CA 95422 Attention: City Manager

With copy to: Jones & Mayer, City Attorney 8150 Sierra College Blvd., Suite 190  
Roseville California 95661 Attention: Ryan R. Jones, Esq.

**If to Owner:** Ogulin Hills, LLC  
637 Lindaro St., Suite 201, San Rafael, CA 94901

Notices sent in accordance with this Section shall be deemed delivered upon the: **(a)** date of delivery as indicated on the written confirmation of delivery (if sent by overnight courier service); **(b)** date of actual receipt (if personally delivered by other means); **(c)** date of transmission (if sent by email or telecopier, so long as sender receives actual confirmation that the transmission was received); or **(d)** date of delivery as indicated on the return receipt (if sent

by certified or registered mail, return receipt requested). Notice of change of address shall be given by written notice in the manner detailed in this Section.

20. Breach and Remedies. Notwithstanding any provision of this Agreement to the contrary, Owner shall not be deemed to be in default under this Agreement with respect to any obligation owed solely to City, and City may not terminate or modify Owner's rights under this Agreement, unless City shall have first delivered a written notice of any alleged default to Owner that specifies the nature of such default. If such default is not cured by Owner within sixty (60) days after receipt of such notice of default, or with respect to defaults that cannot be cured within such period, Owner fails to commence to cure the default within thirty (30) days after receipt of the notice of default, or thereafter fails to diligently pursue the cure of such default, City may terminate Owner's rights under this Agreement. Default by any Assignee or Owner's successor in interest shall affect only that portion of the Site owned by such Assignee or successor, and shall not cancel or diminish in any way Owner's rights with respect to any portion of the Site not owned by such Assignee or successor. In the event that a breach of this Agreement occurs, irreparable harm is likely to occur to the non-breaching Party and damages will be an inadequate remedy. To the extent permitted by law, therefore, it is expressly recognized that injunctive relief and specific enforcement of this Agreement are proper and desirable remedies, and it is agreed that any claim by Owner against City for an alleged breach of this Agreement shall be remedied by injunctive relief or an appropriate action for specific enforcement of this Agreement and not by a claim or action for monetary damages.

21. Entire Agreement. This Agreement and the Exhibits herein contain the entire integrated agreement among the Parties. The Parties intend that this Agreement state their agreement in full to each and every one of its provisions. Any prior agreements, understandings, promises, negotiations or representations respecting the matters dealt with herein or the duties of any Party in relation thereto, not expressly set forth in this Agreement, are agreed by all Parties to be null and void.

22. Severability. If any term, provision, condition, or covenant of this Agreement, or the application thereof to any Party or circumstance, shall to any extent be held invalid or unenforceable, the remainder of the instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. Attorneys' Fees. If the services of any attorney are required by any party to secure the performance of this Agreement or otherwise upon the breach or default of another party, or

if any judicial remedy or arbitration is necessary to enforce or interpret any provisions of this Agreement or the rights and duties of any person in relation to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Prevailing party includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

Whenever provision is made in this Agreement for the payment of attorney's fees, such fees shall be payable whether the legal services are rendered by a salaried employee for the party or by independent counsel and shall include such fees as are incurred in connection with any pretrial proceeding, trial or appeal of the action. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which constitute one and the same instrument.

25. Execution of Agreement. The Parties shall sign this Agreement on or within five (5) business days of approval.

26. Authority to Execute. All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.

27. Estoppel Certificate. City shall, at any time and from time to time within ten (10) days after receipt of written notice from Owner so requesting, execute, acknowledge and deliver to Owner a statement in writing: **(a)** certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); and **(b)** acknowledging that there are no uncured defaults on the part of Owner hereunder or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrances of all or any portion of the Site. Upon Owner's written request, City shall issue a certificate of performance evidencing completion of any of Owner's obligation(s) under this Agreement.

## 28. Encumbrances on Real Property.

28.1 Discretion to Encumber. The Parties hereto agree that this Agreement shall not prevent or limit Owner, in any manner, at Owner's sole discretion, from encumbering the Site or any portion thereof or any improvements thereon then owned by such person with any mortgage, deed of trust or other security device ("Mortgage") securing financing with respect to the Site or such portion. City acknowledges that the lenders providing such financing may require certain modifications, and City agrees, upon request, from time to time, to meet with Owner and/or representatives of such lenders to negotiate in good faith any such request for modification. City further agrees that it will not unreasonably withhold its consent to any such requested modification. Any mortgagee or trust deed beneficiary of the Site or any portion thereof or any improvements thereon and its successors and assigns ("Mortgagee") shall be entitled to the following rights and privileges.

28.2 Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Owner may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement, provided, further, that any modifications of this Agreement are subject to the provisions of this Agreement relative to modifications or amendments.

28.3 Mortgage Protection. This Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Site or any portion thereof by a Mortgagee (whether pursuant to a Mortgage, foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise) shall be subject to all of the terms and conditions of this Agreement.

28.4 Mortgagee Not Obligated. Notwithstanding the provisions of Section 26.2, no Mortgagee will have any obligation or duty under this Agreement to perform the obligations of Owner or other affirmative covenants of Owner hereunder, or to guarantee such performance, except that to the extent that Mortgagee opts to receive the benefits of the Agreement, including the right to operate, any covenant to be performed by Owner is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder. No Mortgagee will be liable for any monetary defaults arising prior to its acquisition of title to the Site or any portion thereof. Uncured monetary defaults will terminate the Agreement and Mortgagee's right to operate.

28.5 Written Notice of Default. Each Mortgagee shall be entitled to receive written notice from City of any default by Owner under this Agreement, if such default is not

cured within thirty (30) days, provided such Mortgagee has delivered a written request to City for such notice. Each Mortgagee shall have a further right, but not the obligation, to cure such default for a period of thirty (30) days after receipt of such notice of default. Any non-curable defaults of Owner of any obligation owed solely to City arising prior to Mortgagee's acquisition of title to the Site or any portion thereof shall be waived; provided, however, the non-payment of money shall not be deemed a non-curable default.

29. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and, subject to City's written consent, their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

30. Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California. Furthermore, the Parties agree to venue in the Superior Court of Lake County, California.

31. Mutual Covenants. The covenants contained herein, including those contained in the Recitals herein, are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

32. Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement ("Successors"). Furthermore, the rights and remedies, together with the benefits and burdens of this Agreement of each Party to this Agreement shall be coextensive with those of its Successors. All provisions of this Agreement shall be enforceable as equitable servitude's and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Site: (a) is for the benefit of and is a burden upon every portion of the Site; (b) runs with the Site and each portion thereof; and, (c) is binding upon each Party and each Successor during ownership of the Site or any portion thereof. From and after recordation of this Agreement, the Agreement shall impute notice to all persons and entities in accord with the recording laws of this State.

33. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their Successors and Assignees. No other person or entity shall have any right of action based upon any provision of this Agreement.

34. Waiver. Failure by a Party to insist upon the strict performance of any of this

Agreement's provisions by the other party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

35. Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

36. Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the County Recorder by the City Clerk within the period required by Government Code Section 65868.5.

37. Headings. The headings in this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.

38. Jointly Drafted. It is agreed among the parties that this Agreement was jointly negotiated and jointly drafted by the Parties and their respective counsel, and that it shall not be interpreted or construed in favor of or against any party solely on the ground that it drafted the Agreement. It is also agreed and represented by all Parties that said Parties were of equal or relatively equal bargaining power and that in no way whatsoever shall this Agreement be deemed to be a contract of adhesion, or unreasonable or unconscionable.

39. Independent Legal Counsel. Each party acknowledges that it has been represented by independent legal counsel of its own choice throughout all of the negotiations that preceded the execution of this Agreement or has knowingly and voluntarily declined to consult legal counsel, and that each Party has executed this Agreement with the consent and on the advice of such independent legal counsel.

40. Further Cooperation. The parties herein agree to execute any and all agreements, documents or instruments as may be reasonably necessary in order to fully effectuate the agreements and covenants of the Parties contained in this Agreement, or to evidence this Agreement as a matter of public record, if required to fulfill the purposes of this Agreement. The Parties further agree to mutually cooperate with one another in carrying out the purposes of this

Agreement.

41. Enforceability. This Agreement shall not become binding and shall have no force and effect whatsoever until such time as it has been fully executed by and delivered to all of the parties hereto.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the Execution Date.

“CITY”

CITY OF CLEARLAKE, CA a California  
Municipal Corporation

Date: \_\_\_\_\_, 2021

By: \_\_\_\_\_

Mayor

Attest:

By: \_\_\_\_\_

City Clerk

*Approved as to form:*

Jones & Mayer

By: \_\_\_\_\_

\_\_\_\_\_  
Ryan R. Jones, Esq.

City Attorney

“OWNER”

Ogulin Hills, LLC, Brian D. Pensack, Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_, 2021

Brian D. Pensack, Manager



## **EXHIBIT A: LEGAL DESCRIPTION**

Real property in the City of Clearlake, County of Lake, State of California, described as follows:  
PARCEL C AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY  
RECORDER OF SAID LAKE COUNTY ON MARCH 22, 1984, IN BOOK 25 OF PARCEL MAPS AT  
PAGE 3, LAKE COUNTY RECORDS.

APN: 010-044-170-00

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
 County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,  
 (Date) (Here Insert Name and Title of the Officer)

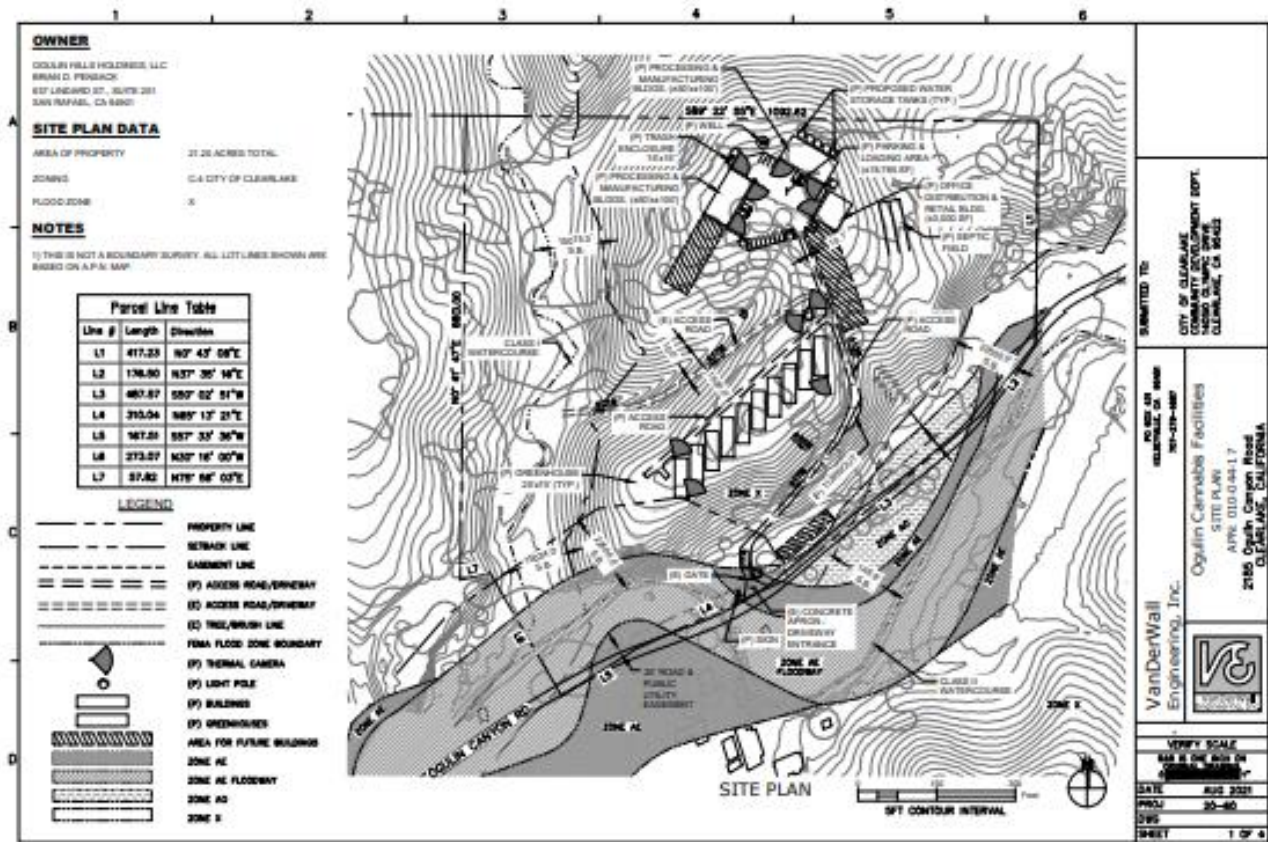
personally appeared \_\_\_\_\_,  
 (Name(s) of Signer(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

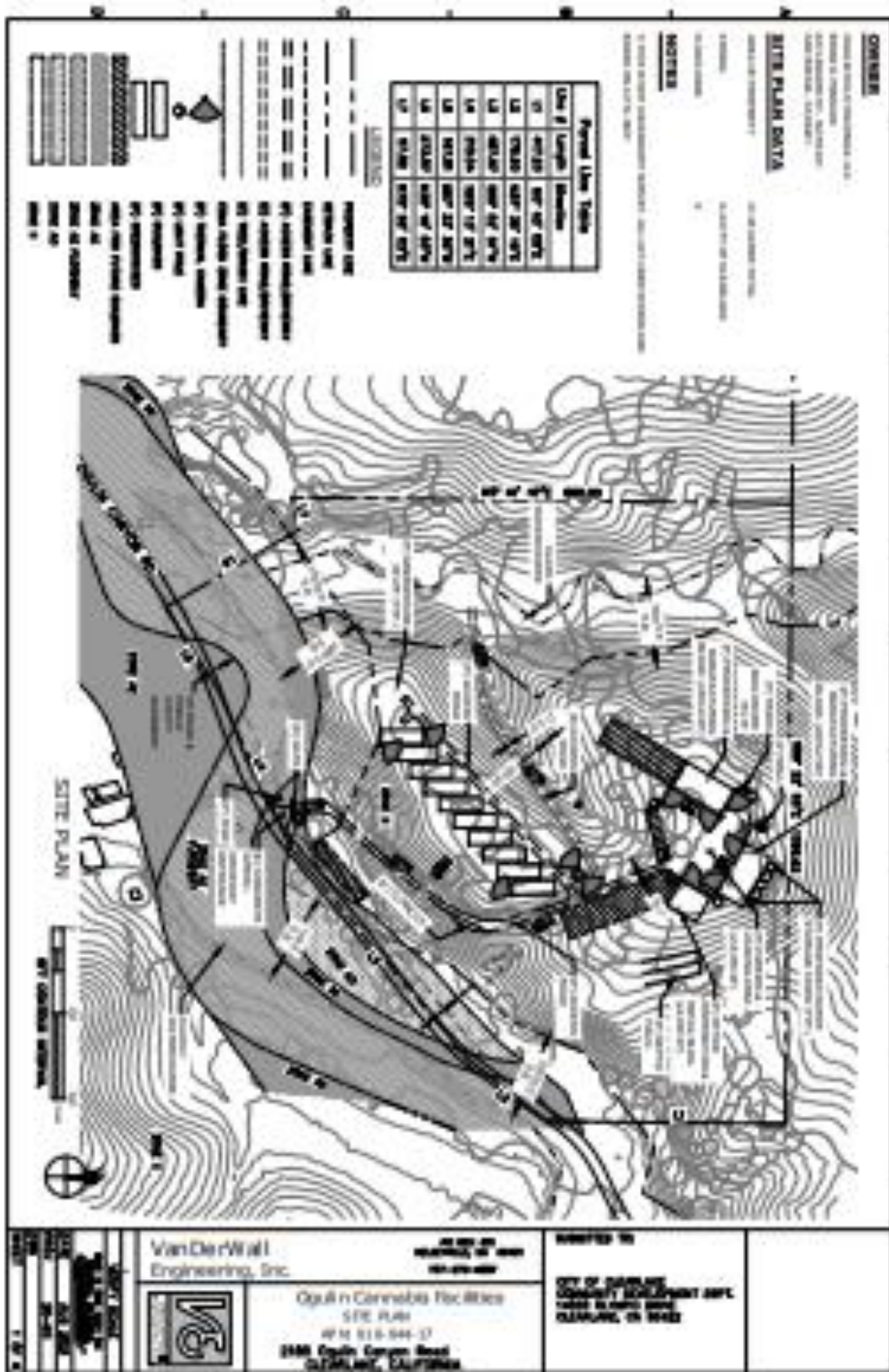
Signature \_\_\_\_\_ (Seal)  
 (Signature of Notary Public)




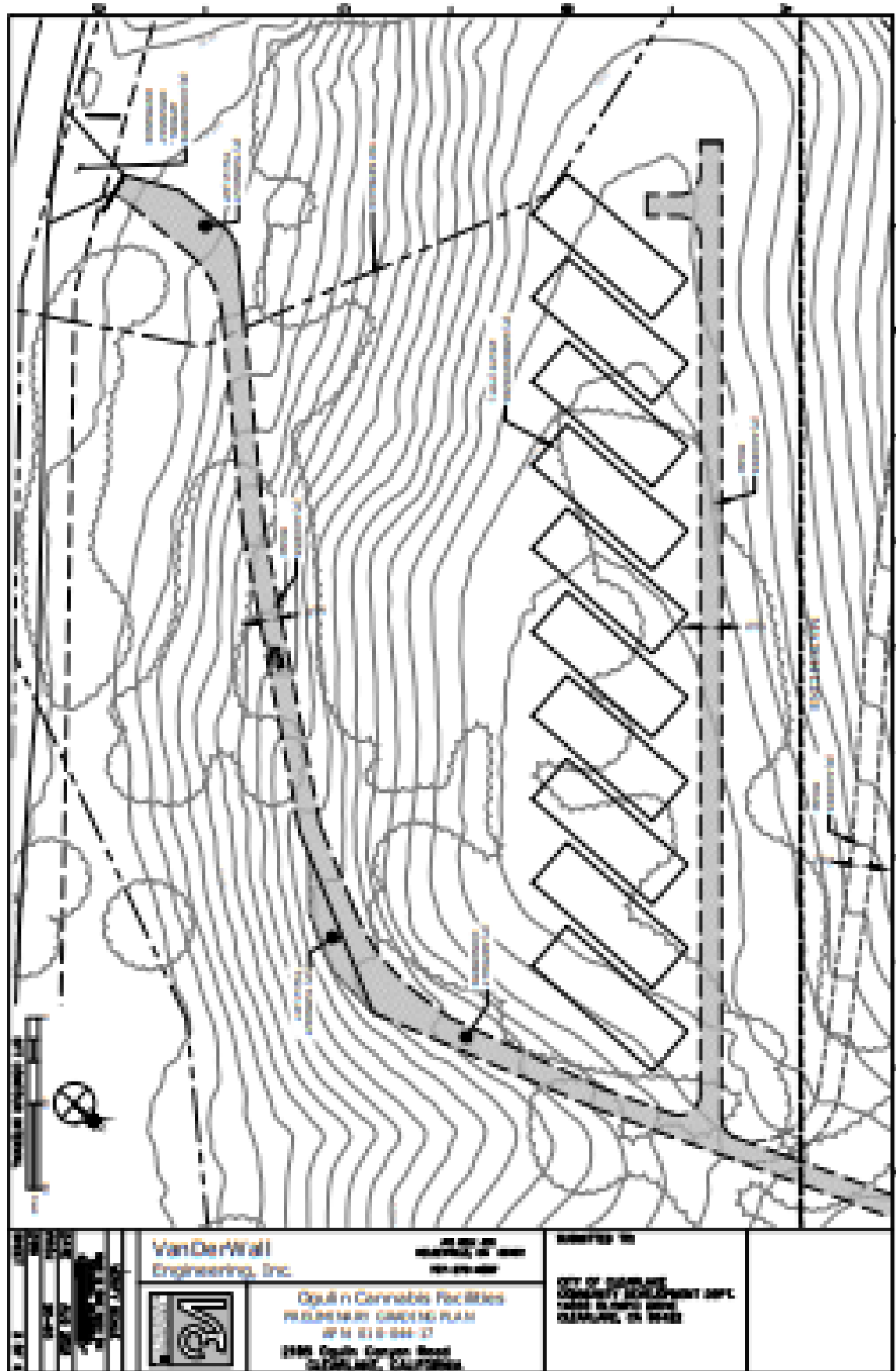


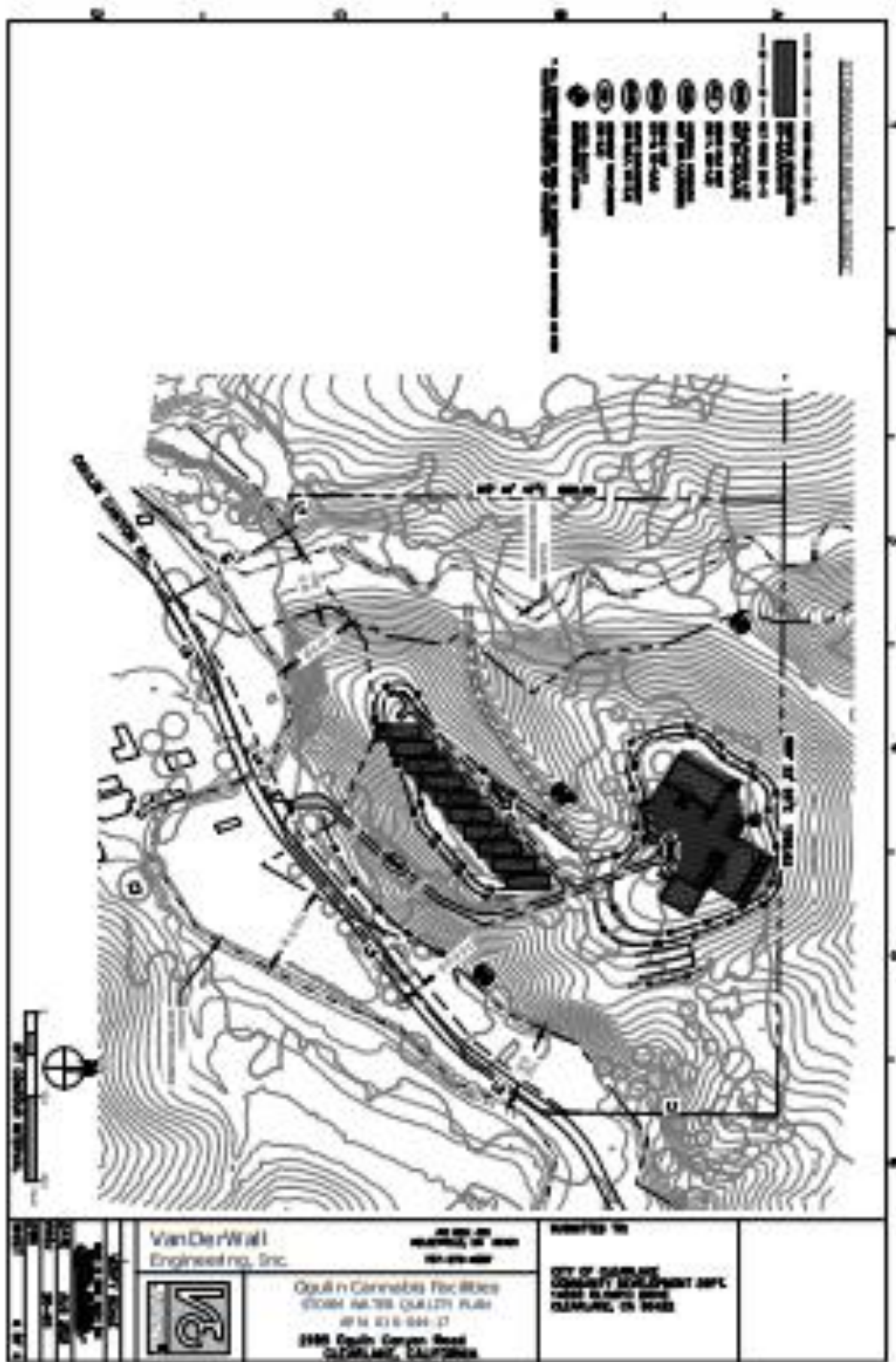




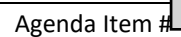


	<p><b>VanDerWal Engineering, Inc.</b></p> <p>20-000-00 REVISION 01 0000 100-000-000</p>	<p><b>REVISION 01</b></p> <p>001 OF 001 REVISION 01 0000 100-000-000</p>	<p><b>001 OF 001 REVISION 01 0000 100-000-000</b></p>
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# **CITY OF CLEARLAKE**

## **MITIGATED NEGATIVE DECLARATION**

**FINAL ENVIRONMENTAL INITIAL STUDY  
(IS 2021-02)  
SCH No. 2021060656**

**COMMERCIAL CANNABIS OPERATION**

**LOCATED AT:  
2185 Ogulin Canyon Road, Clearlake, CA**

**August 30, 2021**

# FINAL ENVIRONMENTAL INITIAL STUDY

## PUBLIC REVIEW

The draft Initial Study for this project was circulated for public review between June 30, 2021 to August 6, 2021. This circulation included distribution to the California Clearinghouse and local agencies. Below are written comments received from agencies followed by Table 1, City Responses to Agency Comments. Some parts of the Draft Initial Study was revised for minor clarification to respond to agency comments. However, the Draft Initial Study and related mitigation measures were not substantially amended in this Final Initial Study. Therefore, the City, as lead agency for this project, has determined that the Initial Study does not need to be recirculated and has been determined to adequately address concerns referenced by all agencies. Therefore, this document is formalized as the Final Initial Study and the City may issue a mitigated negative declaration based on their concurrence of adequacy.

The following are comments and City responses to comment to the following agencies:

1. Lake County Department of Environmental Health
2. Lake County Fire Protection
3. Lake County Air Quality Management District
4. Central Valley Regional Water Quality Control Board
5. California Department of Cannabis Control (DCC)





**COUNTY OF LAKE**  
 Health Services Department  
 Environmental Health Division  
 922 Bevins Court  
 Lakeport, California 95453-9739  
 Telephone 707/263-1164  
 FAX 707/263-1681

Denise Pomeroy  
 Health Services Director

Gary Pace, MD, MPH  
 Health Officer

Craig Wetherbee  
 Environmental Health Director

#### MEMORANDUM

DATE: March 11, 2021

TO: Mark Roberts, Senior Planner – City of Clearlake

FROM: Tina Dawn-Rubin, Environmental Health Aide

RE: Use Permits UP 21-05; 21-06; UP 21-07; UP 21-08; IS 21-02  
 Commercial Cannabis

APN: 010-044-17 2185 Ogulin Canyon Rd, Clearlake

Lake County Division of Environmental Health (EH) has on file for the subject parcel:  
**APN: 010-044-17** – a 2021 well permit (WE 5569 AG) for an AG well; a 2016 site evaluation report for an on-site waste water treatment system; a 2008 septic permit (20594) designed to service a commercial facility was issued and appears not installed (no final inspection on file); a 2008 site evaluation report; a 2007 well permit (WE 2564) for a domestic well; a 1979 septic permit (4798-S) designed to service a 2 bedroom dwelling.

The applicant must meet the EH requirements regarding Onsite Wastewater Treatment System (OWTS) and potable water.

For any proposed building permits or projects where the parcel is serviced by an OWTS or well, the applicant may need to demonstrate the location of any proposed or existing structures including residential or commercial dwellings, garages, driveways, shed, barns, green houses, non-perimeter fences, well houses, etc., and the location of the proposed project on a to-scale site plan prior to building permit issuance and/or project approval.

EH may require a field clearance to validate septic or well locations prior to site plan approval.

If the applicant is proposing a commercial cannabis operation and the operation will be constructing or utilizing an existing structure (i.e., processing facility) that will have plumbing for a restroom, sink, etc, that structure will be required to have its own OWTS, separate from any existing or new OWTS designed to service a residential structure.

If the applicant is proposing an OWTS, then applicant must apply for a site evaluation and, if the site is acceptable to support an OWTS, apply for a permit.

EH requires all applicants to provide a written declaration of the chemical names and quantities of any hazardous material to be used on site. As a general rule, if a material has a Safety Data Sheet, that material may be considered as part of the facilities hazardous materials declaration.

***Promoting an Optimal State of Wellness in Lake County***

March 29, 2021

Lake County Fire Protection District will be requiring the following but not be limited to:

1. New occupant will need to secure an application on file that can be located within our front office.
2. Submit 3 sets of plans for review and approval prior to building. An occupancy inspection will be required prior to occupancy.
3. Fees will be applied and can be found on our website.
4. Provide knock box for fire department access.
5. Ensure proper fire extinguishers are used.
6. Ensure emergency lighting is current.
7. Manufacturing requires a full fire sprinkler system with fire alarm to notify occupants to exit. Fire suppression plans needs to be submitted and approved prior to installation.
8. Provide all data on extraction equipment, cultivation CO2, etc....
9. Submit operational business plan.

Our FAQ sheet is located as well on our website that will be able to provide additional information on types of licenses. Also, our website gives direction to business owners on current building codes that is enforceable.

Thanks and have a great day

**Cory Smith**  
Fire Marshal

Lake County Fire Protection District

[CSmith@lakecountyfire.com](mailto:CSmith@lakecountyfire.com)

14815 Olympic Drive  
Clearlake, Ca. 95422

707-994-2170 office  
707-350-4140 cell  
707-9944861 fax

**From:** Fahmy Attar <[fahmya@lcaqmd.net](mailto:fahmya@lcaqmd.net)>  
**Sent:** Monday, June 7, 2021 11:42 AM  
**To:** Mark Roberts <[mroberts@clearlake.ca.us](mailto:mroberts@clearlake.ca.us)>  
**Cc:** Doug Gearhart <[doug@lcaqmd.net](mailto:doug@lcaqmd.net)>  
**Subject:** Re: RFR - 2160 Ogulin Canyon road Cannabis Project  
**Importance:** High

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Mark,

For a Cannabis operation site, here is a list of Air Quality requirements that may be applicable to the site:

1. Off-site odor impacts should be mitigated to minimize nuisance to nearby residences, property, and public roads.
2. Any manufacturing or delivery Cannabis operations must comply with LCAQMD rules and regulations. An application must be submitted. Contact LCAQMD for more details.
3. Any demolition or renovation is subject to the Federal National Emissions Standard for Hazardous Air Pollutants (NESHAP) for asbestos in buildings requires asbestos inspections by a Certified Asbestos Consultant for all major renovations and all demolition. An Asbestos Notification Form with the Asbestos inspection report must be submitted to the District at least 14 days prior to beginning any demolition work. The applicant must contact the District for more details and proper approvals. Regardless of asbestos content or reporting requirements all demolition and renovation activities should use adequate water/ amended water to prevent dust generation and nuisance conditions.
4. Construction activities that involve pavement, masonry, sand, gravel, grading, and other activities that could produce airborne particulate should be conducted with adequate dust controls to minimize airborne emissions. A dust mitigation plan may be required should the applicant fail to maintain adequate dust controls.

5. If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction activities. Contact LCAQMD for more details.
6. All engines must notify LCAQMD prior to beginning construction activities and prior to engine Use. Mobile diesel equipment used for construction and/or maintenance must be in compliance with State registration requirements. All equipment units must meet Federal, State and local requirements. All equipment units must meet RICE NESHAP/NSPS requirements including proper maintenance to minimize airborne emissions and proper record-keeping of all activities, all units must meet the State Air Toxic Control Measures for CI engines, and must meet local regulations. Contact LCAQMD for more details.
7. Site development, vegetation disposal, and site operation shall not create nuisance odors or dust. During the site preparation phase, the District recommends that any removed vegetation be chipped and spread for ground cover and erosion control. Burning is not allowed on commercial property, materials generated from the commercial operation, and waste material from construction debris, must not be burned as a means of disposal.
8. Significant dust may be generated from increase vehicle traffic if driveways and parking areas are not adequately surfaced. Surfacing standards should be included as a requirement in the use permit to minimize dust impacts to the public, visitors, and road traffic. At a minimum, the District recommends chip seal as a temporary measure for primary access roads and parking. Paving with asphaltic concrete is preferred and should be required for long term occupancy. All areas subject to semi truck / trailer traffic should require asphaltic concrete paving or equivalent to prevent fugitive dust generation. Gravel surfacing may be adequate for low use driveways and overflow parking areas, however, gravel surfaces require more maintenance to achieve dust control, and permit conditions should require regular palliative treatment if gravel is utilized. White rock is not suitable for surfacing (and should be prohibited in the permit) because of its tendency to break down and create excessive dust. Grading and re-graveling roads should utilizing water trucks if necessary, reduce travel times through efficient time management and consolidating solid waste removal/supply deliveries, and speed limits.

Best Regards,

**Fahmy Attar**  
 Air Quality Engineer  
 Lake County Air Quality Management District  
 2617 S. Main Street, Lakeport, CA, 95453

[fahmya@lcaqmd.net](mailto:fahmya@lcaqmd.net)





## Central Valley Regional Water Quality Control Board

6 August 2021

Mark Roberts  
City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 95422-8801

### **COMMENTS TO REQUEST FOR REVIEW FOR THE MITIGATED NEGATIVE DECLARATION, OGULIN HILLS HOLDINGS, LLC PROJECT, SCH#2021060656, LAKE COUNTY**

Pursuant to the State Clearinghouse's 29 June 2021 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Request for Review for the Mitigated Negative Declaration* for the Ogulin Hills Holdings, LLC Project, located in Lake County.

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

#### **I. Regulatory Setting**

##### **Basin Plan**

The Central Valley Water Board is required to formulate and adopt Basin Plans for all areas within the Central Valley region under Section 13240 of the Porter-Cologne Water Quality Control Act. Each Basin Plan must contain water quality objectives to ensure the reasonable protection of beneficial uses, as well as a program of implementation for achieving water quality objectives with the Basin Plans. Federal regulations require each state to adopt water quality standards to protect the public health or welfare, enhance the quality of water and serve the purposes of the Clean Water Act. In California, the beneficial uses, water quality objectives, and the Antidegradation Policy are the State's water quality standards. Water quality standards are also contained in the National Toxics Rule, 40 CFR Section 131.36, and the California Toxics Rule, 40 CFR Section 131.38.

The Basin Plan is subject to modification as necessary, considering applicable laws, policies, technologies, water quality conditions and priorities. The original Basin Plans were adopted in 1975, and have been updated and revised periodically as required, using Basin Plan amendments. Once the Central Valley Water Board has adopted a Basin Plan amendment in noticed public hearings, it must be approved by the State Water Resources Control Board (State Water Board), Office of Administrative Law (OAL) and in some cases, the United States Environmental

KARL E. LONGLEY ScD, P.E., CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

11020 Sun Center Drive #200, Rancho Cordova, CA 95670 | [www.waterboards.ca.gov/centralvalley](http://www.waterboards.ca.gov/centralvalley)

Ogulin Hills Holdings, LLC Project  
Lake County

- 2 -

6 August 2021

Protection Agency (USEPA). Basin Plan amendments only become effective after they have been approved by the OAL and in some cases, the USEPA. Every three (3) years, a review of the Basin Plan is completed that assesses the appropriateness of existing standards and evaluates and prioritizes Basin Planning issues. For more information on the *Water Quality Control Plan for the Sacramento and San Joaquin River Basins*, please visit our website:

[http://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/](http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/)

#### **Antidegradation Considerations**

All wastewater discharges must comply with the Antidegradation Policy (State Water Board Resolution 68-16) and the Antidegradation Implementation Policy contained in the Basin Plan. The Antidegradation Implementation Policy is available on page 74 at:

[https://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/sacsir\\_2018\\_05.pdf](https://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/sacsir_2018_05.pdf)

In part it states:

*Any discharge of waste to high quality waters must apply best practicable treatment or control not only to prevent a condition of pollution or nuisance from occurring, but also to maintain the highest water quality possible consistent with the maximum benefit to the people of the State.*

*This information must be presented as an analysis of the impacts and potential impacts of the discharge on water quality, as measured by background concentrations and applicable water quality objectives.*

The antidegradation analysis is a mandatory element in the National Pollutant Discharge Elimination System and land discharge Waste Discharge Requirements (WDRs) permitting processes. The environmental review document should evaluate potential impacts to both surface and groundwater quality.

## **II. Permitting Requirements**

#### **Cannabis General Order**

Cannabis cultivation operations are required to obtain coverage under the State Water Resources Control Board's *General Waste Discharge Requirements and Waiver of Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities Order No. WQ 2017-0023-DWQ* (the Cannabis General Order). Cultivators that divert and store surface water (stream, lake, subterranean stream, etc.) to irrigate cannabis also need a valid water right.

The Water Boards Cannabis Cultivation Programs offer an easy to use online Portal for cultivators to apply for both Cannabis General Order coverage and a Cannabis Small Irrigation Use Registration (SIUR) water right, if needed. Visit the Water Boards Cannabis Cultivation Programs Portal at:

<https://public2.waterboards.ca.gov/CGO>

Additional information about the Cannabis General Order, Cannabis SIUR Program, and Portal can be found at: [www.waterboards.ca.gov/cannabis](http://www.waterboards.ca.gov/cannabis)



Ogulin Hills Holdings, LLC Project  
Lake County

- 3 -

6 August 2021

For questions about the Cannabis General Order, please contact the Central Valley Water Board's Cannabis Permitting and Compliance Unit at: [centralvalleysacramento@waterboards.ca.gov](mailto:centralvalleysacramento@waterboards.ca.gov) or (916) 464-3291. For questions about Water Rights (Cannabis SIUR), please contact the State Water Board's Division of Water Rights at: [CannabisReg@waterboards.ca.gov](mailto:CannabisReg@waterboards.ca.gov) or (916) 319-9427.

#### **Construction Storm Water General Permit**

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit), Construction General Permit Order No. 2009-0009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). For more information on the Construction General Permit, visit the State Water Resources Control Board website at:

[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/constpermits.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml)

#### **Phase I and II Municipal Separate Storm Sewer System (MS4) Permits<sup>1</sup>**

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:

[http://www.waterboards.ca.gov/centralvalley/water\\_issues/storm\\_water/municipal\\_permits/](http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/)

For more information on the Phase II MS4 permit and who it applies to, visit the State Water Resources Control Board at:

[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/phase\\_ii\\_municipal.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/phase_ii_municipal.shtml)

#### **Industrial Storm Water General Permit**

<sup>1</sup> Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.

Ogulin Hills Holdings, LLC Project  
Lake County

- 4 -

6 August 2021

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 2014-0057-DWQ. For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:  
[http://www.waterboards.ca.gov/centralvalley/water\\_issues/storm\\_water/industrial\\_general\\_permits/index.shtml](http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml)

#### **Clean Water Act Section 404 Permit**

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACE). If a Section 404 permit is required by the USACE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements. If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACE at (916) 557-5250.

#### **Clean Water Act Section 401 Permit – Water Quality Certification**

If an USACE permit (e.g., Non-Reporting Nationwide Permit, Nationwide Permit, Letter of Permission, Individual Permit, Regional General Permit, Programmatic General Permit), or any other federal permit (e.g., Section 10 of the Rivers and Harbors Act or Section 9 from the United States Coast Guard), is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications. For more information on the Water Quality Certification, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/water\\_issues/water\\_quality/certification/](https://www.waterboards.ca.gov/centralvalley/water_issues/water_quality/certification/)

#### **Waste Discharge Requirements – Discharges to Waters of the State**

If USACE determines that only non-jurisdictional waters of the State (i.e., "non-federal" waters of the State) are present in the proposed project area, the proposed project may require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation. For more information on the Waste Discharges to Surface Water NPDES Program and WDR processes, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/water\\_issues/waste\\_to\\_surface\\_water/](https://www.waterboards.ca.gov/centralvalley/water_issues/waste_to_surface_water/)

Projects involving excavation or fill activities impacting less than 0.2 acre or 400 linear feet of non-jurisdictional waters of the state and projects involving dredging activities impacting less than 50 cubic yards of non-jurisdictional waters of the state may be eligible for coverage under the State Water Resources Control Board Water



Ogulin Hills Holdings, LLC Project  
Lake County

- 5 -

6 August 2021

Quality Order No. 2004-0004-DWQ (General Order 2004-0004). For more information on the General Order 2004-0004, visit the State Water Resources Control Board website at:  
[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2004/wqo/wqo2004-0004.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf)

#### **Dewatering Permit**

If the proposed project includes construction or groundwater dewatering to be discharged to land, the proponent may apply for coverage under State Water Board General Water Quality Order (Low Threat General Order) 2003-0003 or the Central Valley Water Board's Waiver of Report of Waste Discharge and Waste Discharge Requirements (Low Threat Waiver) R5-2018-0085. Small temporary construction dewatering projects are projects that discharge groundwater to land from excavation activities or dewatering of underground utility vaults. Dischargers seeking coverage under the General Order or Waiver must file a Notice of Intent with the Central Valley Water Board prior to beginning discharge.

For more information regarding the Low Threat General Order and the application process, visit the Central Valley Water Board website at:  
[http://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2003/wqo/wqo2003-0003.pdf](http://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2003/wqo/wqo2003-0003.pdf)

For more information regarding the Low Threat Waiver and the application process, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/waivers/r5-2018-0085.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/waivers/r5-2018-0085.pdf)

#### **Limited Threat General NPDES Permit**

If the proposed project includes construction dewatering and it is necessary to discharge the groundwater to waters of the United States, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. Dewatering discharges are typically considered a low or limited threat to water quality and may be covered under the General Order for *Limited Threat Discharges to Surface Water* (Limited Threat General Order). A complete Notice of Intent must be submitted to the Central Valley Water Board to obtain coverage under the Limited Threat General Order. For more information regarding the Limited Threat General Order and the application process, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/general\\_orders/r5-2016-0076-01.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2016-0076-01.pdf)

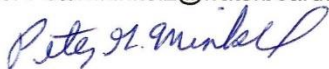
#### **NPDES Permit**

If the proposed project discharges waste that could affect the quality of surface waters of the State, other than into a community sewer system, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. A complete Report of Waste Discharge must be submitted with the Central Valley Water Board to obtain a NPDES Permit. For more information regarding the NPDES Permit and the application process, visit the Central Valley Water Board website at: <https://www.waterboards.ca.gov/centralvalley/help/permit/>

Ogulin Hills Holdings, LLC Project - 6 -  
Lake County

6 August 2021

If you have questions regarding these comments, please contact me at (916) 464-4684  
or Peter.Minkel2@waterboards.ca.gov.



Peter G. Minkel  
Engineering Geologist

cc: State Clearinghouse unit, Governor's Office of Planning and Research,  
Sacramento



Department of  
Cannabis Control  
CALIFORNIA

Gavin Newsom  
Governor

Nicole Elliott  
Director

August 10, 2021

Mark Roberts, Senior Planner  
City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 95422  
(707) 994-8201  
mroberts@clearlake.ca.us

Re: Review of Initial Study/Mitigated Negative Declaration (SCH No. 2021060656) – Ogulin Hills Holdings, LLC Conditional Use Permits and Initial Study 2021-02

Dear Mr. Roberts:

Thank you for providing the California Department of Cannabis Control (DCC) the opportunity to comment on the Initial Study/Mitigated Negative Declaration (IS/MND; SCH No. 2021060656) prepared by the City of Clearlake for the proposed Ogulin Hills Holdings, LLC Conditional Use Permits (CUPs) 2021-05, 2021-06, 2021-07, 2021-08, and 2021-09 and Initial Study (IS) 2021-02 (Proposed Project).

DCC has jurisdiction over the issuance of licenses to cannabis microbusinesses, which engage in at least three of the following activities at one location:

- Cultivation – up to 10,000 total square feet
- Manufacturing – use of non-volatile solvents, mechanical extraction or infusion
- Distribution or distribution transport-only
- Retail – storefront or non-storefront

DCC may issue a license to a microbusiness that meets all licensing requirements, and where the local jurisdiction authorizes these activities. (Bus. & Prof. Code, § 26012(a).) All commercial cannabis businesses within California require a license from DCC. For more information pertaining to commercial cannabis business license requirements, including DCC regulations, please visit: <https://cannabis.ca.gov/resources/rulemaking/>.

DCC expects to be a Responsible Agency for this project under the California Environmental Quality Act (CEQA) because the project will need to obtain an annual microbusiness license from DCC. In order to ensure that the IS/MND is sufficient for DCC's needs at that time, DCC requests that a copy of the IS/MND, revised to respond to the comments provided in this letter, and a signed Notice of Determination be provided to the applicant, so the applicant can include them with the application package it submits to DCC. This should apply not only to this

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844-61-CA-DCC (844-612-2322) • [info@cannabis.ca.gov](mailto:info@cannabis.ca.gov) • [www.cannabis.ca.gov](http://www.cannabis.ca.gov)

Business, Consumer Services  
and Housing Agency

Proposed Project, but to all future CEQA documents related to cannabis business applications in the City of Clearlake.

DCC offers the following comments concerning the IS/MND.

## **General Comments (GC)**

### ***GC 1: Project Description Clarifications***

The IS/MND Project Description (Question 19) would be improved if the following items were clarified:

- Full description of Proposed Project operations: Information about operation and maintenance activities at the project site should include days and hours of operation during harvest and non-harvest seasons; sources and amounts of water that will be used, electricity, and utility services and estimated demand for those services; amount of paved surfaces, vegetation removal, and demolition required; number of vehicle trips during harvest and non-harvest seasons; design information for the greenhouse, processing, and office structures; descriptions of the activities and materials that would be involved in the greenhouse, processing, and manufacturing facilities, including the use of hazardous materials or substances; description of the proposed canopy size and the cultivation techniques to be used (e.g., indoor outdoor, mixed-light); and a description of the manufacturing techniques that will be used.
- Site plan: The Project Description would be strengthened if the site plan were provided as a figure in the IS/MND rather than an attachment.
- Land use and zoning designations: The Project Description would be improved if it described (and/or included figures depicting) general plan land use designations and zoning designations for the project site and surrounding properties.
- Adjacent uses: The Project Description would be strengthened if it included specific descriptions of adjacent uses, including distances to any sensitive receptors.

### ***GC 2: Cannabis Manufacturing***

The IS/MND does not specify whether the project includes manufacturing using volatile solvents. If the project will include manufacturing using volatile solvents, a manufacturing license from the DCC will be required in addition to a microbusiness license. In addition, the IS/MND should provide a description of the volatile substances that will be used in product manufacture, and should include analyses of the potential environmental impacts that may result from the use of these substances. In addition, the analyses should describe and consider any measures the Proposed Project will implement that may lessen or reduce potential impacts. In particular, the document should include detailed analyses of impacts related to air quality, hazards and hazardous substances, and greenhouse gas emissions.



***GC 3: Site-Specific Reports and Studies***

The IS/MND references several project-specific plans and studies, such as an Air Quality Plan, Odor Control Plan, Serpentine Control Plan, Energy Usage Plan, and Erosion Control and Sediment Plan. To ensure that DCC has supporting documentation for the IS/MND, DCC requests that the City advise applicants to provide copies of all project-specific plans and supporting documentation with their state application package for annual cultivation license to DCC.

***GC 4: Impact Analysis***

Several comments provided in the comment table below relate to the absence of information or support for impact statements in the document. CEQA requires that Lead Agencies evaluate the environmental impacts of proposed projects and support factual conclusions with "substantial evidence." Substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. In general, the IS/ND would be improved if additional evidence (e.g., regulatory setting, environmental setting, impact analysis and methodology, impact assessment, etc.) was provided to support the impact statements in the checklist, including the sources of information relied upon to make conclusions.

***GC 5: Identification of Federal, State, and Local Regulations***

In multiple instances throughout the document, the IS/MND states that "the applicant will adhere to all Federal, State, and local requirements/regulations." Without more information about the requirements and regulations being referred to, it is difficult to determine whether potential impacts would be avoided. The IS/MND would be strengthened if applicable requirements and regulations were described in the context of each environmental resource.

***GC 6: Acknowledgement of DCC Regulations***

The IS/MND does not acknowledge that the Proposed Project requires a microbusiness license from DCC. The IS/MND could be improved if it acknowledged that DCC is responsible for licensing, regulation, and enforcement of commercial cannabis microbusiness activities, as defined in the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code, § 26012(a)). In particular, the IS/MND's analysis could benefit from discussion of the protections for environmental resources provided by DCC's cultivation and manufacturing regulations. The impact analysis for each of the following resource topics could be further supported by a discussion of the effects of state regulations on reducing the severity of impacts for each applicable topic:

- Aesthetics (See 3 California Code of Regulations § 16304(c); § 16304(g).)
- Air Quality and Greenhouse Gas Emissions (See § 16102(s); § 16304(e); § 16305; § 16306.)

- Biological Resources (See § 16102(w); § 16102(dd); § 16216; § 16304(a-c); § 16304(g).)
- Cultural Resources (See § 16304(d).)
- Energy (See § 16102(s); § 16305; § 16306.)
- Hazards and Hazardous Materials (See § 16102(q); § 16106(a)(3); § 16304(f); § 16307; §§ 17208 - 17216; § 17225.)
- Hydrology and Water Quality (See § 16102(p); § 16102(v); § 16102(w); § 16102(dd); § 16107(b); § 16216; § 16304(a) and (b); § 16307.)
- Noise (See § 16304(e); § 16306.)
- Public Services (See § 17200; § 17201; § 17202)
- Utilities and Service Systems (See § 16102(s); § 16108; § 16308.)
- Cumulative Impacts (related to the above topics).

#### ***GC 7: Evaluation of Cumulative Impacts***

It is important for CEQA analysis to consider the cumulative impacts of cannabis cultivation in the City of Clearlake. Of particular importance are topics for which the impacts of individual projects may be less than significant, but where individual projects may make a considerable contribution to a significant cumulative impact. These topics include, but are not limited to:

- cumulative impacts from groundwater diversions on the health of the underlying aquifer, including impacts on other users and impacts on stream-related resources connected to the aquifer;
- cumulative impacts related to transportation; and
- cumulative impacts related to air quality and objectionable odors.

The IS/MND would be improved by acknowledging and analyzing the potential for cumulative impacts resulting from the Proposed Project coupled with other cannabis cultivation projects being processed by the City, and any other reasonably foreseeable projects in Clearlake that could contribute to cumulative impacts similar to those of the Proposed Project.

#### **Specific Comments and Recommendations**

In addition to the general comments provided above, DCC provides the following specific comments regarding the analysis in the IS/MND.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
1	Ques. 21-22	4	Other public agencies whose approval may be required	N/A (General Comment)	The IS/MND could be more informative if it identified the permit(s) or approval(s) required from each of the agencies listed.
2	Ques. 23	4-5	AB 52 Consultation	N/A (General Comment)	The document would be strengthened if it included a list of all tribes contacted as part of the AB 52 consultation process.
3	Ques. 28	9-11	Site Photos	N/A (General Comment)	The IS/MND would be more informative if it included a brief description of the location and significance of each site photo.
4	Ques. 24	5	Impact Categories defined by CEQA	N/A (general comment)	The list of sources would be improved if it provided additional information regarding some of the references. For referenced documents, the author, title, and date of each document could be provided. For personal communications, the agency or organization, person contacted, date of contact, and method of contact should be provided. For websites, the URL and date visited should be provided. In addition, sources that are project-related studies could be made available via weblink or as attachments.
5	I(d)	14-15	Aesthetics	Mitigation Measure AES-1: All outdoor lighting shall be directed downwards and shielded onto the project site and not onto adjacent properties. All lighting shall comply and adhere to all federal, state and local	The IS/MND would be strengthened if the impact analysis and description of Mitigation Measure AES-1 identified the federal, state, and local agency requirements, as well as the City design standards, that would contribute to reduction in light and glare at the project site.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				agency requirements, including all requirements in darksky.org. (Refer to the City's Design Standards).	
6	III(a)	16	Air Quality	Construction of the site will be minimal and some minor site improvements will be necessary but the amount of earth that needs to be moved is not significant enough to trigger a grading permit.	The IS/MND would be improved if the Project Description and/or the impact analysis contained information about construction activities and grading proposed at the site that would support the statement about the need for a grading permit.
7	III(a)	16	Air Quality	No significant odor impacts are anticipated from the proposed cultivation operation, due to the proposed odor control equipment and practices, and the generous setbacks provided from public roads, property lines, and neighboring residences/ outdoor activity areas.	The IS/MND would be improved if the Project Description and/or the impact analysis contained information about proposed odor control equipment and practices and setbacks that would support the statement about the absence of odor impacts.
8	III(a)	17	Air Quality	Mitigation Measure AIR-10: If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction	The IS/MND would be strengthened if it discussed the potential for serpentine soils at the project site, indicated whether serpentine soils are present, and described the requirements of a Serpentine Control Plan that would reduce the impact of naturally occurring asbestos to a less-than-significant level.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				activities. Contact LCAQMD for more details.	
9	IV(a)	20	Biological Resources	Upon reviewing the Biological Resource Assessment all substantial adverse impacts, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service have been reduced. Therefore, to ensure impacts related to the Biological Resources are minimized, the following mitigation measures have been implemented.	The impact analysis summarizes the findings of the Biological Resource Assessment by stating that "all substantial adverse impacts... have been reduced." However, the impact analysis identifies mitigation measures that are described as intended to "ensure impacts related to the Biological Resources are minimized..." The IS/MND would be improved if the analysis and conclusion were revised to be consistent. The IS/MND would be strengthened by clearly stating whether implementation of the proposed mitigation measures would reduce those impacts to a less-than-significant level.
10	IV(e), (f)	21	Biological Resources	However, the project may require the removal of a small cluster of grasses and/or vegetation/trees. ...  However, the project may require the removal of Oak Trees.	The IS/MND would be strengthened if it contains supporting information about proposed removal of vegetation, including oak trees, from the project site. Without supporting information, it is difficult to confirm that impacts would be less than significant.
11	VI(a)	23	Energy	N/A (General Comment)	The IS/MND would be improved if the impact analysis provided estimates of

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
					<p>energy usage required for the Proposed Project and clearly identified the sources of energy.</p> <p>Additionally, the IS/MND would be strengthened if it described how the Proposed Project will comply with federal, State, and local requirements regarding energy use, specifically how the Proposed Project would comply with DCC regulations relating to the use of renewable energy in cultivation projects. (Cal. Code Regs., tit. 4 §§ 16203(g), 16305).</p>
12	VII(a)	23	Geology and Soils	Project design shall incorporate Best Management Practices (BMPs) to the maximum extent practicable to prevent or reduce discharge of all construction or post construction pollutants into the County storm drainage system.	The IS/MND would be improved by describing the BMPs that would be implemented and/or including them as mitigation. Further, the IS/MND would be improved by describing how the incorporation of those specific BMPs would reduce potential for impacts on the County storm drainage system to a less-than-significant level.
13	VII(b)	24	Geology and Soils	Mitigation Measure GEO-1: Prior to any ground disturbance and/or operation, the applicant shall submit Erosion Control and Sediment Plans to the Community Development Department for review and approval. The project shall incorporate Best	The IS/MND would be improved by describing the BMPs that would be implemented and/or including them as mitigation. Further, the IS/MND would be improved by describing how the incorporation of those specific BMPs would reduce potential for impacts on the County storm drainage system to a less-than-significant level.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				Management Practices (BMPs) consistent with the City Code and the State Storm Water Drainage Regulations to the maximum extent practicable to prevent and/or reduce discharge of all construction or post-construction pollutants into the local storm drainage system.	
14	VII(e)	24-25	Geology and Soils	The project parcel is currently vacant, when development occurs, the cannabis operation shall adhere to all applicable Federal, State and local agency requirements regarding wastewater disposal systems, (i.e., connecting to public/private sewer facilities and/or onsite waste management systems (septic). Less Than Significant Impact	The IS/MND would be improved if it provided substantial evidence regarding the project's impacts relative to wastewater disposal.
15	VII(f)	25	Geology and Soils	Disturbance of paleontological resources or unique geologic features is not anticipated, but mitigation measures are in place to assure that in the event any artifacts are found. All potential impacts	The IS/MND would be improved if it clearly described how the identified mitigation measures would reduce impacts on paleontological resources to a less-than-significant level. In addition, the discussion refers to Mitigation Measure CUL-5, which is not described in Section V, Cultural Resources. The IS/MND would be

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				have been reduced to less than significant with the incorporated mitigation measures CUL-1 and CUL-5.	strengthened if the impact analysis correctly identified the relevant mitigation measures.
16	XIII(a)	25	Greenhouse Gas Emissions	At full buildout, the project can expect to generate 107 trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant.	Table 2, "Trip Generation Summary During Harvest," is divide into sections labeled "Near-Term," "Future," and "Buildout." The IS/MND would be improved if these terms were defined. In addition, the impact analysis could explain the connection between "near-term" and the 25 seasonal employees, and between "future" and the 10 full-time employees. The IS/MND would be strengthened if it provided supporting evidence for the statement that 107 trips per day is not considered significant.
17	IX(b)	27	Hazards and Hazardous Materials	The project will not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. ... See Response to Section IX(a): Less than Significant Impact with the incorporated mitigation measure HAZ -1 through HAZ-5.	The impact analysis states that the project will not create a significant hazard; however, the impact analysis also refers to Mitigation Measures HAZ-1 through HAZ-5. The IS/MND would be improved if the impact analysis described what impact requires mitigation and how the mitigation measures would reduce impacts.



Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
18	IX(f)	27	Hazards and Hazardous Materials	The project would not impair or interfere with an adopted emergency response or evacuation plan.	The IS/MND would be improved if it provided substantial evidence regarding the project's impacts relative to emergency response and evacuation plans.
19	X(d)	30	Hydrology and Water Quality	The project site is not located in an area of potential inundation by seiche or tsunami. The parcel is not located within a flood zone.	The IS/MND would be improved if it provided substantial evidence, such as reference to FEMA Flood Insurance Rate Maps, regarding the project's impacts relative to flooding.
20	XIII(a)	31	Noise	N/A (General Comment)	The document would be improved if it described the sources of noise (e.g., cultivation or manufacturing equipment, operation and maintenance activities) expected to occur during project operations and the levels of noise those sources are likely to generate. Additionally, the document should include a description of sensitive receptors, their distances from the Proposed Project site, and an analysis of whether the Project would result in noise-related impacts on sensitive receptors. The discussion should describe how Mitigation Measures NOI-1 through NOI-3 would reduce impacts to a less-than-significant level.
21	XV	32	Public Services	N/A (General Comment)	The analysis of Public Services impacts appears to have been included in Section XVI, Recreation. The document would be improved if this were corrected.
22	XVII(a)	34	Transportation	At full buildout, the project can expect to generate 107	Table 2, "Trip Generation Summary During Harvest," is divided into sections labeled

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant.	"Near-Term," "Future," and "Buildout." The IS/MND would be improved if these terms were defined. In addition, the impact analysis could explain the connection between "near-term" and the 25 seasonal employees, and between "future" and the 10 full-time employees. The IS/MND would be strengthened if it provided supporting evidence for the statement that 107 trips per day is not considered significant.
23	XVIII(b)	35	Tribal Cultural Resources	N/A (General Comment)	The document would be strengthened if it included a list of all tribes contacted as part of the AB 52 consultation process.
24	XIX(b)	36	Utilities and Service Systems	The commercial cannabis operation will not expose occupants to potential pollutants concentrations from a wildfire(s) or the uncontrolled spread of a wildfire. The applicant will adhere to all applicable Federal, State and local agency requirements. <b>Less Than Significant Impact</b>	The checklist and the response in Section XIX(b) appear to have been transposed from Section XX, Wildfire. The document should contain an analysis of whether the Proposed Project would have sufficient water supplies available to serve the project and reasonably foreseeable development during normal, dry, and multiple dry years.
25	XXI	38	Mandatory Findings of Significance	N/A (General Comment)	The IS/MND could be more informative if it listed the mitigation measures it refers to in this section. The measures need not be repeated in full, but at a minimum they should be listed by number.
26	XXI(b)	38	Mandatory Findings of	N/A (General Comment)	The IS/MND should identify whether any other cannabis growing operations exist

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
			Significance (Cumulative Impacts)		or have been proposed in the vicinity of the Proposed Project, and provide an analysis of whether the Proposed Project would make a considerable contribution to any cumulative impacts from these other projects.

Conclusion

DCC appreciates the opportunity to provide comments on the IS/MND for the Proposed Project. If you have any questions about our comments or wish to discuss them, please contact Kevin Ponce, Senior Environmental Scientist Supervisor, at (916) 247-1659 or via e-mail at [Kevin.Ponce@cannabis.ca.gov](mailto:Kevin.Ponce@cannabis.ca.gov).

Sincerely,

Rains,  
Lindsay@Cannabis  
Lindsay Rains,  
Licensing Program Manager

Digitally signed by Rains,  
Lindsay@Cannabis  
Date: 2021.08.10 11:43:54 -07'00'

TABLE 1, City Responses to Agency Comments

Commenting Agency	Summary of Comments	City Response
Lake County Department of Environmental Health	Overview of clearance requirements prior to operation	No new environmental issues raised. Permits will be required and clearances from this agency before project operation is permitted by the City.
Central Valley Water Quality Control Board	Overview of potential permitting requirements for the project regarding potential impacts to surface and groundwater quality.	The draft initial study includes recommendation and identifies various permits necessary. Mitigation measures are included in the draft initial study addressing the comments. No new environmental issues are raised in this comment and no revisions are necessary.
Lake County Fire Protection	Overview of requirements prior to operation and occupancy	City concurs with comments. Comments will be part of the conditions of approval for the project.
Lake County Air Quality Management District	List of requirements that may be applicable to the project	City concurs with comments. Comments are part of the mitigation measures for the project.
Department of Cannabis Control (DCC)	<p>GC 1: DCC has jurisdiction over issuance of cannabis microbusinesses.</p> <ul style="list-style-type: none"> <li>• Provide more information in the project description (operation and maintenance activities, water source and amounts, utilities etc., vehicle trips, greenhouse design</li> <li>• Insert Site plan as a figure rather than an attachment.</li> <li>• Use graphics to describe zoning and general plan designations of surrounding properties</li> <li>• Describe surrounding uses in project description</li> </ul>	<p>Comments noted. This is not a cannabis microbusiness per DOC definition.</p> <p>The IS/MND contains a brief, thorough, and adequate Project Description consistent with State CEQA Guidelines § 15063(d).</p> <p>The City does not see the need to add the site plan as a figure as it is referenced and attached to the document by reference as Attachment B.</p> <p>No new environmental issues are raised by this comment. Zoning and General Plan designations of surrounding properties are addressed in section 21.</p> <p>Comment noted. Surrounding uses are adequately described in section 21 of the IS/MND.</p>
DCC	GC 2: Provide description of volatile substances that will be used in manufacturing and include detailed analysis of impacts related to air quality, hazards and hazardous substances, and greenhouse gas emissions	Comment noted. Section III, Air Quality, Section VIII, Greenhouse Gas Emissions, and Section IX, Hazards and Hazardous Materials, provides an adequate description and analysis for project impacts on these categories. Additional details will be provided to DCC upon license application submittal.
DCC	GC 3: Provide copies of plans and documentation with application for DCC license	Comment noted. Plans and reports will be included with any application to DCC made by the applicant.

DCC	GC 4: Provide additional evidence to support the impact statements in the checklist	Comment noted. No new environmental issues are raised in this comment and no revisions are necessary.
DCC	GC 5: Provide more information regarding the Federal, State and local requirements to which the project will adhere.	No new environmental issues are raised by this comment
DCC	GC 6: Project should acknowledge that a microbusiness license is required from DCC and topics the DCC regulates and protections provided through such regulation.	This is not a microbusiness per DOC definition.
DCC	GC 7: Consider cumulative impacts to groundwater diversions, transportation, air quality and odors.	Cumulative impacts of all categories have been adequately considered in this document.
DCC	SC 1: Identify permits or approvals required from other agencies	No new environmental issues are raised by this comment and no further environmental analysis is required.
DCC	SC 2: List all tribes contact as part of AB 52 process	The project was circulated in accordance to AB 52 to Elem Indian Colony, KOI Nation and the Native American Heritage Commission. The City did not receive any comments from the above Tribal organizations
DCC	SC 3: Provide description of photos	Locations of photos provided in Final Initial Study. No new environmental issues are raised by this comment.
DCC	SC 4: Provide more information on ref. documents and communications.	No new environmental issues are raised by this comment and no further environmental analysis is required.
DCC	SC 5: Identify agency requirements and applicable design standards in mit. meas. AES-1	Federal, state and local agency have been included in mitigation measure AES-1. No new environmental issues are raised in this comment.
DCC	SC 6: Provide more information in the project description or impact analysis related to grading and construction activities	Comment noted. Project Description consistent with State CEQA Guidelines § 15063(d). The IS/MND contains a brief, thorough description.
DCC	SC 7: Provide additional information regarding odor control equipment and practices.	Comment noted. Refer to mitigation measure AIR-7 addressing Odor Control plan.
DCC	SC 8: Discuss potential for Serpentine soils at the site	Comment noted. According to Lake County GIS, no Serpentine soils are on this site. No adjustments to the existing analysis are necessary.
DCC	SC 9: Discuss how Bio impacts have been reduced to levels less than significant through mitigation.	Comment noted. Clarifying language added. No new environmental issues raised.
DCC	SC 10: Provide supporting information that the removal of vegetation is a less than significant impact.	The site of development on the property is largely open field with little vegetation. Minimal trees to be removed. This is deemed an urban lot and no adjustments to the existing analysis are necessary. Refer to

		Biological report that provides more supporting information.
DCC	SC 12: Provide more description of the BMPs that will be incorporated to reduce drainage impacts.	Comment noted. Refer to site plan (Attachment B) for stormwater BMPs. No adjustments to the existing analysis are necessary
DCC	SC 13: Provide more description of the BMPs that will be incorporated to reduce erosion control impacts.	See response to SC 12 above. No adjustments to the existing analysis and proposed mitigation measures adequately address this comment.
DCC	SC 14: Provide more discussion regarding waste water impacts	Project will comply with County requirements for a septic system permit. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 15: Provide information regarding mitigation on paleontological resources and how the impact will be reduced.	Mitigation Measure CUL-5 is a typo. There is no CUL-5 Mitigation Measure. Text corrected to read CUL-3. No new environmental issues are raised by this comment.
DCC	SC 16: Define terms for “Near-Term,” “Future,” and “Buildout.” Explain why 107 trips per day is not considered significant.	107 trips per day to SR 53 is considered negligible both for near and future term build out (see 2040 General Plan for cumulative traffic impact evaluation for buildout. This is based on the City Engineer’s determination and knowledge of local traffic conditions, so this conclusion is determined adequate.
DCC	SC 17: Clarify which impacts of HAZ-1 through HAZ-5 will improve with mitigation and how.	All mitigation measures are intended to cover a broad range of hazards. More specific evaluation of hazards will be conducted during the building permit clearance review. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 18: Provide substantial evidence regarding emergency response and evacuation plans impacts.	The project has undergone review by the Police Department and the Lake County Fire Protection District with no noted concerns. These agencies/departments are most familiar with local conditions and therefore address substantial evidence adequacy. Further review of these departments/agencies will be conducted during building permit review to assure adequate emergency response and evacuation plans are adequate. No new environmental issues are raised by this comment, and no further environmental analysis is required.

DCC	SC 19: Provide substantial evidence (through FEMA Maps reference) regarding impacts to flooding.	Please refer to the biological report which identifies Burns Creek and flood issues/FEMA maps that address and include mitigation of flood impacts. This addresses adequate substantial evidence for the project.
DCC	SC 20: Describe sources of noise expected to occur and their sensitive receptors. Describe how mitigation impacts NOI-1 through NOI-3 will reduce impacts to less than significant.	IS Document describes noise from road traffic (vehicles) and construction noise (project development). No adjustments to the existing analysis are necessary. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 21: Revise document to have discussion on public service impacts in section XVI instead of included with recreation.	Comment noted. Not an environmental issue and IS/MND has been revised appropriately. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 22: Define trip generation terms; provide evidence that 107 trips/day is not significant.	107 trips per day to SR 53 is considered negligible both for near and future term build out (see 2040 General Plan for cumulative traffic impact evaluation for buildout. This is based on the City Engineer's determination and knowledge of local traffic conditions, so this conclusion is determined adequate.
DCC	SC 23: list tribes contacted as part of AB52 consultation process.	The project was circulated in accordance to AB 52 to Elem Indian Colony, KOI Nation and the Native American Heritage Commission. The City did not receive any comments from the above Tribal organizations. In addition to sending the project out to these tribes, the Cultural Resources Study included outreach to local tribes.
DCC	SC 24: Revise checklist to correct section XIXb and XX, information has been transposed. Provide analysis that sufficient water is available.	Comment noted. Existing text is correct. No revisions needed regarding XIXb and XX. Document states project will be served by on-site wells. No adjustments to the existing analysis are necessary. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 25: List mitigation measures by number	Mitigation Measure numbers have been included in the discussion of section XXI, Mandatory Findings of Significance. A Mitigation Monitoring Program has been included with this project to assure proper mitigation is implemented.
DCC	SC 26: Identify other cannabis growers existing in the vicinity of the project and	The City is processing one additional commercial cannabis application



	describe if they would contribute to cumulative impacts.	across the street. Another commercial cannabis project was approved to the south on SR53. These uses are considered agricultural and industrial operations that are located in an Industrial Zoning District which has been evaluated for cumulative environmental impacts in the 2040 General Plan EIR (refer to Section XI, Land Use Planning).
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# ENVIRONMENTAL CHECKLIST FORM

## INITIAL STUDY (IS 2021-02)

1. **Project Title:** Ogulin Hills Holdings, LLC (Conditional Use Permits to allow a Commercial Cannabis Operation)
2. **Permit Numbers:** UP 2021-05 (Cannabis); UP 2021-06 (Processing); UP 2021-07 (Distribution), UP 2021-08 (Manufacturing); UP 2021-09 Retail Delivery, Cannabis Regulatory/Business Permit, and Initial Study, IS 2021-02
3. **Lead Agency Name/Address:** City of Clearlake 14050 Olympic Drive  
Clearlake, CA 95422
4. **Contact Person:** Mark Roberts – Senior Planner  
Phone: (707) 994-8201  
Email: mroberts@clearlake.ca.us
5. **Project Location(s):** 2185 Ogulin Canyon Road, Clearlake, CA 95422.
6. **Assessor Parcel Number (APN):** 010-044-17-000
7. **Project Sponsor's Name/Address:** Brian Pensack, Garret Burdick, Kim Gardner 37 Lindaro Street, Suite 201, San Rafael, CA 94901
8. **Property Owner(s) Name/Address:** Same as Sponsor (See Response to # 7)
9. **Zoning Designations:** "I" Industrial, and "CB" Commercial Zoning District
10. **General Plan Designation:** Industrial
11. **Supervisor District:** District Two (2)
12. **Average Cross Slope:** Approximately 20-30%
13. **Earthquake Fault Zone:** Not within a fault zone
14. **Dam Failure Inundation Area:** Not within a Dam Failure Inundation Zone
15. **Flood Zone:** Not located within a known flood zone.
16. **Waste Management:** Onsite Waste Management System
17. **Water Access:** Onsite Well(s)
18. **Fire Department:** Lake County Fire Protection District

**19. Description of Project:** The project involves the development of a Commercial Cannabis located at 2185 Ogulin Canyon Road (APN 010-044-17). The land was previously owned by the City of Clearlake and was proposed to be the location of a new Public Works Corporation yard and animal shelter facility until June 2020. Plans and studies conducted by the City of Clearlake determined the land to not be a suitable location for these uses.

The proposed project involves initial development of cannabis related facilities including approximately 10,000 ft. of proposed manufacturing, processing, distribution buildings, and an approximately 3,000 ft. office and retail delivery building. Several cultivation greenhouses are also proposed. (please note: The operation will not be open to the public).

- **Cannabis Cultivation** is any activity involving the germinating, cloning, seed production, planting, growing, and harvesting of cannabis plants and the on-site drying, curing, grading, or trimming of cannabis plants.
- **Processing** of raw cannabis for the purpose of manufacturing, distribution and retail delivery.
- **Retail Delivery** of cannabis products on an on-call basis (no on-site retail)
- **Distribution** includes procuring Cannabis from permitted Cannabis Cultivation Sites or Cannabis Manufacturers for sale to permitted Cannabis Dispensaries, and the inspection, quality assurance, batch testing by a Type 8 licensee, storage, labeling, packaging, and other processes prior to transport to permitted Medical Cannabis Dispensaries.
- **Manufacturing** is to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. The term “cannabis manufacture” includes the following: (a) Extraction processes (b) Infusion processes (c) Packaging or repackaging of cannabis products (d) Labeling or relabeling the packages of cannabis products.

According to the proposed site plans, the initial development of cannabis operation includes but is not limited to: (Please Note: The operation would not be open to the General Public)

- Two (2) – 5,000 Square feet (10,000 SQFT total) for manufacturing, and processing,
- A 3,000 square foot building for distribution, retail delivery only and office building
- Ten (10) Greenhouses (1,875 SQFT Each) for a total square footage of 18,750.
- Approximately five (5) water storage tank (size to be determined)
- 15’X15” (30 SQFT) Trash Enclosure
- The project is anticipated to have up to up to ten (10) employees during typical operations and up to twenty-five (25) employees during harvest season.

**Access:** The project site accessible from an existing gated accessway (located on the north side of Ogulin Canyon Road). The existing driveway extends north onto the property and then extends off to the west, east, and northeast up the hill and terminates at the top of the hill at the north end of the parcel to the parking area where the three new buildings will be constructed. A secondary access road connects into the driveway near the center of the parcel and extends east to west. The greenhouse structures will be constructed off this secondary access road below the main buildings.

**Safety Security Plan:** This Safety and Security Plan addresses risks and risk mitigation related to the physical buildings and site improvements, surrounding property, employee safety, information security, and how to avoid risks throughout the daily operations.

As State and local laws continue to change, this plan and security specifications will evolve and be updated. The project operator will continue to be in contact with the City of Clearlake staff and the City of Clearlake Police Department to ensure community relations and adherence to rules and regulations.

**20. Environmental Setting:** The project site is approximately +/- 21.25-acres (currently undeveloped) on the north side of Ogulin Canyon Road, approximately 0.46 mi east of State Route 53. The elevation ranges between approximately 1,410 to 1,535 feet above sea level. There is an existing dirt road/driveway that runs roughly north-south near the center of the parcel. The site was impacted by wildfire in 2016, which burned the southeast portion of the site and approximately 150-foot section located to the north.

Burns Valley Creek is an intermittent drainage, that flows east to west along Ogulin Canyon Road. The waterway occurs on the south side of Ogulin Canyon Road from the location of the proposed buildings and then crosses to the north side of the road just west of the driveway.

**21 Surrounding Land Uses and Setting: Briefly describe the project's surroundings:**

- The parcels to the **North** have a land use designation of “Industrial” and are either developed commercial uses or are undeveloped.
- The parcels to the **South and West** have a land use designation of “Industrial” and/or “Rural Residential” and are developed with commercial/industrial or residential uses.
- The parcels to the **East** of the project site are located within the County of Lake jurisdiction.

**21. Other Public Agencies Whose Approval is Required: Local Agencies:** City of Clearlake - Community Development (Planning, Building, Public Works); Clearlake Police Department, Lake County Fire Protection, Lake County Department of Environmental Health, Lake County Air Quality Management District, Lake County Special Districts, Local Tribal Organizations.

**22. Federal and State Agencies:** Central Valley Regional Water Quality Control Board, CA Department of Fish and Wildlife, Cal-cannabis, Department of Public Health, California Department of Transportation (Caltrans); California Department of Food and Agriculture (CDFA); California Department of Pesticides Regulations, California Bureau of Cannabis Control and California Department of Consumer Affairs

**23. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?** Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21080.3.2.) Information may also be available from the California Native American Heritage Commission’s Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3 (c) contains provisions specific to confidentiality.

Notification of the project was sent to local tribes on March 1, 2021, for “AB 52” Notification, which allows interested Tribes to request tribal consultation within 30 days of receipt of notice. The Community Development Department did not receive an AB 52 Tribal Consultation for this project, nor did we receive controversial comments.

**24. Impact Categories defined by CEQA:** The following documents are referenced information and are incorporated by reference into this document and are available for review upon request of the Community Development Department if they have not already been incorporated by reference into this report:

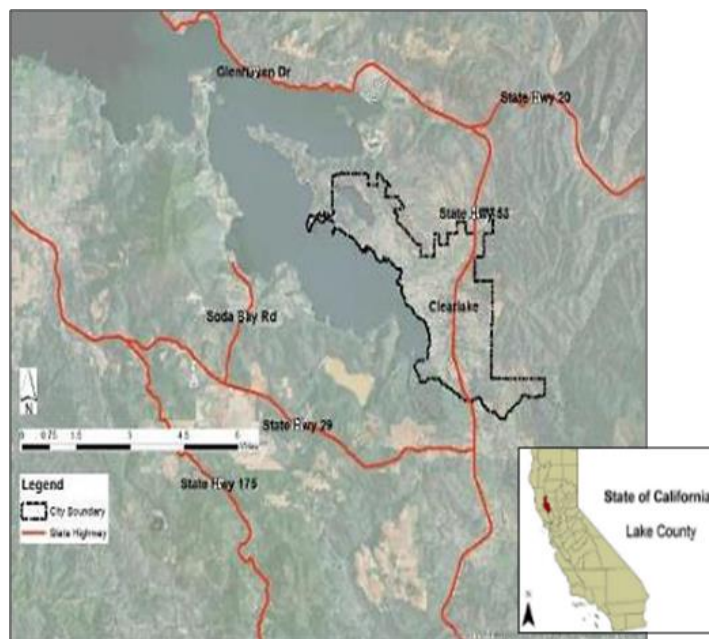
- City of Clearlake General Plan
- City of Clearlake Zoning Code/Municipal Code(s)
- City of Clearlake Housing Element
- City of Clearlake Police Department
- Conditional Use Permit Application Packet and Supplemental Materials
- Existing & Proposed Site Plans/Architectural Plans
- California Department of Transportation:  
[http://www.dot.ca.gov/hq/LandArch/16\\_livability/scenic\\_highways/index.htm](http://www.dot.ca.gov/hq/LandArch/16_livability/scenic_highways/index.htm)
- U.S.D.A. Lake County Soil Survey
- Important Farmland Map <https://maps.conservation.ca.gov/agriculture/>
- Lake County Serpentine Soil Mapping
- California Natural Diversity Database (<https://www.wildlife.ca.gov/Data/CNDDDB>)
- U.S. Fish and Wildlife Service National Wetlands Inventory
- U.S.G.S. Geologic Map and Structure Sections of the Clear Lake Volcanic, Northern California, Miscellaneous Investigation Series, 1995
- Official Alquist-Priolo Earthquake Fault Zone maps for Lake County
- Landslide Hazards in the Eastern Clear Lake Area, Lake County, California, Landslide Hazard Identification Map No. 16, California Department of Conservation, Division of Mines and Geology, DMG Open –File Report 89-27, 1990
- Lake County Watershed Protection District Lake County Groundwater Management Plan - March 31, 2006
- Lake County Health Services Department
- Lake County Assessor/Recorders Office
- Lake County Special District Department
- Lake County Water Resource Department
- Clearlake Waste Solutions
- Clearlake Oaks County Water and Sanitation District
- Local Water District (i.e Golden State Water; Highland Water; Konocti Water)
- Lake County Air Quality Management District (LAQMD)
- Hazardous Waste and Substances Sites List: [www.envirostor.dtsc.ca.gov/public](http://www.envirostor.dtsc.ca.gov/public)
- California Department of Forestry and Fire Protection - Fire Hazard Mapping
- Lake County Fire Protection District
- National Pollution Discharge Elimination System (NPDES)
- Central Valley Regional Water Quality Control Board
- State Water Resources Control Board
- FEMA Flood Hazard Maps
- 2010 Lake County Regional Transportation Plan, Dow & Associates, October 2010
- Cal Recycle Solid Waste Information System  
<http://www.calrecycle.ca.gov/SWFacilities/Directory/Search.aspx>
- Cal Cannabis (via Dept. of Food and Agriculture)
- California Water Resources Control Board California Department of Fish & Wildlife (CDFW)
- California Department of Pesticides Regulations
- California Department of Public Health
- California Bureau of Cannabis Control.
- California Department of Consumer Affairs

- Written comments received from public agencies.
- PG&E
- Site visit

The following two reports were prepared for a previous project proposed for this site. The information contained in the reports is still valid and appropriate in reference to this current project.

- Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control facility Project in Clearlake, CA by Sycamore Environmental Consulting, Inc. (dated October 20, 2016).
- Cultural resource Investigation for the Public Works Corporation Yard and Animal Control facility Project in Clearlake, CA by Sub Terra Consulting located in Chico, CA (dated January 3, 2017).
- Water Availability Analysis, June 2021.

## 25. Figure 1 – Regional Map



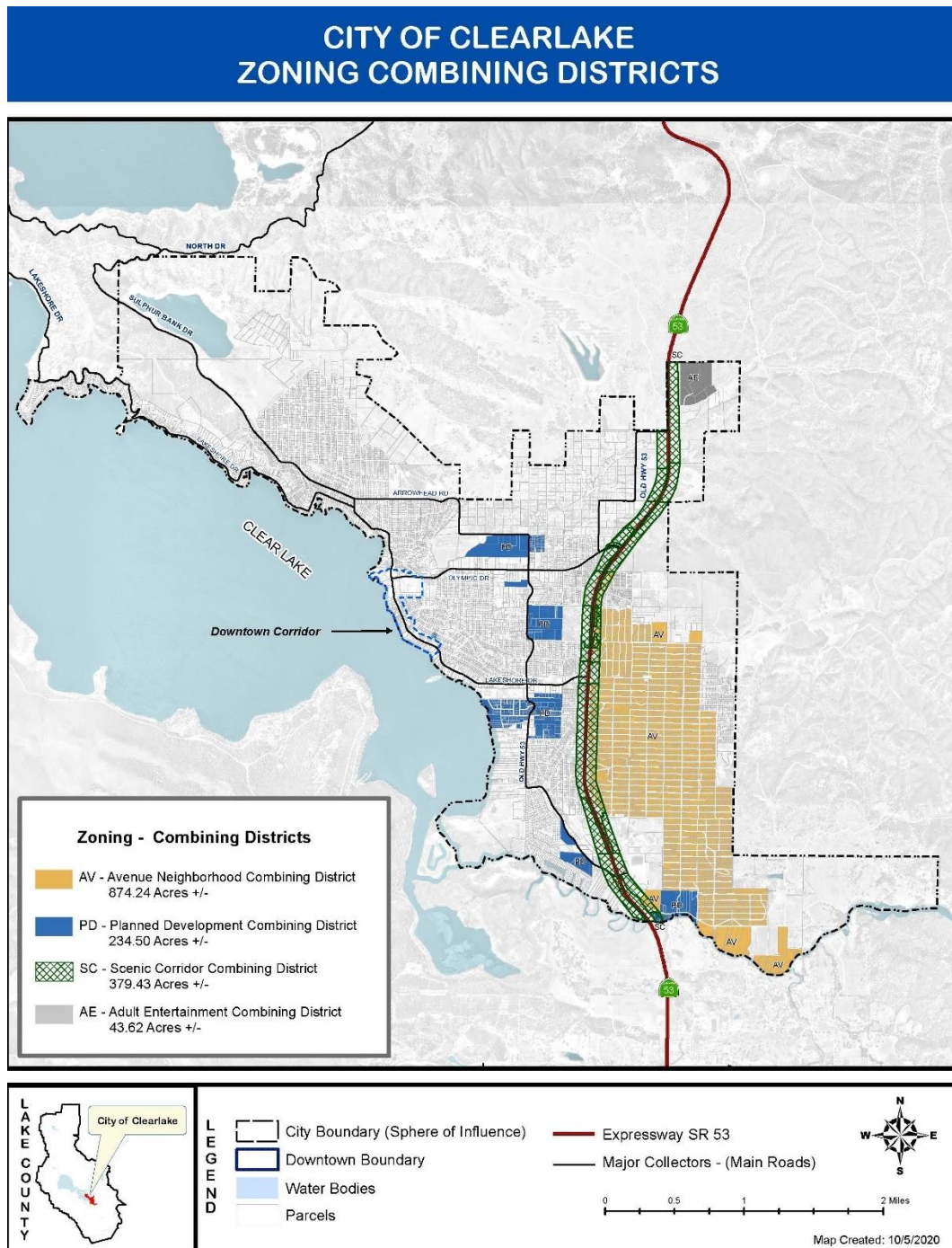
## 25. Figure 2 - USGS Map (See Below)



26. Figure 3 – Aerial/Location Map









**28. Site Photos** (photos correspond to this photo location map)





**Photo 1**



**Photo 2**





**Photo 3**



**Photo 4**



**Photo 5**

## 29. Initial Study Attachment

- Attachment A – Application Packet/Operational Plan
- Attachment B – Proposed and Existing Site Plans
- Attachment C - Mitigation Monitoring Reporting Program (MMRP)
- Attachment D – Biological Assessment/Report
- Attachment E – Agency Comments

**Environmental Factors Effected:** The environmental sections checked below would be potentially affected by this project in an adverse manner, including at least one environmental issue/significance criteria that is “potentially significant impacts” as indicated by the analysis in the following evaluation of environmental impacts.

<input checked="" type="checkbox"/>	<b>Aesthetics</b>	<input type="checkbox"/>	Greenhouse Gas Emissions	<input type="checkbox"/>	Public Services
<input type="checkbox"/>	Agriculture & Forestry Resources	<input checked="" type="checkbox"/>	<b>Hazards &amp; Hazardous Materials</b>	<input type="checkbox"/>	Recreation
<input checked="" type="checkbox"/>	<b>Air Quality</b>	<input checked="" type="checkbox"/>	<b>Hydrology / Water Quality</b>	<input type="checkbox"/>	Transportation
<input checked="" type="checkbox"/>	<b>Biological Resources</b>	<input type="checkbox"/>	Land Use / Planning	<input checked="" type="checkbox"/>	<b>Tribal Cultural Resources</b>
<input checked="" type="checkbox"/>	<b>Cultural Resources</b>	<input type="checkbox"/>	Mineral Resources	<input type="checkbox"/>	Utilities / Service Systems
<input type="checkbox"/>	Energy	<input checked="" type="checkbox"/>	<b>Noise &amp; Vibration</b>	<input type="checkbox"/>	Wildfire
<input checked="" type="checkbox"/>	<b>Geology / Soils</b>	<input type="checkbox"/>	Population / Housing	<input checked="" type="checkbox"/>	<b>Mandatory Findings of Significance</b>

**DETERMINATION: (To be completed by the lead Agency)**

On the basis of this initial evaluation:

- ☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☒ **I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.**
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

**Prepared By: Mark Roberts**

**Title: Senior Planner**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Alan Flora – City Manager  
City of Clearlake, California**

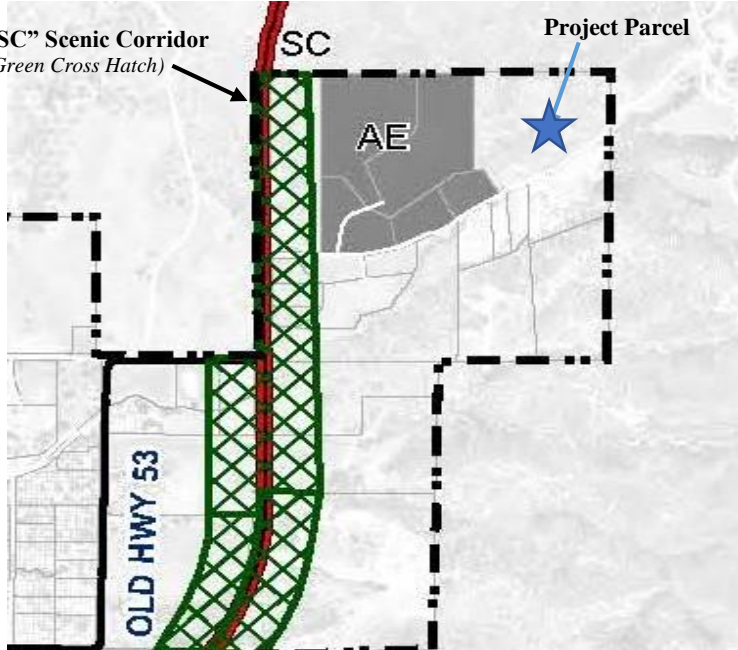
**SECTION 1 - EVALUATION OF ENVIRONMENTAL IMPACTS:**

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, and then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

- 4) "Negative Declaration: Less Than Significant with Mitigation Incorporated" applies incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analysis Used. Identify and state where they are available for review.
  - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures, which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
  - a) the significance criteria or threshold, if any, used to evaluate each question; and
  - b) the mitigation measure identified, if any, to reduce the impact to less than significance

#### IMPACT CATEGORIES KEY:

- **1 = Potentially Significant Impact**
- **2 = Less Than Significant with Mitigation Incorporation**
- **3 = Analyzed in Prior EIR**
- **4 = Substantially Mitigated by Uniformly Applicable Development Policies/Standards**
- **5 = Less Than Significant Impact**
- **6 = No Impact**

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
<b>SECTION I. AESTHETICS</b> <i>Except as provided in Public Resources Code Section 21099, would the project:</i>							
a) Have a substantial adverse effect on a scenic vista that is visible from a City scenic corridor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The project site is in the outskirts of the City of Clearlake (City), in Lake County (County), CA and is not located within a known scenic vista/corridor. The nearest scenic vista/corridor is along Highway 53, which is greater than 1,800 feet away from the project site. All development would occur greater than 50 feet from the front property line (along Ogulin Canyon Road). <b>Therefore, then project will not have a substantial adverse effect on a scenic vista that is visible from a city scenic corridor. Less than significant Impact.</b></p> 
b) Substantially damage scenic resources that is visible from a City Corridor, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The project is not located within a known scenic vista/corridor and will not substantially damage scenic resources that is visible from a City Corridor, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway. All development will occur greater than 50 feet from the property line (along Olguin Canyon Road) will not require the removal of trees and/or rock outcroppings or historic structures. <b>Less than significant Impact.</b></p>
c) Conflict with applicable General Plan policies or zoning regulations governing scenic quality.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The project will not conflict with applicable any General Plan policies or zoning regulations governing scenic quality. The project is not located within a scenic vista/corridor. Additionally, a cannabis operation is an allowable use upon securing a conditional use permit pursuant to the City of Clearlake Municipal Code. <b>Less than significant impact.</b></p>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The commercial cannabis operation will occur within enclosed structures with minimal lighting used during evening/nighttime hours. All lighting will be directed downwards and shielded and adhere to all Federal, State and local agency requirements. However, passing motorist and/or nearby parcels may have limited visibility of the development, including minimal lighting during evening/night operations. All lighting will be directed downwards, shielded and adhere to all Federal, State and local agency requirements, including all dark-sky requirements. <b>Therefore, to ensure that impacts related to the Aesthetics are minimized, following mitigation measures have been implemented.</b></p> <p><b>Mitigation Measure:</b>  <b>AES-1 All outdoor lighting shall be directed downwards and shielded onto the project site and not onto adjacent properties. All lighting shall comply and adhere to all federal, state and local agency requirements, including all requirements in darksky.org. (Refer to the City's Design Standards).</b></p>



IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
<h2 style="text-align: center;">SECTION II. AGRICULTURE AND FORESTRY RESOURCES</h2> <p><i>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest protocols adopted by the California Air Resources Board.</i></p> <p style="text-align: center;"><i>Would the project:</i></p>							
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project parcel is categorized as " <u>Grazing Land</u> ". Grazing lands is a collective term used by the USDA-Natural Resources Conservation Service (NRCS) for rangeland, pastureland, grazed forestland, native and naturalized pasture, hay land, and grazed cropland. Although grazing is generally a predominant use on grazing lands, the term is also applied independently of any actual use for grazing. Grazing land is also described as land used primarily for production of forage plants maintained or manipulated primarily through grazing management. However, the commercial cannabis operation is an allowable use upon securing a Conditional Use Permit pursuant to the City of Clearlake Municipal Code. <b>Therefore, the commercial cannabis operation will not convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring. No Impact.</b>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project parcels have a land use zoning designation of "I" Industrial, and "CB" Cannabis Commercial Zoning. A commercial cannabis operation will not conflict with the existing zoning destinations for agricultural use(s) and/or a Williamson Act Contract. Additionally, a commercial cannabis operation is an allowable use within the above Zoning Designations upon securing a Conditional Use Permit Pursuant to the City of Clearlake's Municipal Code(s). <b>No Impact.</b>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project will not conflict with existing zoning for, or cause the rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g)). Additionally, a commercial cannabis operation is an allowable use with the I" Industrial, and "CB" Commercial Zoning upon securing a Conditional Use Permit Pursuant to the City of Clearlake's Municipal Code(s). <b>No Impact</b>
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project will not involve other changes in the existing environment which, due to their location or nature, could result in conversion of farmland, to non-agricultural uses or the conversion of forest land to non-forest uses. a commercial cannabis operation is an allowable use with the I" Industrial, and "CB" Commercial Zoning upon securing a Conditional Use Permit Pursuant to the City of Clearlake's Municipal Code(s). <b>No Impact</b>
<h2 style="text-align: center;">SECTION III. AIR QUALITY</h2> <p><i>Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations.</i></p> <p style="text-align: center;"><i>Would the project:</i></p>							
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The project has some potential to result in short- and long-term air quality impacts and other particulate matter, as well as exhaust emissions generated by earthmoving activities from site preparation, construction and during routine operations. Construction emissions are caused by onsite or offsite activities. Onsite emissions principally consist of exhaust emissions from construction equipment, motor vehicle



IMPACT CATEGORIES*	1	2	3	4	5	6	<p><b>All determinations need explanation.</b>  <b>Reference to documentation, sources, notes and correspondence.</b></p>
							<p>operations, and fugitive dust from disturbed soil. The proposed Air Quality Plan indicates how the applicant Intends to minimize these Impacts.</p> <p>All fugitive dust (including vehicular) will be controlled by wetting soils with a mobile water tank and hoses, or by delaying ground disturbing activities until site conditions are not windy, and by eliminating soil stockpiles. Construction of the site will be minimal and some minor site improvements will be necessary but the amount of earth that needs to be moved is not significant enough to trigger a grading permit.</p> <p>Cannabis cultivation may generate objectionable odors, particularly when the plants are mature/flowering in the cultivation area(s) or when being processed (drying, curing, trimming, and grading) after harvest. No significant odor impacts are anticipated from the proposed cultivation operation, due to the proposed odor control equipment and practices, and the generous setbacks provided from public roads, property lines, and neighboring residences/outdoor activity areas.</p> <p>According to the Air Quality Section of the "Project Plan"- prior to operation, a member of the staff will be assigned to handle all odor complaints. These individual(s) are responsible for responding to odor complaints 24 hours per day/seven (7) days a week, including holidays. All property owners and residents within a 1,000-foot radius of the cannabis facility shall be provided with the contact information of the individual(s) responsible for responding to the odor complaints. The operation will also develop internal policies and procedures describing the actions to be taken when an odor complaint is received.</p> <p>When an odor complaint is received, it will be forwarded to the manager responsible for odor control. The complaint will be logged, including the time and type of complaint, the location of the odor reception, and the contact information of the person submitting the complaint. The incident will be investigated, and the concern identified. The manager will visit the site or facility in question and determine any deficiencies in the odor control system (where applicable) and identify remedies. The manager will prepare a written response and send it by certified mail to the person who made the complaint. The correspondence should acknowledge the complaint, describe the incident, and identify what remedial actions were taken.</p> <p>Section 18-43,060 of the Zoning Code indicates that all commercial cannabis operations to provide and maintain an odor control plan that requires that odors of cannabis cannot be readily detected from outside of the structure in which the permitted premises are located. The proposed odor control plan seems to acknowledge that odors could be detected outside the structure without significant enhancements, such as carbon filtering.</p> <p>As part of the conditional use permit, project shall comply with all applicable Federal, State and local agency requirements, including the City of Clearlake Municipal Code(s).</p> <p><b>Therefore, to ensure impacts related to the Air Quality are minimized, the following mitigation measures have been implemented.</b></p> <p><b><u>Mitigation measures:</u></b></p> <p><b>AIR 1: Construction activities shall be conducted with adequate dust suppression methods, including watering during grading and construction activities to limit the generation of fugitive dust or other methods approved by the Lake County Air Quality Management District. Prior to initiating soil removing activities for construction purposes, the applicant shall pre-wet affected areas with at least 0.5 gallons of water per square yard of ground area to control dust.</b></p> <p><b>AIR 2: Driveways, access roads and parking areas shall be surfaced in a manner so as to minimize dust. The applicant shall obtain all necessary encroachment permits for any work within the right-of-way. All improvement shall adhere to all applicable federal, State and local agency requirements.</b></p> <p><b>AIR 3: Any disposal of vegetation removed as a result of lot clearing shall be lawfully disposed of, preferably by chipping and composting, or as authorized by the Lake County Air Quality Management District and the Lake County Fire Protection District.</b></p>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
							<p>AIR-4. During construction activities, the applicant shall remove daily accumulation of mud and dirt from any roads adjacent to the site.</p> <p>AIR-5. Grading permits shall be secured for any applicable activity from the Community Development Department, Building Division. Applicable activities shall adhere to all grading permit conditions, including Best Management Practices. All areas disturbed by grading shall be either surfaced in manner to minimize dust, landscaped or hydro seeded. All BMPs shall be routinely inspected and maintained for life of the project.</p> <p>AIR-6 All refuse generated by the facility shall be stored in approved disposal/storage containers, and appropriately covered. Removal of waste shall be on a weekly basis so as to avoid excess waste. All trash receptacles/containers shall remain covered at all times to prevent fugitive odors and rodent infestation. An odor control plan shall be submitted for review and approval by the City in accordance with the Zoning Code. Odor control shall be maintained to an acceptable level at all times.</p> <p>AIR-7 An odor control plan shall be submitted for review and approval by the City that complies with the City's Zoning Code. Odor control shall be maintained at all times so that odor from cannabis operations on the site will not be detected outside structures. This plan shall include enhanced carbon filtering to ensure compliance with the Code.</p> <p>AIR-8 Any demolition or renovation is subject to the Federal National Emissions Standard for Hazardous Air Pollutants (NESHAP) for asbestos in buildings requires asbestos inspections by a Certified Asbestos Consultant for all major renovations and all demolition. An Asbestos Notification Form with the Asbestos inspection report must be submitted to the district at least 14 days prior to beginning any demolition work. The applicant must contact the district for more details and proper approvals. Regardless of asbestos content or reporting requirements all demolition and renovation activities should use adequate water/ amended water to prevent dust generation and nuisance conditions.</p> <p>AIR-9 Construction activities that involve pavement, masonry, sand, gravel, grading, and other activities that could produce airborne particulate should be conducted with adequate dust controls to minimize airborne emissions. A dust mitigation plan may be required should the applicant fail to maintain adequate dust controls.</p> <p>AIR-10 If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction activities. Contact LCAQMD for more details.</p> <p>AIR-11. All engines must notify LCAQMD prior to beginning construction activities and prior to engine use. Mobile diesel equipment used for construction and/or maintenance must be in compliance with State registration requirements. All equipment units must meet Federal, State and local requirements. All equipment units must meet RICE NESHAP/ NSPS requirements including proper maintenance to minimize airborne emissions and proper record-keeping of all activities, all units must meet the State Air Toxic Control Measures for CI engines and must meet local regulations.</p> <p>AIR-12. Site development, vegetation disposal, and site operation shall not create nuisance odors or dust. During the site preparation phase, the District recommends that any removed vegetation be chipped and spread for ground cover and erosion control. Burning of debris/construction material is not allowed on commercial property, materials generated from the commercial operation, and waste material from construction debris, must not be burned as a means of disposal.</p> <p>AIR-13. Significant dust may be generated from increase vehicle traffic if driveways and parking areas are not adequately surfaced. Surfacing standards should be included as a requirement in the use permit to minimize dust impacts</p>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
							the public, visitors, and road traffic. At a minimum, the district recommends chip seal as a temporary measure for primary access roads and parking. Paving with asphaltic concrete is preferred and should be required for long term occupancy. All areas subject to semi-truck / trailer traffic should require asphaltic concrete paving or equivalent to prevent fugitive dust generation. Gravel surfacing may be adequate for low use driveways and overflow parking areas; however, gravel surfaces require more maintenance to achieve dust control, and permit conditions should require regular palliative treatment if gravel is utilized. White rock is not suitable for surfacing (and should be prohibited in the permit) because of its tendency to break down and create excessive dust. Grading and re-graveling roads should utilizing water trucks if necessary, reduce travel times through efficient time management and consolidating solid waste removal/supply deliveries, and speed limits.
b) Result in a cumulatively considerable net increase of ROC and/or NOx emissions??	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Response to Section III(a). Therefore, all potential impacts have been reduced to less than Significant Impacts with the incorporated Mitigation Measures AIR-1 through AIR-13.
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Response to Section III(a). Therefore, all potential impacts have been reduced to less than Significant Impacts with the incorporated Mitigation Measures AIR-1 through AIR-13.
d) Result in other emissions that create objectionable odors adversely affecting a substantial number of people?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Response to Section III(a). Therefore, all potential impacts have been reduced to less than Significant Impacts with the incorporated Mitigation Measures AIR-1 through AIR-13.

## SECTION IV. BIOLOGICAL RESOURCES

*Would the project:*

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control Facility Project in Clearlake, CA, was prepared by Sycamore Environmental Consulting, Inc (dated October 20, 2016,). This report was completed as a preliminary measure to investigate the potential impacts of cannabis cultivation within the established Study Area. The Study Area defined in this Report is located approximately 1.50 miles northeast of Clearlake, California in Lake County. No sensitive or special-status vegetation was observed during the site visit nor will be removed within the project area.</p> <p>According to the report "A biological assessment, as defined by the United States Fish and Wildlife Service's (USFWS), is "information prepared by a qualified biologist to determine whether a proposed action is likely to: (1) adversely affect listed species or designated critical habitat; (2) jeopardize the continued existence of a species that are proposed for listing; or (3) adversely modify proposed critical habitat. A biological assessment is a specific document required under Section 7 of the Federal Endangered Species Act (FESA) when project actions have the potential to result in "may affect" determination," (USFWS: Endangered Species Glossary, 2020)"</p> <p><u>Report Summary:</u> The Sycamore survey indicated that no wetlands were observed in the area of proposed development. Drainages and Burns Valley Creek occur on the parcel outside the proposed area of construction. During construction, water quality should be protected by implementation of BMPs to minimize the potential for siltation in Burns Valley Creek or the ephemeral drainage in the BSA. Impacts to wetlands and waters would require a Section 404 and Section 401 Clean Water Act Permit: and a CDFW Streambed Alteration Agreement.</p> <p>The project site provides potential nesting habitat for MBTA-protected birds and birds of prey. The site provides marginal habitat for pallid bat. The site does not provide habitat for any federal or state listed plant species.</p> <p>The project site provides potential habitat for 15 CNPS special-status plant species. No special status plants were observed in the BSA during the biological survey on 11 August 2016. Special status plants are not anticipated in existing cleared areas, such as</p>
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IMPACT CATEGORIES*	1	2	3	4	5	6	<p><b>All determinations need explanation.</b>  <b>Reference to documentation, sources, notes and correspondence.</b></p>	
							<p>the roads and other graded areas without vegetation. Botanical surveys are recommended in areas where vegetation would be removed for construction activities.</p> <p>Botanical surveys need to be seasonally timed to coincide with evident and identifiable periods for particular plants. The special-status species with potential to occur were not evident and identifiable during the general biological survey conducted in August. Two botanical surveys, conducted in March and June, are recommended to cover the blooming period of special status plants.</p> <p><u>Special Status Animals Species:</u>  According to the Report there were no special status habitats observed within the study area.</p> <p><b>Western Bumblebee (<i>Bombus occidentalis</i>):</b> Due to the project areas habitat quality, and due to the abundant suitable habitat within the study area, it is unlikely that there would be a significant loss of nesting habitat as a result of project development. Therefore, it is unlikely that project development would result in a significant decrease in forage material, and it is not anticipated that the project will negatively impact the Western Bumblebee.</p> <p><b>Burrowing Owl (<i>Athene cunicularia</i>):</b> This species occupies grasslands, shrub steppes, and savannas. They also occur in other open areas such as agricultural lands, old fields, extensive forest clearings, airports, golf courses, and spacious residential zones. They live underground in burrows they have dug themselves or taken over from a prairie dog, ground squirrel, or tortoise. According to the report, no burrows were observed during the site visit. However according to the report, the species may. The surrounding suitable habitat will not be disturbed in anyway related to proposed project activities and therefore this species is still capable of existing within the Study Area without a negative impact.</p> <p><b>Northern Spotted Owl (<i>Strix occidentalis caurina</i>):</b> According to the report the habitat of the study area is not dominated by this forest, therefore it is not suitable for the Northern Spotted Owl.</p> <p><u>Wetland Determination:</u>  According to the biological assessment no potential wetland features were identified during the site inspection.</p> <p>Upon reviewing the Biological Resource Report all substantial adverse impacts, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service have been reduced.</p> <p>In reviewing the Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control Facility Project in Clearlake, CA, October 20, 2016, by Sycamore Environmental Consulting, Inc., Sacramento, CA. (See Appendix A) in relation to this proposed project, it is the conclusion of the authors of this study that the project will not have a substantial adverse effect on state or federally protected wetlands (including, not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.</p> <p>The California Department of Fish &amp; Wildlife filing fee shall be submitted as required by California Environmental Quality Act (CEQA) statute, Section 21089(b) and Fish and Game Code Section 711.4. The fee should be paid within five (5) days of approval of the mitigated negative declaration at the Lake County Clerk's Office. Once fees have been paid, the applicant shall submit a copy of all documentation to the City of Clearlake, verifying the fees have been paid. Said permit shall not become valid, vested or operative until the fee has been paid.</p> <p>Upon reviewing the Biological Resource Assessment all substantial adverse impacts, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service have been reduced. With the implementation of the proposed mitigation measures in combination with existing regulatory requirements of State and federal agencies, the project would result in less than significant impacts on this resource</p>	

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
							<p>category. Therefore, the proposed project would result in less than significant impacts with mitigation incorporated.</p> <p><b>Mitigation Measures:</b></p> <p><b>BIO -1.</b> Prior to development, a protocol-level botanical survey shall be completed within the location defined as being feasible for project activities to occur within this Report. The survey shall follow procedures recommended by CDFW and in accordance with the guidelines established by CNPS, from the document “<i>Protocols for Surveying and Evaluating Impacts to Specie Status Native Plant Opulations and Sensitive Natural Communities</i>”.</p> <p><b>BIO-2.</b> If project development results in a sufficient amount of noise from the use of machinery, construction shall occur between September 1 and January 31 to avoid disturbance to migratory nesting birds, or a buffer shall be established by a qualified biologist if nesting birds are present.</p> <p><b>BIO-3.</b> If construction occurs within the migratory bird nesting season (February 1 and August 31), a qualified biologist shall conduct a nesting birds survey fourteen (14) days prior to project development, including vegetation removal.</p> <p><b>BIO-4.</b> Prior to any ground disturbance, the applicant shall conduct a site inspection for Burrowing Owls Presence within the project area. If Burrow Owls are observed, a pre-construction surveys shall be completed by a qualified biologist fourteen (14) days prior to site development. The survey shall be conducted to determine if the project area has active dens and determine if avoidance of these active dens can occur. If active dens are determined to be present, owl relocation shall occur to other onsite suitable habitat prior to development</p> <p><b>BIO-5.</b> If additional activities are proposed that may result in take of a listed species, agency personnel from CDFW and SFWS shall further analyze the potential impacts and provide technical assistance for any listed species. If required, guidelines for these reconnaissance surveys should be followed in accordance to the CDFW Survey and Monitoring Protocols and Guidelines, which can be located here: <a href="https://www.wildlife.ca.gov/conservation/survey-protocols">https://www.wildlife.ca.gov/conservation/survey-protocols</a>.</p>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to the Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control Facility Project in Clearlake, CA, prepared by Sycamore Environmental Consulting, Inc (dated October 20, 2016,), the project will not have a substantial adverse effect on any riparian habitat and/or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service. <b>Less than significant impact.</b>
c) Have a substantial adverse effect on state or federally protected wetlands (including, not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to the Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control Facility Project in Clearlake, CA, prepared by Sycamore Environmental Consulting, Inc (dated October 20, 2016,), there are no known wetlands onsite. <b>Therefore, the project will not have a substantial adverse effect on state or federally protected wetlands (including, not limited to, marsh, vernal pool, coastal, etc.)</b>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to the Natural Resources Due Diligence Letter for the Public Works Corporation Yard and Animal Control Facility Project in Clearlake, CA, prepared by Sycamore Environmental Consulting, Inc (dated October 20, 2016) the project will not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. <b>Less than significant impact.</b>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project will have minimal to no conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance. However, the project may require the removal of a small cluster of grasses and/or vegetation/trees. Prior to tree removal, the applicant shall obtain a Tree Removal Permit from the City of Clearlake and if Oak Trees are to be removed, they shall be replaced in accordance with Section 18-40.050 of the City of Clearlake Municipal Code. <b>Less than Significant Impact.</b>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project will not conflict with any adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan. However, the project may require the removal of Oak Trees. <b>Less Than Significant Impact</b>

## SECTION V. CULTURAL RESOURCES

*Would the project:*

a) Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>An evaluation of the potential for historical, cultural, tribal, or paleontological resources on the project site and in the vicinity of the project a cultural resource investigation was conducted by Greg White, Sub Terra Archaeology and Paleontology, on December 30, 2016. This investigation included records searches, consultation with Native American tribes, and a site reconnaissance.</p> <p>According to the Cultural Resources Investigation, the likelihood that historic cultural/tribal materials, such as structural remains, trash pits, isolated artifacts, etc., could be present at the proposed project site is low and accidental discovery is unlikely to occur. The project site has undergone some disturbance during previous development, such as grading, excavation and some construction. According to the investigation, while several project improvements are planned for the project site, based on archival research that did not indicate the existence of any cultural resources in the proposed project area, combined with the previous disturbance to the location, the likelihood that the improvements would reveal historic-era materials is low. However, the possibility still exists that historic, cultural, paleontology, or tribal resources, could be discovered during project construction, resulting in a significant impact related to causing a substantial adverse change in the significance of a historical resource.</p> <p>It is unlikely that undiscovered cultural sites will be encountered during project development. However, it is recommended that work in the immediate vicinity of a find be suspended, and a Registered Professional Archaeologist called to evaluate the find according to California Environmental Quality Act (CEQA) Guidelines.</p> <p><b>Therefore, to ensure impacts related to the Cultural Resources are minimized, the following mitigation measures have been implemented.</b></p> <p><b><u>Mitigation Measures:</u></b></p> <p><b>CUL-1</b> During construction activities, if any subsurface archaeological remains are uncovered, all work shall be halted within 100 feet of the find and the applicant shall retain a qualified cultural resources consultant from the City's approved list of consultants to identify and investigate any subsurface historic remains and define their physical extent and the nature of any built features or artifact-bearing deposits. Significant historic cultural materials may include finds from the late 19th and early 20th centuries including structural remains, trash pits, isolated artifacts, etc.</p>
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IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
							<p><b>CUL-2</b> The cultural resource consultant's investigation shall proceed into formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, additional exposure of the feature(s), photo-documentation and recordation, and analysis of the artifact assemblage(s). If the evaluation determines that the features and artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – it will be necessary to mitigate any Project impacts. Mitigation of impacts might include avoidance of further disturbance to the resources through Project redesign. If avoidance is determined to be infeasible, pursuant to CEQA Guidelines Section 15126.4(b)(3)(C), a data recovery plan, which makes provisions for adequately recovering the scientifically consequential information from and about the historical resource, shall be prepared and adopted prior to any excavation being undertaken. Such studies shall be deposited with the California Historical Resources Regional Information Center. Archeological sites known to contain human remains shall be treated in accordance with the provisions of Section 7050.5 Health and Safety Code. If an artifact must be removed during Project excavation or testing, curation may be an appropriate mitigation. This language of this mitigation measure shall be included on any future grading plans and utility plans approved by the City for the Project.</p> <p><b>CUL-3</b> If human remains are encountered, no further disturbance shall occur within 100 feet of the vicinity of the find(s) until the Lake County Coroner has made the necessary findings as to origin (California Health and Safety Code Section 7050.5). Further, pursuant to California Public Resources Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the Lake County Coroner determines the remains to be Native American, the Native American Heritage Commission must be contacted within 24 hours. The Native American Heritage Commission must then identify the “most likely descendant(s)”, which parties agree will likely be the Koi Nation based upon the Tribe's ancestral ties to the area and previous designation as MLD on projects in the geographic vicinity. The landowner shall engage in consultations with the most likely descendant (MLD). The MLD will make recommendations concerning the treatment of the remains within 48 hours as provided in Public Resources Code 5097.98.</p>
b) Cause a substantial adverse change in the significance of an archeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Response to Section V(a): Less than Significant Impact with the incorporated mitigation measure CUL-1 through CUL-3.
c) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Response to Section V(a): Less than Significant Impact with the incorporated mitigation measure CUL-1 through CUL-3.

## SECTION VI. ENERGY

*Would the project:*

a) Consume energy resources in a wasteful, inefficient, or unnecessary amount during project construction and/or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The proposed energy usage for this operation is minimal; energy use may include but is not limited to the security system; well pump(s); septic pumps (if necessary); lighting for structures, lighting fixtures and/or power as needed. The proposed use would not result in potentially significant environmental impacts due to wasteful, inefficient or unnecessary consumption of energy resources during project development or operations. An “Energy Usage Plan” is included in the Business Operation Plan which indicates that the project will use a mixture of full sun/outdoor cultivation, mixed light, and indoor cultivation. The property will likely be provided by solar power energy source; however, PG&amp;E is likely proposed depending on feasibility. Use of electricity provided by PG&amp;E for indoor cannabis cultivation may require a commercial/agricultural account. When indoor cultivation operations are initiated, this Energy Use subplan should be updated, and energy calculations performed. Approximately (16) 1,000-watt fixtures will be installed across the two greenhouses (approximately under 25 watts per square foot). For the outdoor cultivation operation, a small solar-powered electrical system may be installed to power low voltage items such as security cameras, and water pumps for drawing groundwater and mixing liquid fertilizers into the irrigation systems. All energy usage will adhere to all Federal, State and local agency requirements regarding energy use. Additionally, the applicant will obtain and maintained all necessary permits. <b>Less than Significant Impact</b></p>
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IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The proposed commercial cultivation operations would not conflict with or obstruct an energy plan. The proposed use would adhere to all Federal, State and local agency requirements. <b>No Impact</b>
<b>SECTION VII. GEOLOGY AND SOILS</b>							
<i>Would the project:</i>							
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:  i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.  ii) Strong seismic ground shaking?  iii) Seismic-related ground failure, including liquefaction?  iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p><b>i) Earthquake Faults</b> There are no mapped earthquake faults on or adjacent to the subject site.</p> <p><b>ii-iii) Seismic Ground Shaking and Seismic-Related Ground Failure, including liquefaction.</b> The mapping of the site's soil indicates that the soil is stable and not prone to liquefaction.</p> <p><b>iv) Landslides</b> According to the Landslide Hazard Identification Map prepared by the California Department of Conservation, Division of Mines and Geology, the project parcel soil is considered "generally stable" and not located within and/or adjacent to an existing known "landslide area".</p> <p>Project design shall incorporate Best Management Practices (BMPs) to the maximum extent practicable to prevent or reduce discharge of all construction or post construction pollutants into the County storm drainage system. BMPs include scheduling of activities, erosion and sediment control, operation and maintenance procedures and other measures in accordance City of Clearlake Municipal Code(s). <b>Less Than Significant Impact</b></p>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The project is not anticipated to result in substantial soil erosion or the loss of topsoil. However, it may be necessary to grade approximately +/- 3,000 cubic yards of soil for project development. All disturbance will occur onsite, and no soil will be exported and/or imported. The applicant shall incorporate Best Management Practices (BMPs) consistent with the City Code and the State Storm Water Drainage Regulations to the maximum extent practicable to prevent and/or reduce discharge of all construction or post-construction pollutants into the local storm drainage system. All grading measure shall adhere to all Federal, State and local agency requirements. The project shall adhere to all Federal, State, and local agencies requirements.</p> <ul style="list-style-type: none"> <li><i>Phipps Complex, 30-50% slopes (soil unit 197): This map unit is on uplifted, dissected hills. These soils are susceptible to slumping and gullyng. This soils classification is very deep, well drained and has a slow permeability. The average water capacity is 6.0 to 12 inches, with rapid runoff and the hazard for erosion is severe. The shrink well potential is high.</i></li> <li><i>Wolf-creek, Gravelly Loam, 0-2% slopes (soil unit 246): This map unit is very deep, well drained soils which are generally located within flood plains. This soils classification has a slow permeability with an average water capacity of 7.5 to 10 inches. This soils classification is subject to rare period of flooding during prolong high intensity storms. Surface runoff is very slow, and the hazard of erosion is slight.</i></li> </ul> <p><b>Therefore, to ensure impacts related to the Geology and Soils are minimized, the following mitigation measures have been implemented.</b></p> <p><b>Mitigation Measures:</b></p>



IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
							<p><b>CUL-1</b> During construction activities, if any subsurface archaeological remains are uncovered, all work shall be halted within 100 feet of the find and the applicant shall retain a qualified cultural resources consultant from the City's approved list of consultants to identify and investigate any subsurface historic remains and define their physical extent and the nature of any built features or artifact-bearing deposits. Significant historic cultural materials may include finds from the late 19th and early 20th centuries including structural remains, trash pits, isolated artifacts, etc.</p> <p><b>CUL-2</b> The cultural resource consultant's investigation shall proceed into formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, additional exposure of the feature(s), photo-documentation and recordation, and analysis of the artifact assemblage(s). If the evaluation determines that the features and artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – it will be necessary to mitigate any Project impacts. Mitigation of impacts might include avoidance of further disturbance to the resources through Project redesign. If avoidance is determined to be infeasible, pursuant to CEQA Guidelines Section 15126.4(b)(3)(C), a data recovery plan, which makes provisions for adequately recovering the scientifically consequential information from and about the historical resource, shall be prepared and adopted prior to any excavation being undertaken. Such studies shall be deposited with the California Historical Resources Regional Information Center. Archeological sites known to contain human remains shall be treated in accordance with the provisions of Section 7050.5 Health and Safety Code. If an artifact must be removed during Project excavation or testing, curation may be an appropriate mitigation. This language of this mitigation measure shall be included on any future grading plans and utility plans approved by the City for the Project.</p> <p><b>CUL-3</b> If human remains are encountered, no further disturbance shall occur within 100 feet of the vicinity of the find(s) until the Lake County Coroner has made the necessary findings as to origin (California Health and Safety Code Section 7050.5). Further, pursuant to California Public Resources Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the Lake County Coroner determines the remains to be Native American, the Native American Heritage Commission must be contacted within 24 hours. The Native American Heritage Commission must then identify the "most likely descendant(s)", which parties agree will likely be the Koi Nation based upon the Tribe's ancestral ties to the area and previous designation as MLD on projects in the geographic vicinity. The landowner shall engage in consultations with the most likely descendant (MLD). The MLD will make recommendations concerning the treatment of the remains within 48 hours as provided in Public Resources Code 5097.98.</p>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-site or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>According to the soil survey of Lake County, prepared by the U.S.D.A., the soil at the site is considered "generally stable" and there is little to no potential for landslide, subsidence, debris flows, liquefaction, or collapse. The project shall incorporate Best Management Practices (BMPs) consistent with the City Code and the State Storm Water Drainage Regulations to the maximum extent practicable to prevent and/or reduce discharge of all construction or post-construction pollutants into the local storm drainage system.</p> <p><b>Less Than Significant Impact</b></p>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>According to the soil survey of Lake County, California prepared by the U.S.D.A, the soils discussed above in Section has a shrink-swell potential of "low to high". Therefore, the commercial cannabis operation will have minimal to no substantial direct or indirect risks to life or property. The applicant will adhere to all Federal, State and local agency requirements, including all requirements in the City of Clearlake's Municipal Code(s).</p> <p><b>Less Than Significant Impact</b></p>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The project parcel is currently vacant, when development occurs, the cannabis operation shall adhere to all applicable Federal, State and local agency requirements regarding wastewater disposal systems, (i.e., connecting to public/private sewer facilities and/or onsite waste management systems (septic)).</p> <p><b>Less Than Significant Impact</b></p>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
disposal systems where sewers are not available for the disposal of wastewater?							
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Disturbance of paleontological resources or unique geologic features is not anticipated, but mitigation measures are in place to assure that in the event any artifacts are found. <b>All potential impacts have been reduced to less than significant with the incorporated mitigation measures CUL-1 and CUL-3.</b>

## SECTION VIII. GREENHOUSE GAS EMISSIONS

*Would the project:*

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>In general, greenhouse gas emissions can come from construction activities (operation of equipment) and from post-construction activities (routine construction/maintenance, vehicle trips, etc.). The operation would not generate a significant number of vehicle trips. The project parcels are located greater than five (5) miles away from Route 53 and are in a rural area where it is not uncommon for individual to drive greater than +/- 20 mile per trip.</p> <p>As noted in the Trip Generation Summary prepared by W-Trans, it is during harvest time that the project is expected to generate the most trips. Please notes, according to a Memorandum dated May 18, 2021, from W-Trans, the project is anticipated to have up to up to ten (10) employees during typical operations and up to twenty-five (25) employees during harvest season.</p> <table><tr><th colspan="10">Table 2 – Trip Generation Summary During Harvest</th></tr><tr><th rowspan="2">Land Use</th><th rowspan="2">Units</th><th colspan="2">Daily</th><th colspan="3">AM Peak</th><th colspan="3">PM Peak</th></tr><tr><th>Rate</th><th>Trips</th><th>Trips</th><th>In</th><th>Out</th><th>Trips</th><th>In</th><th>Out</th></tr><tr><td>Near-Term</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>General Light Industrial</td><td>25 emp</td><td>3.05</td><td>76</td><td>13</td><td>11</td><td>2</td><td>12</td><td>3</td><td>9</td></tr><tr><td>Future</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>General Light Industrial</td><td>10 emp</td><td>3.05</td><td>31</td><td>5</td><td>4</td><td>1</td><td>5</td><td>1</td><td>4</td></tr><tr><td>Buildout</td><td></td><td></td><td>107</td><td>18</td><td>15</td><td>3</td><td>17</td><td>4</td><td>13</td></tr></table> <p>Note: emp = employees</p> <p>At full buildout, the project can expect to generate 107 trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant. Therefore, based on the anticipated trips for the proposed use the levels of greenhouse gasses emitted are not anticipated to be excessive and would not require intensive use of heavy equipment, and as such, would not degrade air quality or produce significant amounts of greenhouse gasses. <b>Less Than Significant Impact</b></p>	Table 2 – Trip Generation Summary During Harvest										Land Use	Units	Daily		AM Peak			PM Peak			Rate	Trips	Trips	In	Out	Trips	In	Out	Near-Term										General Light Industrial	25 emp	3.05	76	13	11	2	12	3	9	Future										General Light Industrial	10 emp	3.05	31	5	4	1	5	1	4	Buildout			107	18	15	3	17	4	13
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Buildout			107	18	15	3	17	4	13																																																																												
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This project will not conflict with any adopted plans or policies for the reduction of greenhouse gas emissions. The City of Clearlake is within an ‘air attainment’ basin. In accordance with the requirements of the Lake County Air Quality Management District, an air permit will be required as a condition of the use permit, prior to issuance of a building permit for the project. <b>Refer to response in Section VIII(a). Less Than Significant Impact</b></p>																																																																														

## SECTION IX. HAZARDS AND HAZARDOUS MATERIALS

*Would the project:*

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Materials associated with the operation, such as gasoline, diesel, carbon monoxide, pesticides, fertilizers and the equipment emissions may be considered hazardous if released into the environment. All hazards and hazardous materials will be stored in accordance to all Federal, State and local agency requirements. All routine construction materials and all materials associated with the proposed cultivation of commercial cannabis shall be transported and disposed of properly in accordance with all applicable Federal, State and local regulations.</p> <p><u>Chemicals Storage and Effluent:</u></p> <p>All chemicals stored and used at/by authorized personnel include but are not limited to fertilizers/nutrients, pesticides, and petroleum products (Agricultural Chemicals) and</p>
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IMPACT CATEGORIES*	1	2	3	4	5	6	<p><b>All determinations need explanation.</b>  <b>Reference to documentation, sources, notes and correspondence.</b></p>
							<p>chemical sanitation products necessary to maintain a sterile and healthy work environment.</p> <p>All fertilizers/nutrients and pesticides, when not in use, will be stored in their manufacturer's original containers/packaging, undercover, and at least 100 feet from surface water bodies and will be stored in their designated storage area.</p> <p>Petroleum products will be stored under cover, in the State of California-approved containers with secondary containment and separate from pesticides and fertilizers within the existing on-site wooden garage.</p> <p>Sanitation products will be stored in their manufacturer's original containers/packaging within a secure cabinet inside the proposed Processing Facility. Spill containment and cleanup equipment will be maintained within the proposed Pesticides and Agricultural Chemicals Storage Area and the Processing Facility. No effluent is expected to be produced by the proposed cultivation operation. All required warning signs will be posted, and material safety data sheets (MSDS) will be kept in the area where pesticides are stored. Emergency contact information in the event of pesticide poisoning shall also be posted at the work site including the name, address, and telephone number of emergency medical care facilities. Change areas and decontamination rooms will be available off-site. Before making a pesticide application, operators will evaluate equipment, weather conditions, and the property to be treated and surrounding areas to determine the likelihood of substantial drift or harm to non-target crops, contamination, or the creation of a health hazard. In an event of a spill or leak, the contaminated soil will be stored, transported, and disposed of consistent with applicable local, state, and federal regulations. Therefore, to ensure impacts related to the Hazards and Hazardous Materials are minimized, the following mitigation measures that have been implemented.</p> <p><b><u>Mitigation Measures:</u></b></p> <p><b>HAZ-1:</b> All hazardous waste shall not be disposed of on-site without review or permits from Environmental Health Department, the California Regional Water Control Board, and/or the Air Quality Board. Collected hazardous or toxic waste materials shall be recycled or disposed of through a registered waste hauler to an approved site legally authorized to accept such material.</p> <p><b>HAZ-2:</b> The storage of potentially hazardous materials shall be located at least 100 feet from any existing water well. These materials shall not be allowed to leak into the ground or contaminate surface waters. Collected hazardous or toxic materials shall be recycled or disposed of through a registered waste hauler to an approved site legally authorized to accept such materials.</p> <p><b>HAZ-3:</b> Any spills of oils, fluids, fuel, concrete, or other hazardous construction material shall be immediately cleaned up. All equipment and materials shall be stored in the staging areas away from all known waterways.</p> <p><b>HAZ- 4:</b> The storage of hazardous materials equals to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, then a Hazardous Materials Inventory Disclosure Statement/Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is to be stored on site.</p> <p><b>HAZ - 5:</b> All equipment shall be maintained and operated in a manner that minimizes any spill or leak of hazardous materials. Hazardous materials and contaminated soil shall be stored, transported, and disposed of consistent with applicable local, state, and federal regulations.</p>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The project will not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. All chemicals, pesticides, fertilizer, and other materials associated with the operation shall adhere to all Federal, State, and local agency requirements. <b>See Response to Section IX(a): Less than Significant Impact with the incorporated mitigation measure HAZ -1 through HAZ-5.</b></p>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
release of hazardous materials into the environment?							
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The proposed project is not located within one-quarter mile of an existing or proposed school. <b>No Impact</b>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project site is not listed as a site containing hazardous materials in the databases maintained by the Environmental Protection Agency (EPA), California Department of Toxic Substance, and Control State Resources Water Control Board. <b>No Impact</b>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project is not located within two (2) miles of an airport and/or within an Airport Land Use Plan. <b>No Impact</b>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project would not impair or interfere with an adopted emergency response or evacuation plan. The project has been reviewed by the Lake County Department of Environmental Health, Lake County Special Districts, City of Clearlake Police Department, City of Clearlake's Community Development Department (Building, Public Works, Planning), and the Local Fire Protection District/CalFire for consistency with access and safety standards. The City of Clearlake did not receive any adverse comments. <b>Less Than Significant Impact</b>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project will not expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires as it is located in a "Low to Moderate" Fire Hazard Severity Zone and within the Lake County Fire Protection District. The project was circulated for review to various agencies, include but not limited to City Engineer, City of Clearlake Police Department, City of Clearlake Building Official/Inspection, Lake County Fire Protection District and the California Department of Transportation (Caltrans). During the project review, no adverse comments were received. The application shall adhere to all current Federal, State and local agency requirements, including all mitigation measures and conditions of approval imposed on such use. <b>Less Than Significant Impact</b>

## SECTION X. HYDROLOGY AND WATER QUALITY

*Would the project:*

a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>According to the Project Application material submitted by the applicant; the cannabis will be grown in above ground pots/boxes within the greenhouses. The operation will be provided water through the existing onsite well located in the northern portion of the project parcel. The water then will be pumped from a well and stored in one (1) 25,000-gallon water storage tank. The applicant will also install one (1) 5,000- or 10,000-gallon water storage tank for fire suppression. The water will then be pumped for the water storage tanks to the operations infrastructure.</p> <p>The entire site is in the watershed of the creek. Burns Valley Creek occurs on the south side of Ogulin Canyon Road and not in the vicinity of the proposed buildings, and then crosses to the north side of the road just west of the driveway. All cultivation areas are</p>
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IMPACT CATEGORIES*	1	2	3	4	5	6	<p><b>All determinations need explanation.</b>  <b>Reference to documentation, sources, notes and correspondence.</b></p>
							<p>located at least 100 feet from the top of bank of any known perennial and/or season waterway. Burns Valley Creek is an intermittent drainage that flows east to west along Ogulin Canyon Road.</p> <p>All access roads and parking areas are/will be graveled to prevent the generation of fugitive dust, and vegetative ground cover will be preserved and/or re-established as soon as possible throughout the entire site to filter and infiltrate stormwater runoff from the access roads, parking areas, and the proposed cultivation operation.</p> <p>To control runoff, the operation will incorporate appropriate Best Management Practices (BMPs) consistent with City code and State Storm Water Drainage Regulations to the maximum extent practicable to prevent or reduce discharge of all construction or post-construction pollutants into the local storm drainage system. All grading measure shall adhere to all Federal, State, and local agency requirements.</p> <p>The proposed operation would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality. Additionally, the applicant shall adhere, obtain, and maintain all necessary federal, state and local agency permits.</p> <p>Therefore, the operation will not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality. However, to ensure impacts related to the Hydrology and Water Quality are minimized, the following mitigation measures have been implemented, including Significant Impact with BIO-1 through, BIO- 5; GEO-1 through GEO-3; and HAZ-1 through HAZ 5.</p> <p><b>HYD-1: The project design shall incorporate appropriate BMPs consistent with County and State storm water drainage regulations to prevent or reduce discharge of all construction or post-construction pollutants and hazardous materials offsite or all surface water.</b></p> <p><b>HYD-2: The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be constructed, and monitoring begun at least three months prior to the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually.</b></p>
<p>b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Water for both proposed domestic and irrigation uses will be delivered from an existing permitted water well. This system will use ground water pumped from the well directly into five (5) - 10,000-gallon water tanks for distribution to the building(s) plumbing system and to the greenhouses for irrigation. The well is approximately 375 feet deep and has a capacity of 80 gallons per minute (see attached well report). Based on the applicant's water management plan, the estimated total water demand for the project is 582,000 gallons per year (450,000 gallons+132,000 gallons). The yield of the well on the property is 80 gallons per minute, with a capacity in excess of 9.9 million gallons per year (40 hours/week x 52 weeks/year x 80 gallons/minute). A water meter will be installed in the water system and consumption will be logged daily. Water use efficiency will be analyzed for the previous year and a water budget will be generated for each upcoming grow cycle. To minimize the impact on groundwater supplies, the project will implement water conservation practices, including:</p> <ul style="list-style-type: none"> <li>• Selection of plant varieties that are suitable for mixed light cultivation.</li> <li>• The use of driplines and drip emitters (instead of spray irrigation).</li> <li>• Mulch to reduce evaporation.</li> <li>• Water application rates modified from data from soil moisture meters and weather monitoring.</li> <li>• Rooftop rainwater collection (where feasible and permitted).</li> <li>• Shutoff valves on hoses and water pipes.</li> <li>• Daily visual inspections of irrigation systems.</li> <li>• Immediate repair of leaking or malfunctioning equipment.</li> <li>• Water metering and budgeting.</li> <li>• Practices to prevent discharges from water supply equipment.</li> </ul>

IMPACT CATEGORIES*	1	2	3	4	5	6	<p><b>All determinations need explanation.</b>  <b>Reference to documentation, sources, notes and correspondence.</b></p>
							<ul style="list-style-type: none"> <li>Water application rates minimized as necessary to prevent runoff and water equipment leaks repaired immediately.</li> <li>Water filtration systems to be installed.</li> <li>Tanks will supply gravitational head to the irrigation system. PVC pipes will deliver the water to the plants.</li> <li>Mixing tanks will be used to mix liquid fertilizers, which will then be injected into the irrigation system supply lines.</li> <li>At each planting station, black polyvinyl flexible tubes and drip emitters will be used to irrigate the plants.</li> </ul> <p>The following information is from: Lake County Watershed Protection District (administered by Lake County Water Resources Department), Lake County Groundwater Management Plan - March 31, 2006 - page 2-24 to 2-27. The project site is in the Burns Valley Groundwater Basin.</p> <p>Burns Valley Basin is in the Shoreline Inventory Unit. The Franciscan Formation borders the Burns Valley Basin on the north, Clear Lake borders the basin on the west, and the Cache Formation borders the basin on the south and east.</p> <p>The District monitors one well in the Burns Valley Basin. The monitoring well indicates that groundwater levels fluctuate from 2 feet below ground surface in the spring to 10 feet below ground surface in the fall. The data indicates that water levels rose in the Burns Valley Basin in 1981-1983. No information on groundwater movement is available. DWR estimates the useable storage capacity to be 1,400-acre feet (DWR 1960). Average-year agricultural groundwater demand in the Burns Valley basin is approximately 14 acre-feet per year.</p> <p>There are 86 domestic wells and 13 irrigation wells in the Burns Valley Basin. Approximately 50 percent of domestic wells are shallower than 75 feet deep, and approximately 50 percent of irrigation wells are shallower than 250 feet deep.</p> <p>The proposed project would not substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin. The conclusion is that there is adequate water availability for the Cannabis Processing and Cultivation project.</p> <p><b>See Response to Section “(a)” Hydrology and Water Quality above. Less than significant impact</b></p>
<p>c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner that would:</p> <p>i) result in substantial erosion or siltation on-site or off-site;</p> <p>ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;</p> <p>iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The commercial cannabis operations will not alter the existing drainage pattern of the site or the area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner that would in substantial erosion issues, increase the amount of runoff or create or contribute runoff which exceeds the capacity of the existing or planned storm water drainage system. The applicant will implement Best Management Practices (BMPs) in accordance with all applicable federal, State and local agency requirements, including the City of Clearlake’s Municipal Code which may include the placement of straw, mulch, seeding, straw wattles, and silt fencing and planting of native vegetation on all disturbed areas to prevent erosion. These measures shall be maintained for life of the project. <b>See Response to Sections VII and X(a). Less Than Significant Impact with BIO-1 through, BIO- 5; GEO-1 through GEO-3; and HAZ-1 through HAZ 5.</b></p>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
additional sources of polluted run-off; or iv) impede or redirect flood flows?							
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project site is not located in an area of potential inundation by seiche or tsunami. The parcel is not located within a flood zone. In addition, the soils at the project site are generally stable; therefore, is minimal potential to induce mudflows. <b>No Impact</b>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project would not conflict with or obstruct any water quality or management plans. Additionally, to control runoff, the operation will incorporate appropriate Best Management Practices (BMPs) consistent with City code and State Storm Water Drainage Regulations to the maximum extent practicable to prevent or reduce discharge of all construction or post-construction pollutants into the local storm drainage system. All grading measure shall adhere to all Federal, State and local agency requirements. <b>Less than Significant.</b>
<b>SECTION XI. LAND USE AND PLANNING</b>							
<i>Would the project:</i>							
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project is in the outskirts of the city limits, and in close proximity to the County of Lake's Jurisdiction. The surrounding development includes but is not limited to commercial/industrial development and rural residential development. Therefore, the project will not physically divide an established community. Therefore, the project will not physically divide an established community. <b>No Impact</b>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The proposed project is consistent with the site's General Plan designation (Industrial) and zoning ("I" Industrial District); therefore, it would not require any amendments to the City's General Plan or zoning ordinance. The project is, however, be subject to a Use Permit, approved by the Planning Commission in accordance with the City of Clearlake Municipal Code.</p> <p>Upon issuance of the Conditional Use Permit and with the incorporated mitigation measures and conditions of approval (<i>including obtaining and maintaining all necessary Federal, State and local agency permits</i>), the project will not conflict with any land use plan or policy intended for avoiding or mitigating an environmental effect(s). Additionally, the California Department of Food &amp; Agriculture (CDFA) is responsible for licensing and regulating cannabis cultivation and enforcements as defined in the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), including regulations related to the cultivation of cannabis. The applicant is required to obtain a license(s) from the CDFA prior to legal cultivation occurring, including all additional Federal, State and local agency permits/license. <b>Less Than Significant Impact.</b></p>
<b>SECTION XII. MINERAL RESOURCES</b>							
<i>Would the project:</i>							
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The operation would not result is the loss of availability of a known mineral resource that would be of value to the region and the residents of the state. <b>No Impact</b>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The operations would not result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan. <b>No Impact</b>
<b>SECTION XIII. NOISE &amp; VIBRATIONS</b>							
<i>Would the project:</i>							
a) Generate construction noise levels that exceed the	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Short-term increases in ambient noise levels to uncomfortable levels may be expected during project development, and routine maintenance of the project parcels. There will be vehicles entering and exiting the project premises, however these noise levels are minimal as along Ogulin Canyon Road. The applicant shall adhere to all Federal, State

IMPACT CATEGORIES*	All determinations need explanation. Reference to documentation, sources, notes and correspondence.						
	1	2	3	4	5	6	
Noise Ordinance exterior or interior noise standards at residential properties during the hours that are specified in the City's General Plan Noise Element?							and local agency requirements regarding noise standards. <b>Therefore, to ensure impacts related to the Noise are minimized, the following mitigation measures have been implemented.</b>  <b><u>Mitigation Measures:</u></b> <b>NOI-1:</b> All construction activities including engine warm-up shall be limited to weekdays and Saturday, between the hours of 7:00am and 7:00pm to minimize noise impacts on nearby residents.  <b>NOI-2:</b> Permanent potential noise sources such as, generators used for power shall be designed and located to minimize noise impacts to surrounding properties.  <b>NOI-3:</b> During construction noise levels shall not exceed 65 decibels within fifty (50) feet of any dwellings or transient accommodations between the hours of 7:00 AM and 6:00 PM. This threshold can be increased by the Building Inspector or City Engineer have approved an exception in accordance with Section 5-4.4(b)(1) of the City Code. An exception of up to 80 decibels may be approved within one hundred (100) feet from the source during daylight hours. Project is expected to result in less than significant impacts with regard to noise and vibration.
b) Generate a substantial temporary (non- construction) or permanent increase in noise levels at existing sensitive receptors in the vicinity of the project site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project is not expected to create unusual groundborne vibration due to site development or operation. The low-level truck traffic would create a minimal amount of groundborne vibration. <b>No Impact</b>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels and generate excessive ground borne vibration?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project is not located within an airport land use plan or within two (2) miles of a public airport. <b>No Impact</b>

## SECTION XIV. POPULATION AND HOUSING

*Would the project:*

a) Induce substantial unplanned population growth in an area, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project would increase employment in the area that might Induce some increased population growth, however, this growth would be negligible and not induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure. <b>No Impact</b>
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The operation will not displace a substantial number(s) of existing people or housing, necessitating the construction of replacement housing elsewhere. <b>No Impact</b>



IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
<b>SECTION XV. PUBLIC SERVICES</b>							
<i>Would the project:</i>							
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project does not propose housing or other uses that would necessitate the need for new or altered government facilities. There will not be a need to increase fire or police protection, schools, parks, or other public facilities as a result of the project's implementation. <b>Less Than Significant Impact</b>
<b>SECTION XVI. RECREATION</b>							
<i>Would the project:</i>							
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project site is located in the outskirts of the City of Clearlake (City), in Lake County (County), CA and minimal increase in traffic is anticipated due to construction, maintenance and weekly and/or monthly incoming and outgoing deliveries through the use of small vehicles only. Therefore, the project will not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated. <b>No Impact.</b>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? <ul style="list-style-type: none"> <li>• Fire Protection</li> <li>• Police Protection</li> <li>• Schools</li> <li>• Parks</li> <li>• Other Public Services</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This project will not necessitate the construction or expansion of any recreational facilities. The project parcel has adequate fire and police protection services through the Lake County Fire Protection District and the City of Clearlake Police Department. In their letter of December 12, 2020, the Lake County Fire Protection District, who services this property, indicated that the project would require compliance to several public safety code, including Installation and maintenance of water storage tanks. As a condition of the project and the building permit, all requirements of the district shall be complied with. In addition, the project shall pay all fees to the Fire District, including development Impact fees to address cumulative impacts on the district.</p> <ul style="list-style-type: none"> <li>• <u>Fire Protection:</u> The project parcel has adequate fire protection through the Lake County Fire Protection District and CA Department of Forestry and Fire Protection.</li> <li>• <u>Police Protection:</u> The [project parcel has adequate police protection through the City of Clearlake Police Department, including the Lake County Sheriff's Office.</li> <li>• <u>Schools:</u> The project will not result in substantial adverse impact(s) on the local school district.</li> <li>• <u>Parks:</u> The project will not result in substantial adverse impact(s) on the local parks.</li> <li>• <u>Other Public Facilities:</u> The project is will not result in substantial adverse impacts on other public facilities.</li> </ul> <p><b>Less Than Significant Impact</b></p>

IMPACT  
CATEGORIES\*

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All determinations need explanation.  
Reference to documentation, sources, notes and correspondence.

## SECTION XVII. TRANSPORTATION

*Would the project:*

a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?

☐☐☐☐☒☐

The subject property is located on the northerly side of Ogulin Canyon Road approximately 2,000 feet east of its intersection with State Route 53. Access to the project site would be by private drive(s) off of Ogulin Canyon Road. The project is estimated to generate some traffic to this area but would not be subject to any known federal plans, policies, regulations, or laws related to transportation and circulation. Caltrans is responsible for planning, designing, constructing, operating, and maintaining all State-owned roadways in Lake County. Federal highway standards are implemented in California by Caltrans. Any improvements or modifications to the State highway system within the City of Clearlake need to be approved by Caltrans, such as improvements to the intersection of Ogulin Canyon Road and State Route 53. The City of Clearlake is responsible for maintaining all other roadways in the City. The City's 2040 General Plan identifies State Route 53 as an Expressway and Ogulin Canyon Road as a Local Street. Other than planned improvements to State Route 53 by Caltrans, there are no immediate plans to improve Ogulin Canyon Road.

As noted in the Trip Generation Summary prepared by W-Trans, it is during harvest time that the project is expected to generate the most trips.

**Table 2 – Trip Generation Summary During Harvest**

Land Use	Units	Daily		AM Peak			PM Peak		
		Rate	Trips	Trips	In	Out	Trips	In	Out
Near-Term									
General Light Industrial	25 emp	3.05	76	13	11	2	12	3	9
Future									
General Light Industrial	10 emp	3.05	31	5	4	1	5	1	4
Buildout			<b>107</b>	<b>18</b>	<b>15</b>	<b>3</b>	<b>17</b>	<b>4</b>	<b>13</b>
Note: emp = employees									

At full buildout, the project can expect to generate 107 trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant.

**Less Than Significant Impact**

b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?

☐☐☐☐☒☐

The project is expected to generate an average of +/- 1 distribution and/or commercial trips per week (depending on the season). The type of vehicles to be used will be approximately two (2) - Ford Transit Van (4400 lbs.) and two (2) 2014 Isuzu reefer truck (12000 lbs.) The operation will have up to six (6) employees off season and up to 30 during peak harvest season. The average trips per week for the employees is expected to be +/- 2 per day (+/- 84 per week). The facility will be open for delivery and pick-ups Monday through Sunday, 8:00 AM to 5:00 PM. Additionally, due to the rural nature of the site and Lake County in general, it is not common for one to travel 20+ miles to complete routine business. Therefore, the project would not be conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision. Additionally, the City of Clearlake/Lake County is located in a rural area, and it is not uncommon for one to travel 20 + plus for each trip.

**Less Than Significant Impact**

c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

☐☐☐☐☐☒

The commercial cannabis operation will not substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment. **Refer Response in Section XVII(a). Less Than Significant Impact.**

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
d) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As proposed, the project is not expected to result in any impact to providing adequate emergency access. Additionally, the project was circulated for review to City of Clearlake Police Department, Lake County Fire Protection District, California Department of Transportation, Lake County Fire Protection Districts and the City of Clearlake Community Development Department (Public Works, Building and Planning) for consistency with all applicable safety regulations and policies. No adverse comments were received. The applicant will obtain all the necessary Federal, State, and local agency permits for any works that occurs with the right-of-way and will be subject to the City's traffic impact fee program. Participation in this program will mitigate any cumulative impacts on the City's transportation system. <b>Less than Significant impact.</b>

## SECTION XVIII. TRIBAL CULTURAL RESOURCES

*Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:*

a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>See Response to Section V(a): Less than Significant Impact with the incorporated mitigation measure CUL-1 through CUL-3.</b>
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>See Response to Section V(a): Less than Significant Impact with the incorporated mitigation measure CUL-1 through CUL-3.</b>

## SECTION XIX. UTILITIES AND SERVICE SYSTEMS

*Would the project:*

a) Require the relocation or construction of new or expanded water, wastewater treatment, or storm water drainage, electric power, or natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project will not impact existing and/or proposed utility/service infrastructure systems, including but not limited to water/wastewater treatment systems, storm water drainage systems, electric power, natural gas, or telecommunications facilities. The project parcels will be served on an onsite waste management system (septic) and onsite well(s) and have power through PG&E. The applicant will adhere to all necessary federal, state and local agency requirements. <b>Less Than Significant Impact</b>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant							The commercial cannabis operation will not expose occupants to potential pollutants concentrations from a wildfire(s) or the uncontrolled spread of a wildfire. The applicant will adhere to all applicable Federal, State and local agency requirements. <b>Less Than Significant Impact</b>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
concentrations from a wildfire or the uncontrolled spread of a wildfire?							
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The project site is situated in a rural rea of the County within the City Limits of Clearlake and requires an on-site Waste Management System (Septic). The applicant shall adhere to all Federal, State, and local regulations regarding wastewater treatment and water usage requirements. <b>No Impact</b>
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Local Lake County landfill(s) has sufficient capacity to accommodate the project's solid waste disposal needs. The operation has been developed to help minimize the generation of waste and for the proper disposal of waste produced during the cultivation and processing of cannabis at the project site. The goal is to prevent the release of hazardous waste into the environment, minimize the generation of cannabis vegetative waste and dispose of cannabis vegetative waste properly, and manage growing medium and dispose of growing medium properly. All employees are required to follow the procedures outlined in this plan. Any deviations from this plan must be immediately brought to the attention of the operations manager(s). <b>Less Than Significant Impact</b>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project parcels will be served by an onsite waste management system (septic) and onsite well(s). All septic systems and/or wells shall be installed and adhere to all applicable Federal, State, and local agency requirements. All vegetative waste will be composted onsite, including all soil from any ground disturbance (if necessary). All other waste will be handled in accordance with all Federal, State, and local agency requirements and brought to a proper facility that is able to process such waste. <b>Less Than Significant Impact</b>

## SECTION XX. WILDFIRE

*If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:*

a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The property is located within the State Responsibility Area (SRA) and is in a 'Moderate to High' Fire Hazard Severity Zone. The site has an average cross slope greater than 20-30% and has a moderate fuel load but the cultivation area has been previously disturbed and is clear of vegetation. The SRA regulations (if applicable) will ensure adequate fire access to and on the property. SRA regulations will also ensure that measures are in place to help prevent fire and the spread of fire should one occur. The property shall maintain fire breaks around all structures, shall adhere to all necessary Federal, State, and local agency requirements. <b>Less Than Significant Impact</b>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project will not exacerbate wildfire risks and/or expose persons to pollutant concentrations in the event of a wildfire in the area. Additionally, the applicant will adhere to all Federal, State, and local fire requirements/regulations, including all mitigation measure and/or conditions of approval imposed on such use. <b>Less than Significant Impact</b>
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All infrastructure will be routinely maintained to ensure all Federal, State, and local agency requirements are being satisfied, including all necessary City Codes and/or regulations. Additionally, prior to operation the applicant(s) will make all necessary improvements to the project site, such as access/roadways, fuels breaks, and emergency water source/water tanks. <b>Less than Significant Impact</b>

IMPACT CATEGORIES*	1	2	3	4	5	6	All determinations need explanation. Reference to documentation, sources, notes and correspondence.
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project area to be developed is not located within the vicinity of known waterways nor is it located within a designated flood zone. Therefore, the risk of flooding/runoff, landslides, slope instability, or drainage changes would not be increased due to this project. <b>Less Than Significant Impact</b>
<b>SECTION XXI. MANDATORY FINDINGS OF SIGNIFICANCE</b>							
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This project is not anticipated to significantly impact habitat of fish and/or wildlife species or cultural/tribal resources with the incorporated mitigation measures described above. Therefore, there is minimal risk of degradation, and mitigation measures are proposed that would alleviate most or all of the project-related impacts. <b>With incorporation of Mitigation Measures BIO-2, BIO-3, BIO-4, BIO-5, CUL-1, CUL-2, CUL-3, and HYD-1, the project is not anticipated to significantly impact habitat of fish and/or wildlife species or cultural resources, nor will the project contribute to factors that would harm the environment or add to any wildfire risk.</b>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All potentially significant impacts have been identified related to, Aesthetics, Air Quality, Biological Resources; Cultural/Tribal Resources; Geology & Soil; Noise & Vibration; and Hazards & Hazardous Materials. These impacts in combination with the impacts of other past, present, and reasonably foreseeable future projects in the vicinity could cumulatively contribute to significant effects on the environment if proper mitigation measures are not put in place. <b>The implementation of and compliance with all mitigation measures identified in each section as project conditions of approval would avoid or reduce all potential impacts to less than significant levels and would not result in cumulatively considerable environmental impacts.</b>
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The proposed project has potential to result in adverse indirect or direct effects on human beings. In particular, risks associated with, Aesthetics, Air Quality, Biological Resources; Cultural/Tribal Resources; Geology & Soil; Noise & Vibration; Hazards & Hazardous Materials and have the potential to impact human beings. <b>Implementation of and compliance with mitigation measures identified in each section would reduce adverse indirect or direct effects on human beings and impacts to less than significant impact levels.</b>

**INITIAL STUDY SUMMARY:** Based on the review of the proposed project site and surrounding area, appropriate mitigation measures were identified to mitigate potentially significant impacts to a level below adversity for Aesthetics, Air Quality, Cultural Resources/Tribal Resources, Hazards & Hazardous Materials, Hydrology/ Water Quality, and

Traffic Circulation. Assuming implementation of the identified measures and standard conditions of p Section J, Item 24. f the City of Clearlake and other pertinent agencies, no adverse impacts are anticipated.

**Attachment 6: City Responses to Agency Comments**

<b>Commenting Agency</b>	<b>Summary of Comments</b>	<b>City Response</b>
March 11, 2021 Letter from Lake County Department of Environmental Health	Overview of clearance requirements prior to operation	No new environmental issues raised. Permits will be required and clearances from this agency before project operation is permitted by the City.
March 29 email from Lake County Fire Protection	Overview of requirements prior to operation and occupancy	City concurs with comments. Comments will be part of the conditions of approval for the project.
June 7 email from Lake County Air Quality Management District	List of requirements that may be applicable to the project	City concurs with comments. Comments are part of the mitigation measures for the project.
August 8, 2021 Letter from Central Valley Water Quality Control Board	Overview of potential permitting requirements for the project regarding potential impacts to surface and groundwater quality.	The draft initial study includes recommendation and identifies various permits necessary. Mitigation measures are included in the draft initial study addressing the comments. No new environmental issues are raised in this comment and no revisions are necessary.
August 10, 2021 Letter from Department of Cannabis Control (DCC)	<p>GC 1: DCC has jurisdiction over issuance of cannabis microbusinesses.</p> <ul style="list-style-type: none"> <li>• Provide more information in the project description (operation and maintenance activities, water source and amounts, utilities etc., vehicle trips, greenhouse design</li> <li>• Insert Site plan as a figure rather than an attachment.</li> <li>• Use graphics to describe zoning and general plan designations of surrounding properties</li> <li>• Describe surrounding uses in project description</li> </ul>	<p>Comments noted. This is not a cannabis microbusiness per DOC definition.</p> <p>The IS/MND contains a brief, thorough, and adequate Project Description consistent with State CEQA Guidelines § 15063(d).</p> <p>The City does not see the need to add the site plan as a figure as it is referenced and attached to the document by reference as Attachment B.</p> <p>No new environmental issues are raised by this comment. Zoning and General Plan designations of surrounding properties are addressed in section 21.</p>

		Comment noted. Surrounding uses are adequately described in section 21 of the IS/MND.
DCC	GC 2: Provide description of volatile substances that will be used in manufacturing and include detailed analysis of impacts related to air quality, hazards and hazardous substances, and greenhouse gas emissions	Comment noted. Section III, Air Quality, Section VIII, Greenhouse Gas Emissions, and Section IX, Hazards and Hazardous Materials, provides an adequate description and analysis for project impacts on these categories. Additional details will be provided to DCC upon license application submittal.
DCC	GC 3: Provide copies of plans and documentation with application for DCC license	Comment noted. Plans and reports will be included with any application to DCC made by the applicant.
DCC	GC 4: Provide additional evidence to support the impact statements in the checklist	Comment noted. No new environmental issues are raised in this comment and no revisions are necessary.
DCC	GC 5: Provide more information regarding the Federal, State and local requirements to which the project will adhere.	No new environmental issues are raised by this comment
DCC	GC 6: Project should acknowledge that a microbusiness license is required from DCC and topics the DCC regulates and protections provided through such regulation.	This is not a microbusiness per DOC definition.
DCC	GC 7: Consider cumulative impacts to groundwater diversions, transportation, air quality and odors.	Cumulative impacts of all categories have been adequately considered in this document.
DCC	SC 1: Identify permits or approvals required from other agencies	No new environmental issues are raised by this comment and no further environmental analysis is required.
DCC	SC 2: List all tribes contact as part of AB 52 process	Local tribes, including the KOI Nation of Northern California were included in requests for project review. In addition, the Cultural Resources Study conducted for the project included outreach to local tribes.
DCC	SC 3: Provide description of photos	Locations of photos provided in Final Initial Study. No new environmental issues are raised by this comment.
DCC	SC 4: Provide more information on ref. documents and communications.	No new environmental issues are raised by this comment and no further environmental analysis is required.
DCC	SC 5: Identify agency requirements and applicable design standards in mit. meas. AES-1	Federal, state and local agency have been included in mitigation measure AES-1. No new environmental issues are raised in this comment.
DCC	SC 6: Provide more information in the project description or impact analysis related to grading and construction activities	Comment noted. Project Description consistent with State CEQA Guidelines § 15063(d). The IS/MND contains a brief, thorough description.



DCC	SC 7: Provide additional information regarding odor control equipment and practices.	Comment noted. Refer to mitigation measure AIR-7 addressing Odor Control plan.
DCC	SC 8: Discuss potential for Serpentine soils at the site	Comment noted. According to Lake County GIS, no Serpentine soils are on this site. No adjustments to the existing analysis are necessary.
DCC	SC 9: Discuss how Bio impacts have been reduced to levels less than significant through mitigation.	Comment noted. Clarifying language added. No new environmental issues raised.
DCC	SC 10: Provide supporting information that the removal of vegetation is a less than significant impact.	The site of development on the property is largely open field with little vegetation. Minimal trees to be removed. This is deemed an urban lot and no adjustments to the existing analysis are necessary. Refer to Biological report that provides more supporting information.
DCC	SC 12: Provide more description of the BMPs that will be incorporated to reduce drainage impacts.	Comment noted. Refer to site plan (Attachment B) for stormwater BMPs. No adjustments to the existing analysis are necessary
DCC	SC 13: Provide more description of the BMPs that will be incorporated to reduce erosion control impacts.	See response to SC 12 above. No adjustments to the existing analysis and proposed mitigation measures adequately address this comment.
DCC	SC 14: Provide more discussion regarding waste water impacts	Project will comply with County requirements for a septic system permit. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 15: Provide information regarding mitigation on paleontological resources and how the impact will be reduced.	Mitigation Measure CUL-5 is a typo. There is no CUL-5 Mitigation Measure. Text corrected to read CUL-3. No new environmental issues are raised by this comment.
DCC	SC 16: Define terms for “Near-Term,” “Future,” and “Buildout.” Explain why 107 trips per day is not considered significant.	107 trips per day to SR 53 is considered negligible both for near and future term build out (see 2040 General Plan for cumulative traffic impact evaluation for buildout. This is based on the City Engineer’s determination and knowledge of local traffic conditions, so this conclusion is determined adequate.
DCC	SC 17: Clarify which impacts of HAZ-1 through HAZ-5 will improve with mitigation and how.	All mitigation measured are intended to cover a broad range of hazards. More specific evaluation of hazards will be conducted during the building permit clearance review. No new environmental issues are raised by this comment, and no further environmental analysis is required.

DCC	SC 18: Provide substantial evidence regarding emergency response and evacuation plans impacts.	The project has undergone review by the Police Department and the Lake County Fire Protection District with no noted concerns. These agencies/departments are most familiar with local conditions and therefore address substantial evidence adequacy. Further review of these departments/agencies will be conducted during building permit review to assure adequate emergency response and evacuation plans are adequate. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 19: Provide substantial evidence (through FEMA Maps reference) regarding impacts to flooding.	Please refer to the biological report which identifies Burns Creek and flood issues/FEMA maps that address and include mitigation of flood impacts. This addresses adequate substantial evidence for the project.
DCC	SC 20: Describe sources of noise expected to occur and their sensitive receptors Describe how mitigation impacts NOI-1 through NOI-3 will reduce impacts to less than significant.	IS Document describing noise from road traffic (vehicles) and construction noise (project development). No adjustments to the existing analysis are necessary. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 21: Revise document to have discussion on public service impacts in section XVI instead of included with recreation.	Comment noted. Not an environmental issue and IS/MND has been revised appropriately. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 22: Define trip generation terms; provide evidence that 107 trips/day is not significant.	107 trips per day to SR 53 is considered negligible both for near and future term build out (see 2040 General Plan for cumulative traffic impact evaluation for buildout. This is based on the City Engineer's determination and knowledge of local traffic conditions, so this conclusion is determined adequate.
DCC	SC 23: list tribes contacted as part of AB52 consultation process.	Local tribes, including the KOI Nation of Northern California were included in requests for project review. In addition, the Cultural Resources Study conducted for the project included outreach to local tribes.
DCC	SC 24: Revise checklist to correct section XIXb and XX, information has been transposed. Provide analysis that sufficient water is available.	Comment noted. Existing text is correct. No revisions needed regarding XIXb and XX. Document states project will be served by on-site wells. No adjustments to the existing

		analysis are necessary. No new environmental issues are raised by this comment, and no further environmental analysis is required.
DCC	SC 25: List mitigation measures by number	Mitigation Measure numbers have been included in the discussion of section XXI, Mandatory Findings of Significance. A Mitigation Monitoring Program has been included with this project to assure proper mitigation is implemented.
DCC	SC 26: Identify other cannabis growers existing in the vicinity of the project and describe if they would contribute to cumulative impacts.	The City is processing one additional commercial cannabis application across the street. Another commercial cannabis project was approved to the south on SR53. These uses are considered agricultural and industrial operations that are located in an Industrial Zoning District which has been evaluated for cumulative environmental impacts in the 2040 General Plan EIR (refer to Section XI, Land Use Planning).
September 8, 2021, Letter from Department of Cannabis Control (DCC)	General discussion of licensing issued by the DCC which is important for the applicant to understand.	This does not have an impact on how the City addresses the various. The DCC is welcome to define the use and licensing requirements for this project which is beyond the scope of the City's regulations.
DCC	Requests additional information on proposed manufacturing process and noted concerns with environmental impacts of volatile and non-volatile manufacturing.	Attachment 13 of this report includes additional information on the manufacturing process. The City's cannabis regulations don't discern the difference between volatile and non-volatile manufacturing process. The project will be subject to strict cannabis manufacturing regulations of the Lake County Fire Protection District which does provide various public health and safety regulations that more specifically address volatile and non-volatile manufacturing. These regulations would reduce the project's potential impacts to a level of non-significance.
DCC	Requests additional more detailed information, such as noise levels, as part of the licensing.	As the lead agency under CEQA, the City has determined that the project will not result in a significant adverse impact to the environment as long as certain mitigation measures are included in the project. For example, more information has been requested by the DCC regarding the project's noise levels. The project is located in an industrial zone and will be required to

		comply with City noise regulations. The applicant has also agreed to all mitigation measures. The DCC may require a higher level of information for licensing, such as a noise study.	<i>Section J, Item 24.</i>
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**See Written Comments Below as Referenced Above:**



**COUNTY OF LAKE**  
 Health Services Department  
 Environmental Health Division  
 922 Bevins Court  
 Lakeport, California 95453-9739  
 Telephone 707/263-1164  
 FAX 707/263-1681

Denise Pomeroy  
 Health Services Director

Gary Pace, MD, MPH  
 Health Officer

Craig Wetherbee  
 Environmental Health Director

#### MEMORANDUM

DATE: March 11, 2021

TO: Mark Roberts, Senior Planner – City of Clearlake

FROM: Tina Dawn-Rubin, Environmental Health Aide

RE: Use Permits UP 21-05; 21-06; UP 21-07; UP 21-08; IS 21-02  
 Commercial Cannabis

APN: 010-044-17 2185 Ogulin Canyon Rd, Clearlake

Lake County Division of Environmental Health (EH) has on file for the subject parcel:  
**APN: 010-044-17** – a 2021 well permit (WE 5569 AG) for an AG well; a 2016 site evaluation report for an on-site waste water treatment system; a 2008 septic permit (20594) designed to service a commercial facility was issued and appears not installed (no final inspection on file); a 2008 site evaluation report; a 2007 well permit (WE 2564) for a domestic well; a 1979 septic permit (4798-S) designed to service a 2 bedroom dwelling.

The applicant must meet the EH requirements regarding Onsite Wastewater Treatment System (OWTS) and potable water.

For any proposed building permits or projects where the parcel is serviced by an OWTS or well, the applicant may need to demonstrate the location of any proposed or existing structures including residential or commercial dwellings, garages, driveways, shed, barns, green houses, non-perimeter fences, well houses, etc., and the location of the proposed project on a to-scale site plan prior to building permit issuance and/or project approval.

EH may require a field clearance to validate septic or well locations prior to site plan approval.

If the applicant is proposing a commercial cannabis operation and the operation will be constructing or utilizing an existing structure (i.e., processing facility) that will have plumbing for a restroom, sink, etc, that structure will be required to have its own OWTS, separate from any existing or new OWTS designed to service a residential structure.

If the applicant is proposing an OWTS, then applicant must apply for a site evaluation and, if the site is acceptable to support an OWTS, apply for a permit.

EH requires all applicants to provide a written declaration of the chemical names and quantities of any hazardous material to be used on site. As a general rule, if a material has a Safety Data Sheet, that material may be considered as part of the facilities hazardous materials declaration.

***Promoting an Optimal State of Wellness in Lake County***

March 29, 2021

Lake County Fire Protection District will be requiring the following but not be limited to:

1. New occupant will need to secure an application on file that can be located within our front office.
2. Submit 3 sets of plans for review and approval prior to building. An occupancy inspection will be required prior to occupancy.
3. Fees will be applied and can be found on our website.
4. Provide knox box for fire department access.
5. Ensure proper fire extinguishers are used.
6. Ensure emergency lighting is current.
7. Manufacturing requires a full fire sprinkler system with fire alarm to notify occupants to exit. Fire suppression plans needs to be submitted and approved prior to installation.
8. Provide all data on extraction equipment, cultivation CO2?, etc....
9. Submit operational business plan.

Our FAQ sheet is located as well on our website that will be able to provide additional information on types of licenses. Also, our website gives direction to business owners on current building codes that is enforceable.

Thanks and have a great day

Cory Smith  
Fire Marshal

Lake County Fire Protection District

[CSmith@lakecountvfire.com](mailto:CSmith@lakecountvfire.com)

14815 Olympic Drive  
Clearlake, Ca. 95422

707-994-2170 office  
707-350-4140 cell  
707-9944861 fax

**From:** Fahmy Attar <[fahmya@lcaqmd.net](mailto:fahmya@lcaqmd.net)>  
**Sent:** Monday, June 7, 2021 11:42 AM  
**To:** Mark Roberts <[mroberts@clearlake.ca.us](mailto:mroberts@clearlake.ca.us)>  
**Cc:** Doug Gearhart <[dougg@lcaqmd.net](mailto:dougg@lcaqmd.net)>  
**Subject:** Re: RFR - 2160 Ogulin Canyon road Cannabis Project  
**Importance:** High

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Mark,

For a Cannabis operation site, here is a list of Air Quality requirements that may be applicable to the site:

1. Off-site odor impacts should be mitigated to minimize nuisance to nearby residences, property, and public roads.
2. Any manufacturing or delivery Cannabis operations must comply with LCAQMD rules and regulations. An application must be submitted. Contact LCAQMD for more details.
3. Any demolition or renovation is subject to the Federal National Emissions Standard for Hazardous Air Pollutants (NESHAP) for asbestos in buildings requires asbestos inspections by a Certified Asbestos Consultant for all major renovations and all demolition. An Asbestos Notification Form with the Asbestos inspection report must be submitted to the District at least 14 days prior to beginning any demolition work. The applicant must contact the District for more details and proper approvals. Regardless of asbestos content or reporting requirements all demolition and renovation activities should use adequate water/ amended water to prevent dust generation and nuisance conditions.
4. Construction activities that involve pavement, masonry, sand, gravel, grading, and other activities that could produce airborne particulate should be conducted with adequate dust controls to minimize airborne emissions. A dust mitigation plan may be required should the applicant fail to maintain adequate dust controls.

5. If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction activities. Contact LCAQMD for more details.
6. All engines must notify LCAQMD prior to beginning construction activities and prior to engine Use. Mobile diesel equipment used for construction and/or maintenance must be in compliance with State registration requirements. All equipment units must meet Federal, State and local requirements. All equipment units must meet RICE NESHAP/NSPS requirements including proper maintenance to minimize airborne emissions and proper record-keeping of all activities, all units must meet the State Air Toxic Control Measures for CI engines, and must meet local regulations. Contact LCAQMD for more details.
7. Site development, vegetation disposal, and site operation shall not create nuisance odors or dust. During the site preparation phase, the District recommends that any removed vegetation be chipped and spread for ground cover and erosion control. Burning is not allowed on commercial property, materials generated from the commercial operation, and waste material from construction debris, must not be burned as a means of disposal.
8. Significant dust may be generated from increase vehicle traffic if driveways and parking areas are not adequately surfaced. Surfacing standards should be included as a requirement in the use permit to minimize dust impacts to the public, visitors, and road traffic. At a minimum, the District recommends chip seal as a temporary measure for primary access roads and parking. Paving with asphaltic concrete is preferred and should be required for long term occupancy. All areas subject to semi truck / trailer traffic should require asphaltic concrete paving or equivalent to prevent fugitive dust generation. Gravel surfacing may be adequate for low use driveways and overflow parking areas, however, gravel surfaces require more maintenance to achieve dust control, and permit conditions should require regular palliative treatment if gravel is utilized. White rock is not suitable for surfacing (and should be prohibited in the permit) because of its tendency to break down and create excessive dust. Grading and re-graveling roads should utilizing water trucks if necessary, reduce travel times through efficient time management and consolidating solid waste removal/supply deliveries, and speed limits.

Best Regards,

**Fahmy Attar**  
 Air Quality Engineer  
 Lake County Air Quality Management District  
 2617 S. Main Street, Lakeport, CA, 95453

[fahmya@lcaqmd.net](mailto:fahmya@lcaqmd.net)



## Central Valley Regional Water Quality Control Board

6 August 2021

Mark Roberts  
City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 95422-8801

### **COMMENTS TO REQUEST FOR REVIEW FOR THE MITIGATED NEGATIVE DECLARATION, OGULIN HILLS HOLDINGS, LLC PROJECT, SCH#2021060656, LAKE COUNTY**

Pursuant to the State Clearinghouse's 29 June 2021 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Request for Review for the Mitigated Negative Declaration* for the Ogulin Hills Holdings, LLC Project, located in Lake County.

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

#### **I. Regulatory Setting**

##### **Basin Plan**

The Central Valley Water Board is required to formulate and adopt Basin Plans for all areas within the Central Valley region under Section 13240 of the Porter-Cologne Water Quality Control Act. Each Basin Plan must contain water quality objectives to ensure the reasonable protection of beneficial uses, as well as a program of implementation for achieving water quality objectives with the Basin Plans. Federal regulations require each state to adopt water quality standards to protect the public health or welfare, enhance the quality of water and serve the purposes of the Clean Water Act. In California, the beneficial uses, water quality objectives, and the Antidegradation Policy are the State's water quality standards. Water quality standards are also contained in the National Toxics Rule, 40 CFR Section 131.36, and the California Toxics Rule, 40 CFR Section 131.38.

The Basin Plan is subject to modification as necessary, considering applicable laws, policies, technologies, water quality conditions and priorities. The original Basin Plans were adopted in 1975, and have been updated and revised periodically as required, using Basin Plan amendments. Once the Central Valley Water Board has adopted a Basin Plan amendment in noticed public hearings, it must be approved by the State Water Resources Control Board (State Water Board), Office of Administrative Law (OAL) and in some cases, the United States Environmental

KARL E. LONGLEY ScD, P.E., CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

11020 Sun Center Drive #200, Rancho Cordova, CA 95670 | [www.waterboards.ca.gov/centralvalley](http://www.waterboards.ca.gov/centralvalley)



Ogulin Hills Holdings, LLC Project  
Lake County

- 2 -

6 August 2021

Protection Agency (USEPA). Basin Plan amendments only become effective after they have been approved by the OAL and in some cases, the USEPA. Every three (3) years, a review of the Basin Plan is completed that assesses the appropriateness of existing standards and evaluates and prioritizes Basin Planning issues. For more information on the *Water Quality Control Plan for the Sacramento and San Joaquin River Basins*, please visit our website:

[http://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/](http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/)

#### **Antidegradation Considerations**

All wastewater discharges must comply with the Antidegradation Policy (State Water Board Resolution 68-16) and the Antidegradation Implementation Policy contained in the Basin Plan. The Antidegradation Implementation Policy is available on page 74 at:

[https://www.waterboards.ca.gov/centralvalley/water\\_issues/basin\\_plans/sacsir\\_2018\\_05.pdf](https://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/sacsir_2018_05.pdf)

In part it states:

*Any discharge of waste to high quality waters must apply best practicable treatment or control not only to prevent a condition of pollution or nuisance from occurring, but also to maintain the highest water quality possible consistent with the maximum benefit to the people of the State.*

*This information must be presented as an analysis of the impacts and potential impacts of the discharge on water quality, as measured by background concentrations and applicable water quality objectives.*

The antidegradation analysis is a mandatory element in the National Pollutant Discharge Elimination System and land discharge Waste Discharge Requirements (WDRs) permitting processes. The environmental review document should evaluate potential impacts to both surface and groundwater quality.

## **II. Permitting Requirements**

#### **Cannabis General Order**

Cannabis cultivation operations are required to obtain coverage under the State Water Resources Control Board's *General Waste Discharge Requirements and Waiver of Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities Order No. WQ 2017-0023-DWQ* (the Cannabis General Order). Cultivators that divert and store surface water (stream, lake, subterranean stream, etc.) to irrigate cannabis also need a valid water right.

The Water Boards Cannabis Cultivation Programs offer an easy to use online Portal for cultivators to apply for both Cannabis General Order coverage and a Cannabis Small Irrigation Use Registration (SIUR) water right, if needed. Visit the Water Boards Cannabis Cultivation Programs Portal at:

<https://public2.waterboards.ca.gov/CGO>

Additional information about the Cannabis General Order, Cannabis SIUR Program, and Portal can be found at: [www.waterboards.ca.gov/cannabis](http://www.waterboards.ca.gov/cannabis)

Ogulin Hills Holdings, LLC Project  
Lake County

- 3 -

6 August 2021

For questions about the Cannabis General Order, please contact the Central Valley Water Board's Cannabis Permitting and Compliance Unit at: [centralvalleysacramento@waterboards.ca.gov](mailto:centralvalleysacramento@waterboards.ca.gov) or (916) 464-3291. For questions about Water Rights (Cannabis SIUR), please contact the State Water Board's Division of Water Rights at: [CannabisReg@waterboards.ca.gov](mailto:CannabisReg@waterboards.ca.gov) or (916) 319-9427.

#### **Construction Storm Water General Permit**

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit), Construction General Permit Order No. 2009-0009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). For more information on the Construction General Permit, visit the State Water Resources Control Board website at:

[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/constpermits.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml)

#### **Phase I and II Municipal Separate Storm Sewer System (MS4) Permits<sup>1</sup>**

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:

[http://www.waterboards.ca.gov/centralvalley/water\\_issues/storm\\_water/municipal\\_permits/](http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/)

For more information on the Phase II MS4 permit and who it applies to, visit the State Water Resources Control Board at:

[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/phase\\_ii\\_municipal.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/phase_ii_municipal.shtml)

#### **Industrial Storm Water General Permit**

<sup>1</sup> Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.



Ogulin Hills Holdings, LLC Project  
Lake County

- 4 -

6 August 2021

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 2014-0057-DWQ. For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:  
[http://www.waterboards.ca.gov/centralvalley/water\\_issues/storm\\_water/industrial\\_general\\_permits/index.shtml](http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml)

#### **Clean Water Act Section 404 Permit**

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACE). If a Section 404 permit is required by the USACE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements. If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACE at (916) 557-5250.

#### **Clean Water Act Section 401 Permit – Water Quality Certification**

If an USACE permit (e.g., Non-Reporting Nationwide Permit, Nationwide Permit, Letter of Permission, Individual Permit, Regional General Permit, Programmatic General Permit), or any other federal permit (e.g., Section 10 of the Rivers and Harbors Act or Section 9 from the United States Coast Guard), is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications. For more information on the Water Quality Certification, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/water\\_issues/water\\_quality/certification/](https://www.waterboards.ca.gov/centralvalley/water_issues/water_quality/certification/)

#### **Waste Discharge Requirements – Discharges to Waters of the State**

If USACE determines that only non-jurisdictional waters of the State (i.e., "non-federal" waters of the State) are present in the proposed project area, the proposed project may require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation. For more information on the Waste Discharges to Surface Water NPDES Program and WDR processes, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/water\\_issues/waste\\_to\\_surface\\_water/](https://www.waterboards.ca.gov/centralvalley/water_issues/waste_to_surface_water/)

Projects involving excavation or fill activities impacting less than 0.2 acre or 400 linear feet of non-jurisdictional waters of the state and projects involving dredging activities impacting less than 50 cubic yards of non-jurisdictional waters of the state may be eligible for coverage under the State Water Resources Control Board Water

Ogulin Hills Holdings, LLC Project  
Lake County

- 5 -

6 August 2021

Quality Order No. 2004-0004-DWQ (General Order 2004-0004). For more information on the General Order 2004-0004, visit the State Water Resources Control Board website at:  
[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2004/wqo/wqo2004-0004.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf)

#### **Dewatering Permit**

If the proposed project includes construction or groundwater dewatering to be discharged to land, the proponent may apply for coverage under State Water Board General Water Quality Order (Low Threat General Order) 2003-0003 or the Central Valley Water Board's Waiver of Report of Waste Discharge and Waste Discharge Requirements (Low Threat Waiver) R5-2018-0085. Small temporary construction dewatering projects are projects that discharge groundwater to land from excavation activities or dewatering of underground utility vaults. Dischargers seeking coverage under the General Order or Waiver must file a Notice of Intent with the Central Valley Water Board prior to beginning discharge.

For more information regarding the Low Threat General Order and the application process, visit the Central Valley Water Board website at:  
[http://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2003/wqo/wqo2003-0003.pdf](http://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2003/wqo/wqo2003-0003.pdf)

For more information regarding the Low Threat Waiver and the application process, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/waivers/r5-2018-0085.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/waivers/r5-2018-0085.pdf)

#### **Limited Threat General NPDES Permit**

If the proposed project includes construction dewatering and it is necessary to discharge the groundwater to waters of the United States, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. Dewatering discharges are typically considered a low or limited threat to water quality and may be covered under the General Order for *Limited Threat Discharges to Surface Water* (Limited Threat General Order). A complete Notice of Intent must be submitted to the Central Valley Water Board to obtain coverage under the Limited Threat General Order. For more information regarding the Limited Threat General Order and the application process, visit the Central Valley Water Board website at:  
[https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/general\\_orders/r5-2016-0076-01.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2016-0076-01.pdf)

#### **NPDES Permit**

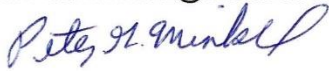
If the proposed project discharges waste that could affect the quality of surface waters of the State, other than into a community sewer system, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. A complete Report of Waste Discharge must be submitted with the Central Valley Water Board to obtain a NPDES Permit. For more information regarding the NPDES Permit and the application process, visit the Central Valley Water Board website at: <https://www.waterboards.ca.gov/centralvalley/help/permit/>

Ogulin Hills Holdings, LLC Project  
Lake County

- 6 -

6 August 2021

If you have questions regarding these comments, please contact me at (916) 464-4684  
or Peter.Minkel2@waterboards.ca.gov.



Peter G. Minkel  
Engineering Geologist

cc: State Clearinghouse unit, Governor's Office of Planning and Research,  
Sacramento





Department of  
Cannabis Control  
CALIFORNIA

Gavin Newsom  
Governor

Nicole Elliott  
Director

August 10, 2021

Mark Roberts, Senior Planner  
City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 95422  
(707) 994-8201  
mroberts@clearlake.ca.us

Re: Review of Initial Study/Mitigated Negative Declaration (SCH No. 2021060656) – Ogulin Hills Holdings, LLC Conditional Use Permits and Initial Study 2021-02

Dear Mr. Roberts:

Thank you for providing the California Department of Cannabis Control (DCC) the opportunity to comment on the Initial Study/Mitigated Negative Declaration (IS/MND; SCH No. 2021060656) prepared by the City of Clearlake for the proposed Ogulin Hills Holdings, LLC Conditional Use Permits (CUPs) 2021-05, 2021-06, 2021-07, 2021-08, and 2021-09 and Initial Study (IS) 2021-02 (Proposed Project).

DCC has jurisdiction over the issuance of licenses to cannabis microbusinesses, which engage in at least three of the following activities at one location:

- Cultivation – up to 10,000 total square feet
- Manufacturing – use of non-volatile solvents, mechanical extraction or infusion
- Distribution or distribution transport-only
- Retail – storefront or non-storefront

DCC may issue a license to a microbusiness that meets all licensing requirements, and where the local jurisdiction authorizes these activities. (Bus. & Prof. Code, § 26012(a).) All commercial cannabis businesses within California require a license from DCC. For more information pertaining to commercial cannabis business license requirements, including DCC regulations, please visit: <https://cannabis.ca.gov/resources/rulemaking/>.

DCC expects to be a Responsible Agency for this project under the California Environmental Quality Act (CEQA) because the project will need to obtain an annual microbusiness license from DCC. In order to ensure that the IS/MND is sufficient for DCC's needs at that time, DCC requests that a copy of the IS/MND, revised to respond to the comments provided in this letter, and a signed Notice of Determination be provided to the applicant, so the applicant can include them with the application package it submits to DCC. This should apply not only to this

Licensing Division • 2920 Kilgore Road, Rancho Cordova, CA 95670  
844-61-CA-DCC (844-612-2322) • [info@cannabis.ca.gov](mailto:info@cannabis.ca.gov) • [www.cannabis.ca.gov](http://www.cannabis.ca.gov)

Business, Consumer Services  
and Housing Agency

Proposed Project, but to all future CEQA documents related to cannabis business applications in the City of Clearlake.

DCC offers the following comments concerning the IS/MND.

## **General Comments (GC)**

### ***GC 1: Project Description Clarifications***

The IS/MND Project Description (Question 19) would be improved if the following items were clarified:

- Full description of Proposed Project operations: Information about operation and maintenance activities at the project site should include days and hours of operation during harvest and non-harvest seasons; sources and amounts of water that will be used, electricity, and utility services and estimated demand for those services; amount of paved surfaces, vegetation removal, and demolition required; number of vehicle trips during harvest and non-harvest seasons; design information for the greenhouse, processing, and office structures; descriptions of the activities and materials that would be involved in the greenhouse, processing, and manufacturing facilities, including the use of hazardous materials or substances; description of the proposed canopy size and the cultivation techniques to be used (e.g., indoor outdoor, mixed-light); and a description of the manufacturing techniques that will be used.
- Site plan: The Project Description would be strengthened if the site plan were provided as a figure in the IS/MND rather than an attachment.
- Land use and zoning designations: The Project Description would be improved if it described (and/or included figures depicting) general plan land use designations and zoning designations for the project site and surrounding properties.
- Adjacent uses: The Project Description would be strengthened if it included specific descriptions of adjacent uses, including distances to any sensitive receptors.

### ***GC 2: Cannabis Manufacturing***

The IS/MND does not specify whether the project includes manufacturing using volatile solvents. If the project will include manufacturing using volatile solvents, a manufacturing license from the DCC will be required in addition to a microbusiness license. In addition, the IS/MND should provide a description of the volatile substances that will be used in product manufacture, and should include analyses of the potential environmental impacts that may result from the use of these substances. In addition, the analyses should describe and consider any measures the Proposed Project will implement that may lessen or reduce potential impacts. In particular, the document should include detailed analyses of impacts related to air quality, hazards and hazardous substances, and greenhouse gas emissions.

**GC 3: Site-Specific Reports and Studies**

The IS/MND references several project-specific plans and studies, such as an Air Quality Plan, Odor Control Plan, Serpentine Control Plan, Energy Usage Plan, and Erosion Control and Sediment Plan. To ensure that DCC has supporting documentation for the IS/MND, DCC requests that the City advise applicants to provide copies of all project-specific plans and supporting documentation with their state application package for annual cultivation license to DCC.

**GC 4: Impact Analysis**

Several comments provided in the comment table below relate to the absence of information or support for impact statements in the document. CEQA requires that Lead Agencies evaluate the environmental impacts of proposed projects and support factual conclusions with "substantial evidence." Substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. In general, the IS/ND would be improved if additional evidence (e.g., regulatory setting, environmental setting, impact analysis and methodology, impact assessment, etc.) was provided to support the impact statements in the checklist, including the sources of information relied upon to make conclusions.

**GC 5: Identification of Federal, State, and Local Regulations**

In multiple instances throughout the document, the IS/MND states that "the applicant will adhere to all Federal, State, and local requirements/regulations." Without more information about the requirements and regulations being referred to, it is difficult to determine whether potential impacts would be avoided. The IS/MND would be strengthened if applicable requirements and regulations were described in the context of each environmental resource.

**GC 6: Acknowledgement of DCC Regulations**

The IS/MND does not acknowledge that the Proposed Project requires a microbusiness license from DCC. The IS/MND could be improved if it acknowledged that DCC is responsible for licensing, regulation, and enforcement of commercial cannabis microbusiness activities, as defined in the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code, § 26012(a)). In particular, the IS/MND's analysis could benefit from discussion of the protections for environmental resources provided by DCC's cultivation and manufacturing regulations. The impact analysis for each of the following resource topics could be further supported by a discussion of the effects of state regulations on reducing the severity of impacts for each applicable topic:

- Aesthetics (See 3 California Code of Regulations § 16304(c); § 16304(g).)
- Air Quality and Greenhouse Gas Emissions (See § 16102(s); § 16304(e); § 16305; § 16306.)



- Biological Resources (See § 16102(w); § 16102(dd); § 16216; § 16304(a-c); § 16304(g).)
- Cultural Resources (See § 16304(d).)
- Energy (See § 16102(s); § 16305; § 16306.)
- Hazards and Hazardous Materials (See § 16102(q); § 16106(a)(3); § 16304(f); § 16307; §§ 17208 - 17216; § 17225.)
- Hydrology and Water Quality (See § 16102(p); § 16102(v); § 16102(w); § 16102(dd); § 16107(b); § 16216; § 16304(a) and (b); § 16307.)
- Noise (See § 16304(e); § 16306.)
- Public Services (See § 17200; § 17201; § 17202)
- Utilities and Service Systems (See § 16102(s); § 16108; § 16308.)
- Cumulative Impacts (related to the above topics).

#### ***GC 7: Evaluation of Cumulative Impacts***

It is important for CEQA analysis to consider the cumulative impacts of cannabis cultivation in the City of Clearlake. Of particular importance are topics for which the impacts of individual projects may be less than significant, but where individual projects may make a considerable contribution to a significant cumulative impact. These topics include, but are not limited to:

- cumulative impacts from groundwater diversions on the health of the underlying aquifer, including impacts on other users and impacts on stream-related resources connected to the aquifer;
- cumulative impacts related to transportation; and
- cumulative impacts related to air quality and objectionable odors.

The IS/MND would be improved by acknowledging and analyzing the potential for cumulative impacts resulting from the Proposed Project coupled with other cannabis cultivation projects being processed by the City, and any other reasonably foreseeable projects in Clearlake that could contribute to cumulative impacts similar to those of the Proposed Project.

#### **Specific Comments and Recommendations**

In addition to the general comments provided above, DCC provides the following specific comments regarding the analysis in the IS/MND.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
1	Ques. 21-22	4	Other public agencies whose approval may be required	N/A (General Comment)	The IS/MND could be more informative if it identified the permit(s) or approval(s) required from each of the agencies listed.
2	Ques. 23	4-5	AB 52 Consultation	N/A (General Comment)	The document would be strengthened if it included a list of all tribes contacted as part of the AB 52 consultation process.
3	Ques. 28	9-11	Site Photos	N/A (General Comment)	The IS/MND would be more informative if it included a brief description of the location and significance of each site photo.
4	Ques. 24	5	Impact Categories defined by CEQA	N/A (general comment)	The list of sources would be improved if it provided additional information regarding some of the references. For referenced documents, the author, title, and date of each document could be provided. For personal communications, the agency or organization, person contacted, date of contact, and method of contact should be provided. For websites, the URL and date visited should be provided. In addition, sources that are project-related studies could be made available via weblink or as attachments.
5	I(d)	14-15	Aesthetics	Mitigation Measure AES-1: All outdoor lighting shall be directed downwards and shielded onto the project site and not onto adjacent properties. All lighting shall comply and adhere to all federal, state and local	The IS/MND would be strengthened if the impact analysis and description of Mitigation Measure AES-1 identified the federal, state, and local agency requirements, as well as the City design standards, that would contribute to reduction in light and glare at the project site.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				agency requirements, including all requirements in darksky.org. (Refer to the City's Design Standards).	
6	III(a)	16	Air Quality	Construction of the site will be minimal and some minor site improvements will be necessary but the amount of earth that needs to be moved is not significant enough to trigger a grading permit.	The IS/MND would be improved if the Project Description and/or the impact analysis contained information about construction activities and grading proposed at the site that would support the statement about the need for a grading permit.
7	III(a)	16	Air Quality	No significant odor impacts are anticipated from the proposed cultivation operation, due to the proposed odor control equipment and practices, and the generous setbacks provided from public roads, property lines, and neighboring residences/ outdoor activity areas.	The IS/MND would be improved if the Project Description and/or the impact analysis contained information about proposed odor control equipment and practices and setbacks that would support the statement about the absence of odor impacts.
8	III(a)	17	Air Quality	Mitigation Measure AIR-10: If construction or site activities are conducted within Serpentine soils, a Serpentine Control Plan may be required. Any parcel with Serpentine soils must obtain proper approvals from LCAQMD prior to beginning any construction	The IS/MND would be strengthened if it discussed the potential for serpentine soils at the project site, indicated whether serpentine soils are present, and described the requirements of a Serpentine Control Plan that would reduce the impact of naturally occurring asbestos to a less-than-significant level.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				activities. Contact LCAQMD for more details.	
9	IV(a)	20	Biological Resources	Upon reviewing the Biological Resource Assessment all substantial adverse impacts, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service have been reduced. Therefore, to ensure impacts related to the Biological Resources are minimized, the following mitigation measures have been implemented.	The impact analysis summarizes the findings of the Biological Resource Assessment by stating that "all substantial adverse impacts... have been reduced." However, the impact analysis identifies mitigation measures that are described as intended to "ensure impacts related to the Biological Resources are minimized..." The IS/MND would be improved if the analysis and conclusion were revised to be consistent. The IS/MND would be strengthened by clearly stating whether implementation of the proposed mitigation measures would reduce those impacts to a less-than-significant level.
10	IV(e), (f)	21	Biological Resources	However, the project may require the removal of a small cluster of grasses and/or vegetation/trees. ...  However, the project may require the removal of Oak Trees.	The IS/MND would be strengthened if it contains supporting information about proposed removal of vegetation, including oak trees, from the project site. Without supporting information, it is difficult to confirm that impacts would be less than significant.
11	VI(a)	23	Energy	N/A (General Comment)	The IS/MND would be improved if the impact analysis provided estimates of

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
					<p>energy usage required for the Proposed Project and clearly identified the sources of energy.</p> <p>Additionally, the IS/MND would be strengthened if it described how the Proposed Project will comply with federal, State, and local requirements regarding energy use, specifically how the Proposed Project would comply with DCC regulations relating to the use of renewable energy in cultivation projects. (Cal. Code Regs., tit. 4 §§ 16203(g), 16305).</p>
12	VII(a)	23	Geology and Soils	Project design shall incorporate Best Management Practices (BMPs) to the maximum extent practicable to prevent or reduce discharge of all construction or post construction pollutants into the County storm drainage system.	The IS/MND would be improved by describing the BMPs that would be implemented and/or including them as mitigation. Further, the IS/MND would be improved by describing how the incorporation of those specific BMPs would reduce potential for impacts on the County storm drainage system to a less-than-significant level.
13	VII(b)	24	Geology and Soils	Mitigation Measure GEO-1: Prior to any ground disturbance and/or operation, the applicant shall submit Erosion Control and Sediment Plans to the Community Development Department for review and approval. The project shall incorporate Best	The IS/MND would be improved by describing the BMPs that would be implemented and/or including them as mitigation. Further, the IS/MND would be improved by describing how the incorporation of those specific BMPs would reduce potential for impacts on the County storm drainage system to a less-than-significant level.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				Management Practices (BMPs) consistent with the City Code and the State Storm Water Drainage Regulations to the maximum extent practicable to prevent and/or reduce discharge of all construction or post-construction pollutants into the local storm drainage system.	
14	VII(e)	24-25	Geology and Soils	The project parcel is currently vacant, when development occurs, the cannabis operation shall adhere to all applicable Federal, State and local agency requirements regarding wastewater disposal systems, (i.e., connecting to public/private sewer facilities and/or onsite waste management systems (septic). Less Than Significant Impact	The IS/MND would be improved if it provided substantial evidence regarding the project's impacts relative to wastewater disposal.
15	VII(f)	25	Geology and Soils	Disturbance of paleontological resources or unique geologic features is not anticipated, but mitigation measures are in place to assure that in the event any artifacts are found. All potential impacts	The IS/MND would be improved if it clearly described how the identified mitigation measures would reduce impacts on paleontological resources to a less-than-significant level. In addition, the discussion refers to Mitigation Measure CUL-5, which is not described in Section V, Cultural Resources. The IS/MND would be

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				have been reduced to less than significant with the incorporated mitigation measures CUL-1 and CUL-5.	strengthened if the impact analysis correctly identified the relevant mitigation measures.
16	XIII(a)	25	Greenhouse Gas Emissions	At full buildout, the project can expect to generate 107 trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant.	Table 2, "Trip Generation Summary During Harvest," is divide into sections labeled "Near-Term," "Future," and "Buildout." The IS/MND would be improved if these terms were defined. In addition, the impact analysis could explain the connection between "near-term" and the 25 seasonal employees, and between "future" and the 10 full-time employees. The IS/MND would be strengthened if it provided supporting evidence for the statement that 107 trips per day is not considered significant.
17	IX(b)	27	Hazards and Hazardous Materials	The project will not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. ... See Response to Section IX(a): Less than Significant Impact with the incorporated mitigation measure HAZ -1 through HAZ-5.	The impact analysis states that the project will not create a significant hazard; however, the impact analysis also refers to Mitigation Measures HAZ-1 through HAZ-5. The IS/MND would be improved if the impact analysis described what impact requires mitigation and how the mitigation measures would reduce impacts.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
18	IX(f)	27	Hazards and Hazardous Materials	The project would not impair or interfere with an adopted emergency response or evacuation plan.	The IS/MND would be improved if it provided substantial evidence regarding the project's impacts relative to emergency response and evacuation plans.
19	X(d)	30	Hydrology and Water Quality	The project site is not located in an area of potential inundation by seiche or tsunami. The parcel is not located within a flood zone.	The IS/MND would be improved if it provided substantial evidence, such as reference to FEMA Flood Insurance Rate Maps, regarding the project's impacts relative to flooding.
20	XIII(a)	31	Noise	N/A (General Comment)	The document would be improved if it described the sources of noise (e.g., cultivation or manufacturing equipment, operation and maintenance activities) expected to occur during project operations and the levels of noise those sources are likely to generate. Additionally, the document should include a description of sensitive receptors, their distances from the Proposed Project site, and an analysis of whether the Project would result in noise-related impacts on sensitive receptors. The discussion should describe how Mitigation Measures NOI-1 through NOI-3 would reduce impacts to a less-than-significant level.
21	XV	32	Public Services	N/A (General Comment)	The analysis of Public Services impacts appears to have been included in Section XVI, Recreation. The document would be improved if this were corrected.
22	XVII(a)	34	Transportation	At full buildout, the project can expect to generate 107	Table 2, "Trip Generation Summary During Harvest," is divided into sections labeled



Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
				trips per day with an AM peak of 18 and a PM peak of 16 trips. This number is not considered significant.	"Near-Term," "Future," and "Buildout." The IS/MND would be improved if these terms were defined. In addition, the impact analysis could explain the connection between "near-term" and the 25 seasonal employees, and between "future" and the 10 full-time employees. The IS/MND would be strengthened if it provided supporting evidence for the statement that 107 trips per day is not considered significant.
23	XVIII(b)	35	Tribal Cultural Resources	N/A (General Comment)	The document would be strengthened if it included a list of all tribes contacted as part of the AB 52 consultation process.
24	XIX(b)	36	Utilities and Service Systems	The commercial cannabis operation will not expose occupants to potential pollutants concentrations from a wildfire(s) or the uncontrolled spread of a wildfire. The applicant will adhere to all applicable Federal, State and local agency requirements. <b>Less Than Significant Impact</b>	The checklist and the response in Section XIX(b) appear to have been transposed from Section XX, Wildfire. The document should contain an analysis of whether the Proposed Project would have sufficient water supplies available to serve the project and reasonably foreseeable development during normal, dry, and multiple dry years.
25	XXI	38	Mandatory Findings of Significance	N/A (General Comment)	The IS/MND could be more informative if it listed the mitigation measures it refers to in this section. The measures need not be repeated in full, but at a minimum they should be listed by number.
26	XXI(b)	38	Mandatory Findings of	N/A (General Comment)	The IS/MND should identify whether any other cannabis growing operations exist

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	IS/MND Text	DCC Comments and Recommendations
			Significance (Cumulative Impacts)		or have been proposed in the vicinity of the Proposed Project, and provide an analysis of whether the Proposed Project would make a considerable contribution to any cumulative impacts from these other projects.

## Conclusion

DCC appreciates the opportunity to provide comments on the IS/MND for the Proposed Project. If you have any questions about our comments or wish to discuss them, please contact Kevin Ponce, Senior Environmental Scientist Supervisor, at (916) 247-1659 or via e-mail at [Kevin.Ponce@cannabis.ca.gov](mailto:Kevin.Ponce@cannabis.ca.gov).

Sincerely,

Rains,

Lindsay@Cannabis

Lindsay Rains,

Licensing Program Manager

Digitally signed by Rains,  
Lindsay@Cannabis  
Date: 2021.08.10 11:43:54 -07'00'



Department of  
Cannabis Control  
CALIFORNIA

Gavin Newsom  
Governor

Nicole Elliott  
Director

September 08, 2021

Mark Roberts, Senior Planner  
City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 95422  
(707) 994-8201  
mroberts@clearlake.ca.us

Re: Review of Final Initial Study/Mitigated Negative Declaration (SCH No. 2021060656) –  
Ogulin Hills Holdings, LLC Conditional Use Permits and Initial Study 2021-02

Dear Mr. Roberts:

Thank you for providing the California Department of Cannabis Control (DCC) the opportunity to review responses to comments on the Final Initial Study/Mitigated Negative Declaration (IS/MND; SCH No. 2021060656) prepared by the City of Clearlake for the proposed Ogulin Hills Holdings, LLC Conditional Use Permits (CUPs) 2021-05, 2021-06, 2021-07, 2021-08, and 2021-09 and Final Initial Study (IS) 2021-02 (Proposed Project).

The City issued an IS/MND for the Proposed Project on June 30, 2021. After reviewing the IS/MND, DCC submitted comments to the City on August 10, 2021. Following the close of the public review period, the City prepared responses to comments and issued a final IS/MND on August 30, 2021 and requested that any additional comments be received by September 10, 2021.

DCC offers the following comments concerning the Final IS/MND and the City's responses to the DCC comment letter dated August 10, 2021.

### **General Comments (GC)**

#### ***GC 1: Microbusiness Designation***

DCC may issue a license to a microbusiness that meets all licensing requirements, and where the local jurisdiction authorizes these activities. (Bus. & Prof. Code, § 26012(a).) Cannabis microbusinesses are those that engage in at least three of the following activities at one location:

- Cultivation – up to 10,000 total square feet
- Manufacturing – use of non-volatile solvents, mechanical extraction or infusion
- Distribution or distribution transport-only
- Retail – storefront or non-storefront

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Business, Consumer Services  
and Housing Agency

Based on the Final IS/MND Project Description (Question 19), the Proposed Project may meet the definition of a cannabis microbusiness. The proposed operation would consist of cannabis cultivation, processing, retail delivery, distribution, and manufacturing. If the applicant applies for a microbusiness license, it would be responsible for meeting all licensing requirements for a cannabis microbusiness. If the applicant instead applies to DCC for separate cultivation, retail, distribution, and manufacturing licenses, it must meet all licensing requirements for each license type.

#### **GC 2: Cannabis Manufacturing**

As stated in comment GC 2 of DCC's original comment letter, the IS/MND does not specify whether the Proposed Project includes manufacturing using volatile solvents. If the Proposed Project will include manufacturing using volatile solvents, a manufacturing license from the DCC will be required. In addition, the IS/MND should provide a description of the volatile substances that will be used in product manufacture, and should include analyses of the potential environmental impacts that may result from the use of these substances. In addition, the analyses should describe and consider any measures the Proposed Project will implement that may lessen or reduce potential impacts. In particular, the document should include detailed analyses of impacts related to air quality, hazards and hazardous substances, and greenhouse gas emissions.

The City's response indicates that additional details will be provided to DCC upon license application submittal. Although DCC may require additional information in reviewing licensing applications, the environmental documents for the Proposed Project should describe and analyze the potential environmental impacts that may result from the use of volatile solvents.

#### **Specific Comments and Recommendations**

In addition to the general comments provided above, DCC provides the following specific comments regarding the analysis in the Final IS/MND.

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Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	Previous Comment	DCC Comments and Recommendations
1 (previous SC 11)	VI(a)	23	Energy	<p>The IS/MND would be improved if the impact analysis provided estimates of energy usage required for the Proposed Project and clearly identified the sources of energy.</p> <p>Additionally, the IS/MND would be strengthened if it described how the Proposed Project will comply with federal, State, and local requirements regarding energy use, specifically how the Proposed Project would comply with DCC regulations relating to the use of renewable energy in cultivation projects. (Cal. Code Regs., tit. 4 §§ 16203(g), 16305).</p>	<p>Table 1, City Responses to Agency Comments, does not contain reference or response to this comment. No additional information has been provided regarding energy usage.</p> <p>In reviewing the license application, DCC will need information from the applicant regarding how the Proposed Project would comply with DCC regulations relating to the use of renewable energy in cultivation projects.</p>
2 (previous SC 20)	XIII(a)	31	Noise	<p>The document would be improved if it described the sources of noise (e.g., cultivation or manufacturing equipment, operation and maintenance activities) expected to occur during project operations and the levels of noise those sources are likely to</p>	<p>DCC requested that the IS/MND provide more information about noise impacts to support the statement that mitigation measures would reduce noise impacts to a less-than-significant level. In particular, Mitigation Measure NOI-3 identifies specific decibel levels that must not be exceeded. The City responded that the IS provides information about road traffic and construction noise. No changes to the</p>

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	Previous Comment	DCC Comments and Recommendations
				generate. Additionally, the document should include a description of sensitive receptors, their distances from the Proposed Project site, and an analysis of whether the Project would result in noise-related impacts on sensitive receptors. The discussion should describe how Mitigation Measures NOI-1 through NOI-3 would reduce impacts to a less-than-significant level.	analysis were made and no additional information was provided.  In reviewing the license application, DCC will need information from the applicant to confirm that noise levels will not exceed applicable thresholds.
3 (previous SC 26)	XXI(b)	38	Mandatory Findings of Significance (Cumulative Impacts)	The IS/MND should identify whether any other cannabis growing operations exist or have been proposed in the vicinity of the Proposed Project, and provide an analysis of whether the Proposed Project would make a considerable contribution to any cumulative impacts from these other projects.	In response to DCC's comment, the City has identified two additional commercial cannabis projects that have been approved or are in process. The City also states: "These uses are considered agricultural and industrial operations that are located in an Industrial Zoning District which has been evaluated for cumulative environmental impacts in the 2040 General Plan EIR (refer to Section XI, Land Use Planning)."  The Final IS/MND (Section XI, Land Use and Planning) makes no reference to cumulative impacts considered for the Industrial Zoning District in the 2040 General Plan EIR with regard to commercial cannabis operations. In addition, the General Plan EIR was circulated in 2014.

Comment No.	Section Nos.	Page No(s).	Resource Topic(s)	Previous Comment	DCC Comments and Recommendations
					<p>well before the State of California legalized commercial cannabis activities or promulgated regulations with regard to cannabis cultivation. Therefore, it is unlikely that the general plan EIR addressed cumulative impacts specific to cannabis cultivation or microbusiness operations.</p> <p>In reviewing the license application, DCC will need information from the applicant regarding the potential for cumulative impacts.</p>

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Business, Consumer Services  
and Housing Agency



## Conclusion

DCC appreciates the opportunity to provide comments on the IS/MND for the Proposed Project. If you have any questions about our comments or wish to discuss them, please contact Kevin Ponce, Senior Environmental Scientist Supervisor, at (916) 247-1659 or via e-mail at [Kevin.Ponce@cannabis.ca.gov](mailto:Kevin.Ponce@cannabis.ca.gov).

Sincerely,

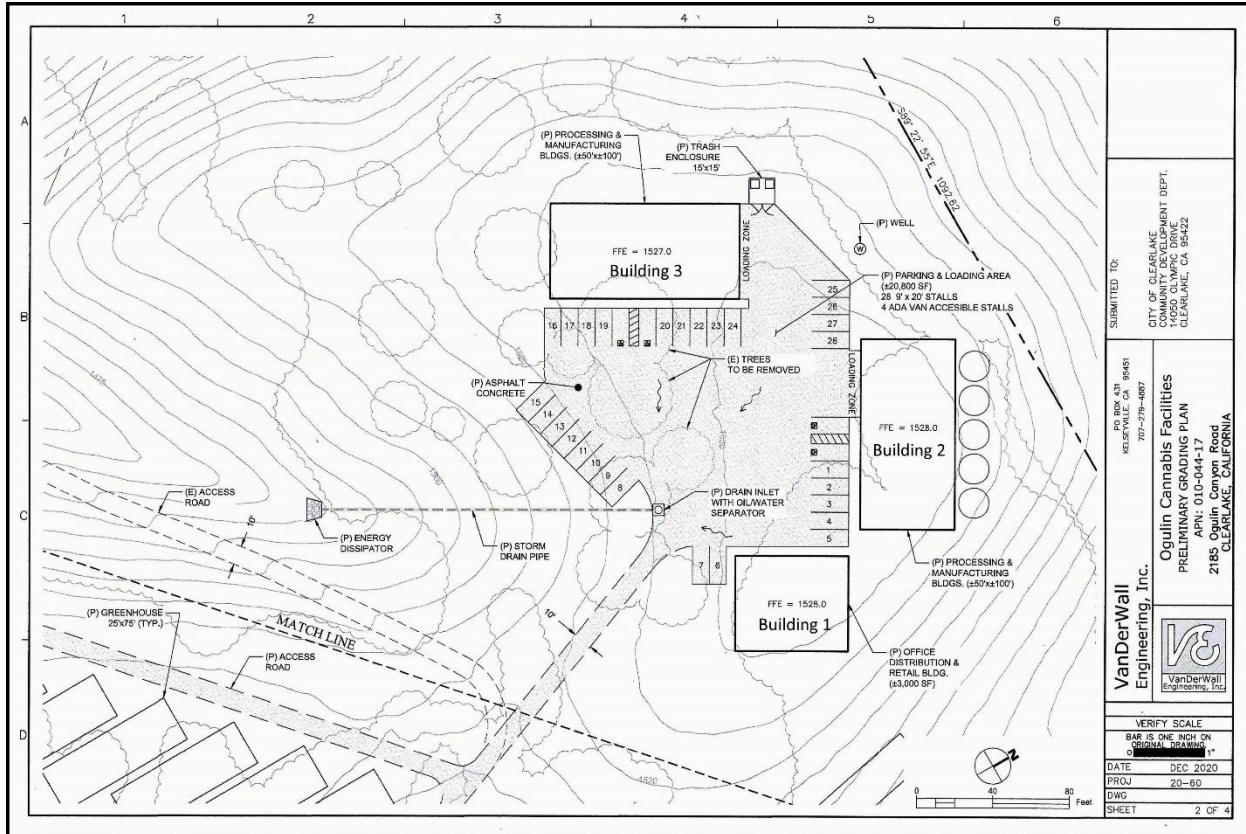
**Rains, Lindsay@Cannabis**

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Lindsay@Cannabis  
Date: 2021.09.08 16:06:55 -07'00'

Lindsay Rains,  
Licensing Program Manager

**2185 Ogulin Canyon Road – Description of Cannabis Manufacturing**

The proposed cannabis manufacturing facilities will be constructed in Building 2 (east side of parking area) and will incorporate high-resolution security cameras that will be strategically placed in various locations. The facilities will also be surrounded by appropriate security fencing.



The cannabis manufacturing operation will involve extraction and/or infusion processes. California Law provides for the licensing of both volatile and nonvolatile cannabis manufacturing facilities.

Nonvolatile manufacturing involves a solvent used in the extraction process that is not a volatile solvent, including carbon dioxide. Volatile manufacturing involves any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, could create explosive or ignitable mixtures. The State's examples of volatile solvents include butane, hexane, propane, and ethanol.

Cannabis manufacturing may also include mechanical extraction using screens or presses; chemical extraction using a nonvolatile solvent such as a nonhydrocarbon-based or other solvent such as water, vegetable glycerin, vegetable oils, animal fats, or food-grade glycerin; chemical extraction using a professional closed loop CO2 gas extraction system; chemical extraction using a volatile solvent; and any other method authorized by the State.

Because the proposed manufacturing processes may include both volatile and nonvolatile solvents, a State of California Type 7 cannabis manufacturing license will be required, as this license allows the use of use both nonvolatile and volatile solvents to produce extractions and infusions.

Chemical extractions must take place within a professional, closed-loop system, and must comply with local building and fire codes and State law. California law establish sound manufacturing practices, assures cannabis product safety, and sets chemical extraction requirements. Cannabis manufacturers must meet local fire code, follow all local requirements for a certified closed loop system and utilize solvents that are 99% pure.

**Nature of the Activity – Cannabis Manufacturing**

The cannabis manufacturing operations will be established in a portion of Building 2 which is in the c site

Building 2 will be a 5,000 square foot single story steel I-beam truss construction on a concrete slab type with a metal clad exterior and a metal roof.

A metal rollup door and standard access doors will be utilized to access the cannabis manufacturing areas.

The facility operator will construct all manufacturing facilities to industry certification standards, in addition to ensuring that the site is in full compliance with all applicable local, state, and federal laws.

As required by the California Building Code, the operator will construct Class 1 Division 1 (C1D1) and Class 1 Division 2 (C1D2) rated facilities to contain the volatile extraction programs.

The definition of hazardous locations includes buildings or parts thereof where fire or explosion hazards may exist due to the presence of flammable gases or vapors, flammable liquids, combustible dusts or easily ignitable fibers. Class 1 locations are those in which flammable "gases or vapors" are, or may be, present in the air in quantities sufficient to produce explosive or ignitable mixtures.

The Manufacturing facilities will be designed and constructed to the highest standards to comply with California and Federal C1D1 (sparkless) construction standards. Construction activities will be overseen by qualified and trained professionals with extensive understanding in standard operating procedures, safety protocols, and maintenance schedules.

Architectural floorplans and construction details will be finalized for the manufacturing facilities and architectural/engineered construction plans and equipment details will be submitted to, plan checked by, and certified for safe operation by the City of Clearlake Community Development Department and the Lake County Fire Protection District #1 (Fire Marshal).

C1D1 facilities use outside fresh air to provide the required air flow rate over equipment. The system provides a slightly negative pressure within the lab area to prevent hazardous gasses from leaking into surrounding areas.

Gas detection alarms are used and will initiate when hazardous gas is detected. The system will activate an audible alarm and shut down power to the equipment inside the room well before dangerous gas levels are reached.

The proposed cannabis manufacturing process will involve a closed loop system.

In general, the proposed operations will involve processed cannabis material delivered to the intake area where it will store in freezer units or on shelves. Track and Trace of cannabis materials is required.

From the intake area the cannabis material moves into the extraction facilities areas. The specific routing of the process cannabis materials depends upon operational requirements and market demand orders.

There may be a nonvolatile CO2 extraction room immediately adjacent to the intake area. This area may also include CO2 extraction machines, decarboxylation ovens, and storage facilities.

A volatile extraction area may also be developed. Butane (BHO) and Ethanol (ETOH) are examples of the volatile materials that may be used. The butane and ethanol are stored within a hydrocarbon solution tank and are chilled down to a very low temperature. From the solvent tank, chilled butane and ethanol is passed through a pressurized/packed cannabis material vessel/column.

The butane and ethanol dissolve the cannabis trichomes. This process results in a chemical reaction where the cannabis terpenes and trichomes are stripped off and picked up. The butane/ethanol and cannabis trichomes move to the dewaxing or cryogenic vessel where the purification process continues, and fats and lipids are purged and removed.

The solvent is now purified and contains only the active ingredient. At this point the solution is passed into a tank where water is added. The butane and ethanol solvents are distilled and evaporated back into the closed loop system, leaving behind the concentrated cannabis oil.

Key points associated with the cannabis extraction process include:

- The cannabis extraction manufacturing processes are conducted in a clean room environment under the strictest operational and safety guidelines.
- Intake materials are examined for visible contaminants, freshness, overall quality, separated into batch sizes, tagged with a unique identifier/barcode that links to testing and origin and accompanies the cannabis material at all times.
- Extraction times vary by material and the design of the extractor equipment.
- A closed loop system is utilized, and solvents are drained to storage containers and placed in the queue for recovery.
- Pesticide tests are taken regularly.
- Cannabis extraction and manufacturing is performed within C1D1 or C1D2 rooms, subject to strict building and Fire Code standards.
- Distillation takes place within a high vacuum in the finished product is a clean distillate, tested, and ready for use.
- Volatile and nonvolatile gases are to be delivered by a local vendor when needed and are held within a properly designed and operated storage tank area.

An electrical/mechanical room will hold equipment required for extraction, but not rated for hazardous areas. The electrical/mechanical room is the location for heating and chilling recirculatory, air compressors, and vacuum pumps with tubing plumbed through the wall to the C1D1 and C1D2 rated areas.

The manufacturing room in the building will be the location where various consumer goods will be produced including:

- Vaporization Cartridges
- Capsules
- Tinctures
- Concentrates
- Bulk Oil

A dry goods storage area for glassware, tools, and supply storage will be constructed, and an area for final packaging and labeling of all products will be set up.

Final packaging, labeling of all products, secured storage of finished goods and the outtake room will be located on the north side of the building and serves as the location of transfer of products to Building #1.

A QC - quality control area is planned for post refinement review and approval by quality control staff utilizing various protocols for all products prior to transfer into the packaging area.

All employees involved in the manufacturing process and gas handling procedures will be required to receive operational and OSHA gas handling training. A licensed supplier will deliver the small tanks of gases as needed, to a secure drop off location in accordance with safe handling protocols. The determination as to the allowable gas storage area location will be part of the city plan check process (compliance determination pursuant to the California Building Code) which will include consultation with the Lake County Fire Protection District #1.

## 2185 Ogulin Business Plan

### Business Overview:

As the cannabis industry continues to grow — with North America taking a leading role — We are eager to find ways to improve productivity and stand out from the pack. Our mission is the creation of a business model which covers the production, processing, marketing, and sales of cannabis

By bringing together production, processing and distribution, we can cut costs, improve efficiency and ensure quality control. It's a strategy that has worked well in other parts of the economy, and we think it will work for cannabis

### Vertical Integration:

#### **WHY WE THINK VERTICAL INTEGRATION WORKS FOR CANNABIS**

The idea behind vertical integration is to gain greater control over the supply chain. Seed-to-sale chains in cannabis may incorporate interests in cultivation, processing, extraction, manufacturing, distribution, and retail, or some combination of the above. Vertically integrated businesses may operate in the same state, but increasingly cannabis companies are using vertical integration to spread their reach to multiple states or regions.

The advantages of the vertically integrated approach are many. They include:

- **Greater economies of scale**
- **Guaranteed access to consumers and cannabis products**
- **Carefully coordinated supply and production plans**
- **In-house control over prices**
- **An ideal structure for creating, promoting, and selling branded products**

## With Vertical integration:

- The consumer typically gets a higher-quality, fresher and cheaper product.
- You own all parts of the supply chain, and therefore control costs along the way, dictate the final price of products, and capture all of the value created from beginning to end.
- Specialization will lead to providing a service more efficiently and typically at a lower cost than competitors.

## Manufacturing:

Our manufacturing goal is to create food products and/or cannabis concentrates. We will start by bringing in testing and tracking raw materials such as:

- Food and ingredients (flour, sugar, etc.)
- Cannabis extract
- Cannabis trim that we convert in to extract

Combine food ingredients with cannabis extract to manufacture items like chocolate bars, beverages and mints. During this stage we:

- Ensure dosing accuracy
- Maintain audit-able records
- Like a manufacturer in any other industry, we will strive to create a consumable product within the target potency range batch after batch.
- We will test all of our products for safety, cannabis content and contaminants utilizing in-house testing equipment as well as third party labs, with thresholds modeled after FDA standards

This current model promotes innovation, entrepreneurialism and job creation. Trust is key for our success.

“We as manufacturers and distributors provide more jobs p/sq. ft. then any other license type within the industry”.

### Cannabis growing: Hybrid greenhouses

Greenhouse technology is getting better and more competitive with indoor. At some point indoor will lose the battle with greenhouses as greenhouses become more high tech, offering unprecedented levels of control over the grow environment, without the costs associated with indoor lighting and climate control.

Modern climate controlled hybrid greenhouses have all the environmental controls of an indoor environment, but with the added benefit of natural sunlight and lower cooling costs.

### Cannabis Processing:

Not only is this an integral part of our vertical integration, but there is also a great need and demand for a processing facility in Lake County. Most growers have to take their product to Santa Rosa or Ukiah for processing. Having a reputable facility in Lake County will not only save time and effort, but will create to the overall success of

our facility. In addition, the contacts made with other like-minded business people in the area will be invaluable.

## Cannabis Dispensary

We are using the Cannabis Facility Construction Dispensary model. They have been designing and building dispensaries since 2105. Taken from their website, here are some highlights that we want to integrate into this section of our business:

**Differentiate the customer experience.** Buying cannabis in a regulated dispensary should feel easy, welcoming and natural. Designing for the customer experience, creating welcoming sales environments, while remaining compliant with regulations, is where dispensaries differentiate themselves from the competition

**Prioritize compliance or suffer the consequences.** To maintain product supply and operational retail sales, stick to strict protocols and carefully follow building codes related to the handling, storage and distribution of cannabis throughout the supply chain

**Use a design-build approach.** Design-build integrates your design and construction teams from the beginning, reducing surprises and streamlining your budget throughout the process of envisioning and construction of our dispensary

## Security

Installation of perimeter fencing, multiple security cameras, locking front gate, possible use of Security Company for onsite guard.



### Fire prevention

Total compliance by both state and County ordinances and regulations.

### Parking

There will be ample employee parking on the building level. The proposed dispensary will be located on the street level and parking for the dispensary will be located there.

### Well Water

Water for manufacturing, growing and fire prevention will be accessible through a proposed well system. There is an abundant water supply in the neighboring farms on Ogulin Canyon Rd., which should easily translate to this parcel

### Employee's

We will begin with as lean as a business as possible, this includes only hiring the essential work force, particularly at the inception of the business. As the business grows, so will the need for employees, however we aim to be as lean and profitable as possible before adding excess employees and expenses.

**2185 Ogulin Canyon Road**  
**Water Availability Analysis**  
**June 2021**

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The subject property is a 21.25-acre parcel located at 2185 Ogulin Canyon Road in Clearlake, California (APN 010-044-17).

The proposed project is a cannabis processing and cultivation facility with 10,000 ft.<sup>2</sup> of manufacturing, processing, distribution buildings (2 buildings - 5,000 ft.<sup>2</sup> each), a 3,000 ft.<sup>2</sup> office and retail delivery building, and ten (10) - 25' x 75' mixed light cultivation greenhouses.

- A. Water for both domestic and irrigation uses will be delivered from an existing permitted water well. The well is approximately 375 feet deep and has a capacity of 80 gallons per minute (see attached well report).
- B. The water system will use ground water pumped from the well directly into five (5) - 10,000-gallon water tanks for distribution to the building(s) plumbing system and to the greenhouses for irrigation. Additional water tanks may be installed in the area of the greenhouses if necessary.
- C. A water meter will be installed in the water system and consumption will be logged daily. Water use efficiency will be analyzed for the previous year and a water budget will be generated for each upcoming grow cycle.
- D. The California Department of Food and Agriculture (CDFA) in 2017 reported the following regarding the water use for cannabis. "According to Hammon et al. (2015), water use requirements for outdoor (mixed light) cannabis production (25-35 inches per year) are generally in line with water use for other agricultural crops, such as corn (20-25 inches per year), alfalfa (30-40 inches per year), tomatoes (15-25 inches per year), peaches (30-40 inches per year), and hops (20-30 inches per year).
- E. The following water use estimate is from the CDFA - CalCannabis Environmental Impact Report (CDFA 2017) = 3,000 gallons per day for 1 acre of cannabis canopy. The combined land area associated with the 10 proposed greenhouses is less than .5 acre. The daily requirement is about 1 gallon of water per minute for .5 acres of cannabis canopy. Using 1,500 gallons per day for .5 acre of cannabis canopy, 300 grow days annually, the annual irrigation water demand for the project is estimated to be 450,000 gallons per year.
- F. Water demand for the light industrial - warehouse and distribution uses is estimated using the Florida Department of Revenue (FDOR) database of property-based information for every parcel of land in the state. This database is publicly available free of charge from the FDOR website. This data indicates that a 13,000 square foot light industrial use will use slightly over 11,000 gallons of water per month or 132,000 gallons/year.
- G. The estimated total water demand for the project is 582,000 gallons per year (450,000 gallons+132,000 gallons). The yield of the well on the property is 80 gallons per minute,

2185 Ogulin Canyon Road  
Water Availability Analysis  
June 2021

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with a capacity in excess of 9.9 million gallons per year (40 hours/week x 52 weeks/year x 80 gallons/minute).

H. The facility will implement water conservation practices, including:

- Selection of plant varieties that are suitable for mixed light cultivation.
- The use of driplines and drip emitters (instead of spray irrigation).
- Mulch to reduce evaporation.
- Water application rates modified from data from soil moisture meters and weather monitoring.
- Rooftop rainwater collection (where feasible and permitted).
- Shutoff valves on hoses and water pipes.
- Daily visual inspections of irrigation systems.
- Immediate repair of leaking or malfunctioning equipment.
- Water metering and budgeting.
- Practices to prevent discharges from water supply equipment.
- Water application rates minimized as necessary to prevent runoff and water equipment leaks repaired immediately.
- Water filtration systems to be installed.
- Tanks will supply gravitational head to the irrigation system. PVC pipes will deliver the water to the plants.
- Mixing tanks will be used to mix liquid fertilizers, which will then be injected into the irrigation system supply lines.
- At each planting station, black polyvinyl flexible tubes and drip emitters will be used to irrigate the plants.

I. Groundwater – The following information is from: **Lake County Watershed Protection District Lake County Groundwater Management Plan - March 31, 2006 - page 2-24 to 27.** The project site is in the Burns Valley Groundwater Basin.

Burns Valley Basin is in the Shoreline Inventory Unit. The Franciscan Formation borders the Burns Valley Basin on the north, Clear Lake borders the basin on the west, and the Cache Formation borders the basin on the south and east.

2185 Ogulin Canyon Road  
Water Availability Analysis  
June 2021

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Water-Bearing Formations:

Quaternary Alluvium

The valley lowlands contain stream channel gravel and adjacent floodplain deposits. These lowland deposits are Quaternary Alluvium and are composed of silt, sand, and gravel. The southern end of the valley has a maximum thickness of approximately 50 feet (DWR 2003). Groundwater in this formation is unconfined and typically provides water for domestic use.

Quaternary Terrace Deposits

Quaternary Terrace Deposits have been deposited on the sides of the alluvial plain in the Burns Valley Basin. The terrace deposits are approximately 15 feet above the valley floor and slope up the valley to a similar elevation as the foothill exposures of the Cache Formation. Groundwater in this formation is not well understood.

Lower Lake Formation

The Lower Lake Formation, consisting of lake deposits, underlies the alluvial and terrace deposits in the Burns Valley Basin. The formation consists of fine sands, silts, and thick interbeds of marl and limestone (Rymer 1981) and has a maximum thickness of 200 feet (DWR 2003). The formation has low permeability and provides water to wells at up to a few hundred gallons per minute (DWR 2003).

Groundwater Hydrogeology

The Watershed Protection District monitors one well in the Burns Valley Basin. The monitoring well indicates that groundwater levels fluctuate from 2 feet below ground surface in the spring to 10 feet below ground surface in the fall. The well also indicates that water levels rose in the Burns Valley Basin in 1981-1983. No information on groundwater movement is available. DWR estimates the useable storage capacity to be 1,400-acre feet (DWR 1960). Average-year agricultural groundwater demand in the Burns Valley basin is approximately 14 acre-feet per year.

Groundwater Quality/Inelastic Land Surface Subsidence

DWR monitors a number of wells for water quality in the Burns Valley Basin. Monitoring is not extensive enough to determine trends in groundwater quality nor the overall character of groundwater in the basin. Information was not available from DHS for the High Valley Groundwater Basin. Current information regarding inelastic land surface subsidence is unavailable.

## 2185 Ogulin Canyon Road Water Availability Analysis June 2021

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### Groundwater Wells

There are 86 domestic wells and 13 irrigation wells in the Burns Valley Basin. Approximately 50 percent of domestic wells are shallower than 75 feet deep, and approximately 50 percent of irrigation wells are shallower than 250 feet deep.

### Conclusion - Water Availability

There is adequate water availability for the 2185 Ogulin Canyon Road Cannabis Processing and Cultivation Project.

June 15, 2021

Richard Knoll Consulting  
825 South Main Street  
Lakeport, California 95453  
707-349-0639  
[richardk2255@hotmail.com](mailto:richardk2255@hotmail.com)



COUNTY OF LAKE  
HEALTH SERVICES DEPARTMENT  
Division of Environmental Health  
922 Bevins Court, Lakeport, CA 95453-9739  
Telephone 707/ 263-1164 FAX: 263-1681

Denise Pomeroy  
Health Services Director

Erin Gustafson  
Public Health Officer

Jasjit Kang  
Environmental Health Director

## SEAL WITHOUT WITNESS

Permit Number: WE 5569AG  
Site Address: 2185 Ogulin Canyon Rd. Clearlake CA  
Assessor's Parcel No: 010 - 044 - 17  
Owner Name: Ogulin Hills Holdings  
Date: 4-1-21

## REASON FOR SEAL WITHOUT WITNESS:

- ☐ Emergency Seal - Explain: \_\_\_\_\_
- ☒ Inspector unable to witness
- ☐ Other: \_\_\_\_\_

IMPERMEABLE LAYER in which annular space terminates:

2' at a depth of 23' feet.

SEALANT USED: Bentonite clay with concrete cap  
METHOD OF PLACEMENT: pour down hole Mix concrete cap

I hereby certify that I have installed the annular seal in accordance with the provisions of the Lake County Well Ordinance and unless otherwise specified in the Lake County Well Ordinance, with the California Department of Water Resources Bulletin 74-81 or as modified by subsequent revisions or supplements.

DRILLING CONTRACTOR SIGNATURE: [Signature]

COMPANY: Will Peterson Well Drilling LICENSE NO: 1009053

Our mission is to promote and protect the health of the people of Lake County through education and the enforcement of public health laws.



Page 1 of 1  
 Owner's Well Number \_\_\_\_\_  
 Date Work Began 3/24/2021 Date Work Ended 3/25/2021  
 Local Permit Agency Environmental Health  
 Permit Number WE 55169 AG Permit Date 3/22/2021

State of California  
**Well Completion Report**  
 Refer to Instructional Pamphlet  
 No. ~~XXXXXX~~

DWR Use Only - Do Not Fill In									
State Well Number					Size Number				
Latitude					Longitude				
API/IRS/Other									

[illegible]

**Well Owner**  
Name Dogelin Hills Holdings  
Mailing Address 637 Lindaro St. Ste 201  
City San Rafael State CA Zip 94901

Well Location

Address 2185 Ogulin Canyon Rd.

City Clearlake County Lake

Latitude \_\_\_\_\_ N Longitude \_\_\_\_\_

Dec. Lat. \_\_\_\_\_ Dec. Long. \_\_\_\_\_

APN Book 010 Page 044 Parcel 17

Township \_\_\_\_\_ Range \_\_\_\_\_ Section \_\_\_\_\_

**Location Sketch**  
(Sketch must be drawn by hand after form is printed)

North

ty

Oguila's Canyon Rd.

West

429

South

**Activity**

☒ New Well

☐ Modification/Repair

☐ Deepen

☐ Other \_\_\_\_\_

☐ Destroy

Describe the procedures and materials under "CFOI SDC: 00"

**Planned Uses**

☒ Water Supply

☐ Domestic ☐ Public

☒ Irrigation ☐ Industrial

☐ Cathodic Protection

☐ Dewatering

☐ Heat Exchange

☐ Injection

☐ Monitoring

☐ Remediation

☐ Sparging

☐ Test Well

☐ Vapor Extraction

☐ Other

### Water Level and Yield of Completed Well

Depth to first water 280 (Feet below surface)  
 Depth to Static \_\_\_\_\_  
 Water Level 280 (Feet) Date Measured 3/25/21  
 Estimated Yield \* 80 (GPM) Test Type Air Lift  
 Test Length 2 (Hours) Total Drawdown \_\_\_\_\_ (Feet)  
 \*May not be representative of a well's long term yield.

[illegible]

**Attachments**

☐ Geologic Log

☐ Well Construction Diagram

☐ Geophysical Log(s)

☐ Soil/Water Chemical Analyses

☐ Other \_\_\_\_\_

Attach additional information, if needed.

Certification Statement			
I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief			
Name	Will Peterson Well Drilling		
PO	Person, Firm or Corporation	City	State
	15000695	Kelseyville	CA 95451
Address		City	State
2400 H		4-1-21	1009053
C-57 Licensed Water Well Constructor		Date Signed	C-57 License Number



GULIN HILLS HOLDINGS, LLC  
 BRIAN D. PENSACK  
 637 LINDARD ST., SUITE 201  
 SAN RAFAEL, CA 94901

## SITE PLAN DATA

AREA OF PROPERTY 21.25 ACRES TOTAL

**ZONING** **C-4 CITY OF CLEARLAKE**

FLOOD ZONE

## NOTES

1) THIS IS NOT A BOUNDARY SURVEY. ALL LOT LINES SHOWN ARE BASED ON A.P.N. MAP.

Parcel Line Table		
Line #	Length	Direction
L1	417.23	N0° 43' 08"E
L2	176.50	N33° 35' 16"E
L3	487.57	S50° 02' 51"W
L4	310.04	N65° 13' 21"E
L5	167.51	S57° 33' 36"W
L6	273.07	N30° 16' 00"W
L7	57.82	N75° 56' 03"E

## LEGEND

- 
- PROPERTY LINE
- SETBACK LINE
- EASEMENT LINE
- (P) ACCESS ROAD/DRIVEWAY
- (E) ACCESS ROAD/DRIVEWAY
- (E) TREE/BRUSH LINE
- FEMA FLOOD ZONE BOUNDARY
- (P) THERMAL CAMERA
- (P) LIGHT POLE
- (P) BUILDINGS
- (P) BUILDINGS
- GREENHOUSES
- AREA FOR FUTURE BUILDINGS
- ZONE AE
- ZONE AE FLOODWAY
- ZONE AO
- ZONE X



SUBMITTED TO:

CITY OF CLEARLAKE  
COMMUNITY DEVELOPMENT DEPT.  
14050 OLYMPIC DRIVE  
CLEARLAKE, CA 95422

PO BOX 431  
KELSEYVILLE, CA 95451  
707-279-4887

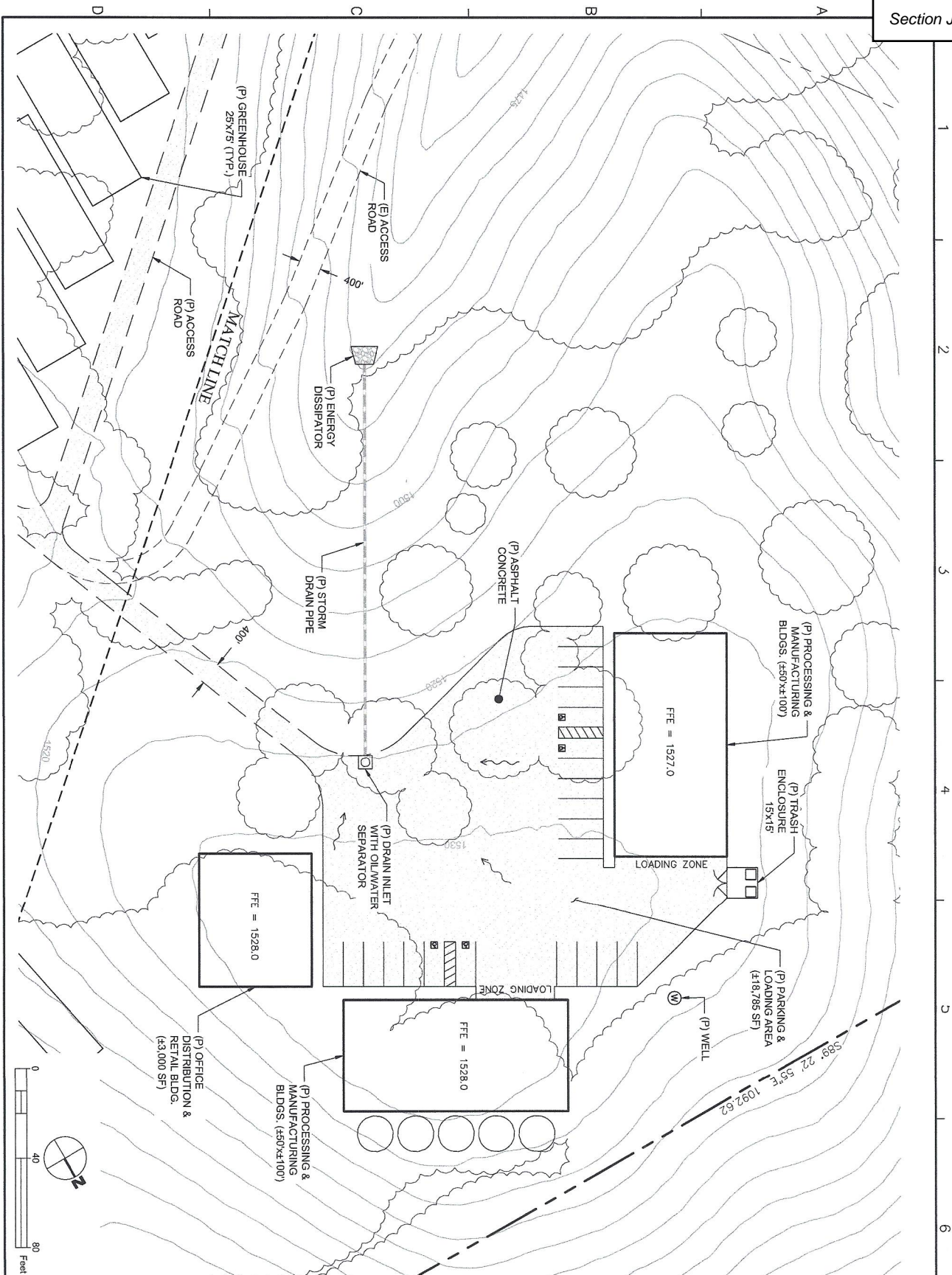
VanDerWall  
Engineering, Inc.

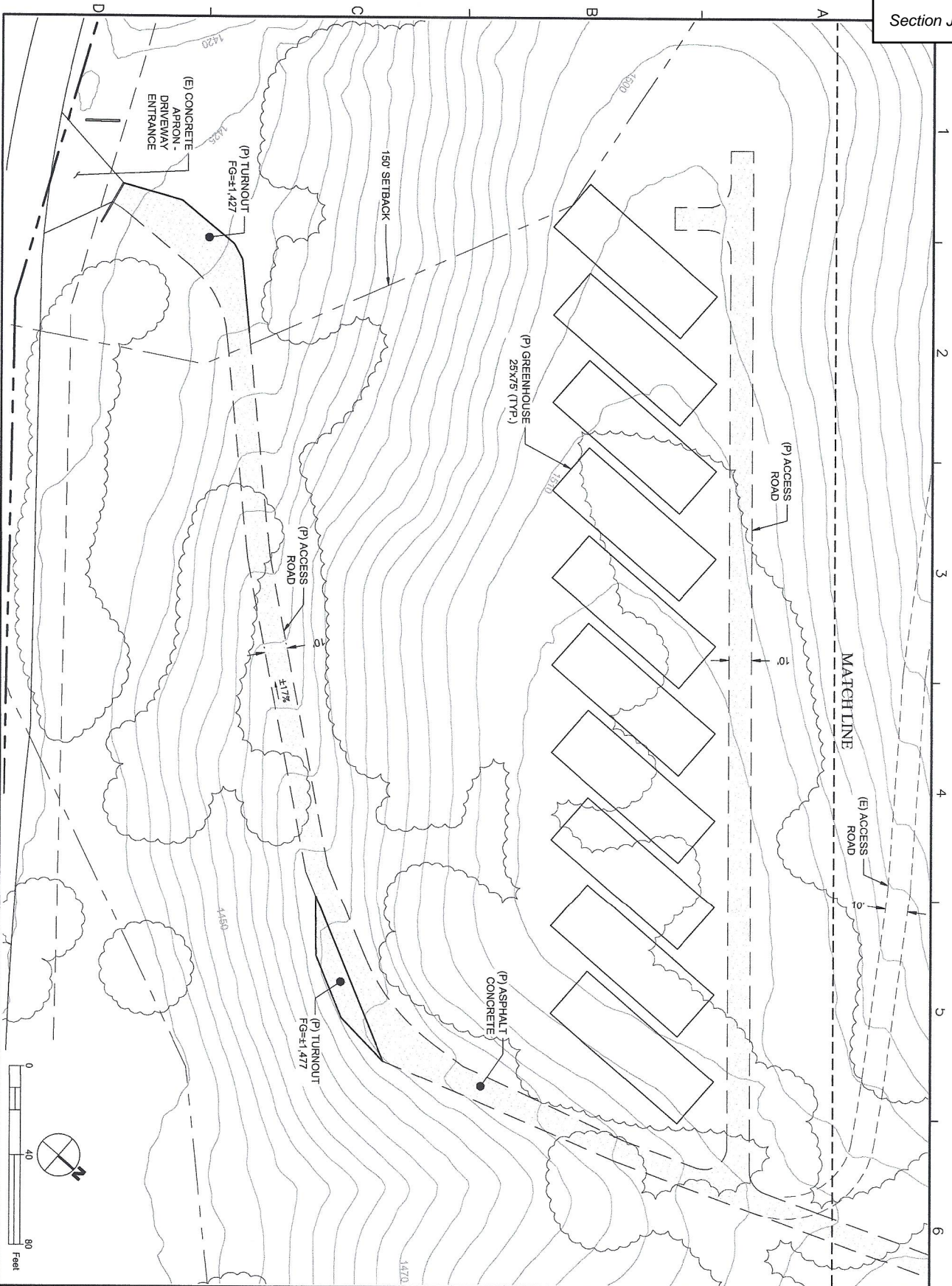
Ogulin Cannabis Facilities  
SITE PLAN  
APN: 010-044-17  
2185 Ogulin Canyon Road  
CLEARLAKE, CALIFORNIA



VERIFY SCALE	BAR IS ONE INCH ON ORIGINAL DRAWING	0 1"
DATE	DEC 2020	
PROJ	20-60	
DWG		
SHEET	1 OF 2	







<b>VanDerWall Engineering, Inc.</b>		PO BOX 431 KELSEYVILLE, CA 95451 707-279-4887	SUBMITTED TO:  CITY OF CLEARLAKE COMMUNITY DEVELOPMENT DEPT. 14050 OLYMPIC DRIVE CLEARLAKE, CA 95422
<b>Ogulin Cannabis Facilities</b> PRELIMINARY GRADING PLAN APN: 010-044-17 2185 Ogulin Canyon Road CLEARLAKE, CALIFORNIA			
<b>VERIFY SCALE</b> BAR IS ONE INCH ON ORIGINAL DRAWING DATE DEC 2020 PROJ 20-60 SHEET 3 OF 4			

# AGREEMENT BETWEEN CITY OF CLEARLAKE AND THE YUBA COMMUNITY COLLEGE DISTRICT

This Agreement is made by and between the City of Clearlake, a California municipal corporation (“City”), and the Yuba Community College District, by and through its college, Woodland Community College (“Provider”) as of September 1, 2021.

Whereas, City has allocated City funds to for the purpose of implementing a last dollar scholarship program (the “Program”) to pay the fees for qualified Clearlake residents who graduate from any high school within the City of Clearlake and attend any one of the three Woodland Community College campuses during the 2022/2023 and 2023/2024 academic years. The services will benefit the City of Clearlake and its residents by encouraging Clearlake residents graduating from high school to pursue a college education and to provide educational opportunities for students who may not otherwise be able to afford to continue their education.

City and Provider agree as follows:

1. Term. The term of this Agreement shall be as set forth in Exhibit A.
2. Programs and Services. Provider will provide the services described in Exhibit A, entitled “Scope of Services.”
3. Funding and Use of Funds. City has allocated funds for the Program of up to \$55,000 to establish the Clearlake Promise Program for the 2022/2023 and 2023/2024 academic years. The funds shall be disbursed to Provider as set forth in Exhibit A and shall be used by Provider solely for the purposes, and subject to the terms, set forth in Exhibit A.
  - a. Failure to use the funds for the purposes described in Exhibit A and pursuant to the terms of this Agreement shall be considered a material breach of this Agreement. Provider shall reimburse City for all funds not used for the purposes described in Exhibit A.
  - b. Minor changes in the use of funds may be approved in writing by the City Manager or his or her designee. “Minor” means a change of use for no more than thirty percent (30 %) of the funds allocated to Provider, or a change which does not alter the core objectives of the service provided with the funds.
4. Unexpended Funds. If any funds advanced to Provider remain unexpended upon the expiration of the term of this Agreement, Provider shall return the unexpended funds to City within thirty (30) days of the expiration date of the Agreement.
5. Documents, Reports and Records.
  - 5.1 Record Retention. Provider shall at all times maintain a complete and current set of financial and statistical records of all its activities which shall clearly reflect the application and use of the funds paid to it by City.



5.2 Inspection of Records. All such records required to be maintained shall be subject to inspection or audit by City at any reasonable time during the normal and usual business hours of Provider. Recognizing, however, that Provider may from time to time render services to recipients that are personal and confidential in nature, provider will not provide City with access to student education records as those are defined under the Family Educational Rights & Privacy Act unless an appropriate exception exists, or the student provides written authorization. Upon receipt of any confidential records, City will at all times maintain that confidentiality and will not require a public record to be made or provided that would serve to violate the confidentiality requirements of Provider. Any inspection or audit shall be made by City's Finance Director, or a designee of the Finance Director.

5.3 Required Reports. Provider shall file Exhibit B, "Report for Use of City Funds," with the City on or before the dates set forth on Exhibit A. If payments of City funds are to be made in more than one installment, payment of the second and subsequent payments will not be made until any required reports have been filed and approved by the City Manager or his or her designee. Provider shall file Exhibit C, "Outcomes Report," with City on or before the date set forth on Exhibit A.

6. Non-Discrimination. Provider agrees that in the performance of this Agreement and in the provision of any services funded in whole or in part by the grant made by City to provider pursuant to this Agreement, Provider shall not discriminate against any employee, recipient of Provider's services, or any other person, on the basis of a person's race, ancestry, religion or religious creed, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, gender, gender identity, gender expression, pregnancy or pregnancy related condition, sexual identity, sexual orientation, political affiliation, or believe, or military and veteran status. In the event that Provider is a religious organization, Provider shall also not condition receipt of any of the services funded by the grant made pursuant to this Agreement upon participation in any religious instruction or service.

7. Indemnification. Provider shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, arising from the performance of this agreement to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Provider or its employees, subcontractors, volunteers, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Provider shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Provider or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Provider to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Provider from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of

this Agreement, Provider acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

8. Insurance. Provider shall comply with the insurance requirements contained in Exhibit D, "Insurance Requirements," and shall procure, at its own cost and expense all insurance coverages listed in Exhibit D before commencing services, projects, or programs with allocated City funds. Provider shall provide proof of such coverage, including certificates of insurance and endorsements, prior to receiving City funds.

9. Attribution. Provider shall include the following language, or such other language as the City may subsequently provide for this purpose, in any and all printed materials promoting or describing the programs and services to be provided pursuant to this Agreement:

10. Provider Not an Agent. Except as City may specify in writing, Provider shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Provider shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever. The parties are independent contractors.

11. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

12. Amendments. This Agreement may be modified or revised at any time by the parties as long as the amendment is made in writing and signed by an authorized official of both parties.

13. Integration. This Agreement, including Exhibits A, B, C, and D, attached hereto and incorporated herein, represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral.

14. IRS Form W-9. Provider shall complete and submit Internal Revenue Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have the ability to waive this requirement.

**Signatures on following page.**

15. IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY:

PROVIDER:

\_\_\_\_\_  
**Dirk Slooten, Mayor**

\_\_\_\_\_  
**Dr. Cirilo Cortez**  
**Dean**  
**Lake County Campus**  
**Woodland Community College**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
**Melissa Swanson, City Clerk**

\_\_\_\_\_  
**Dr. Artemio Pimentel**  
**President**  
**Woodland Community College**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**Kuldeep Kaur, Vice Chancellor,**  
**Administration and Finance,**  
**Yuba Community College District**

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
**Ryan R. Jones, City Attorney**

**EXHIBIT A SCOPE OF SERVICES**

Provider: Woodland Community College  
 Address: 2300 E. Gibson Rd.  
 Woodland, CA 95776

Contact Person Title: Dr. Artemio Pimentel, President, Woodland Community College  
 Telephone: 530-661-5710  
 Email: [apimente@yccd.edu](mailto:apimente@yccd.edu)

Funding Allocation: up to \$55,000.00

Term: July 1, 2022 – June 30, 2024

**Services to be provided:** Provider shall establish and implement a two-part promise program referred to as the Clearlake Promise Program. This program has two components: a fee-free component called the “Clearlake College Promise (CCP), and a scholarship component called the Clearlake Stars Scholarship.

The “Clearlake College Promise” will cover up to two years of community college fees for eligible Clearlake students. Students graduating from high school within a 12-month period prior to enrollment will be eligible for the Promise component of the Clearlake College Promise (“CCP”). In establishing the fee-free Clearlake College Promise program, Provider will create an application process which will include documentation that the students meet all eligibility criteria at the time of graduation from a high school within the City of Clearlake that includes a one-year residency within the City of Clearlake and has graduated from any high school in the City of Clearlake within a 12-month period prior to enrollment.

The Clearlake Stars Scholarship is a points-based scholarship of up to \$1,000 per year for additional discretionary college expenses. Implementation of the Clearlake Stars Scholarship component of the Clearlake College Promise is scheduled to begin in fall 2023. The program may provide for eligible students to receive scholarship money that can be used toward the payment of college expenses including textbooks and other required supplemental materials for enrolled classes. In establishing the Clearlake Stars Scholarship, Provider will create an application process which will include documentation of eligibility and scholarship points scored.

1. Units of Service to be Provided: N/A
2. Use of Funds: The Funds shall be awarded as follows:

A. Funds provided to Students:

For each CCP Recipient: Payment of current enrollment fees for the Clearlake College Promise Program recipients not eligible for the Financial Aid Fee Waiver, will include a maximum of \$46/unit x 15 units (\$690.00); Student Representation Fee of \$2; Health Fee, \$10.00; and

Parking Fee, \$40.00. The current cost to attend Woodland Community College is \$742.00 per semester if a student is enrolled in 15 units (fees are subject to change by California State Legislature).

For each Clearlake Stars Scholarship Recipient funding will be provided according to the following priorities:

- First Priority – Woodland Community College Bookstore credit for textbooks, textbook rentals, instructional supplies and required supplemental materials for enrolled classes.

Maximum award available to each eligible Promise Program recipient shall not exceed \$500 per semester or \$1,000 per year.

- The City of Clearlake will provide additional funding for marketing and outreach materials, not to exceed \$5,000 for the term of this Agreement.
- The College will also support the Clearlake Promise Program by assigning current Student Outreach and Engagement Personnel to support the outreach and marketing of the program in the City of Clearlake.

**Total sum of CCP funds expended shall not exceed \$55,000 per the term of this agreement.**

### 3. Eligibility Criteria for Qualification of Recipients for Services:

#### A. Clearlake College Promise:

In order to be eligible to have fees covered by the Clearlake College Promise students must demonstrate that they meet the following criteria:

- Clearlake residency - Proof of physical residency will be established from the FAFSA or the California Dream Act application and transcripts or other enrollment records from a high school within the City of Clearlake or the Konocti Unified School District (KUSD).
- Students have been a Clearlake resident for at least one-year (same as the California College Promise Grant (California College Program Grant CCPG) formally the Board of Governor's (BOG) Fee Waiver) as demonstrated by one or more of the means identified above.
- Students must enroll within 12 months of graduating from high school (excluding summer).
- Completion of a Student Educational Plan showing a declared major (program of study) leading to a degree/certificate or transfer goal at WCC.
- Full-time enrollment (12 or more units) at WCC (Disability Services and Programs for Students (DSPS) exemption may apply).
- Completion of a FAFSA form or the California Dream Act Application.

#### B. Clearlake Stars Scholarship:

In order to be eligible to apply for the Clearlake Stars Scholarship, students must have met all eligibility criteria for the Clearlake College Promise (see above). Scholarship applicants will be assigned points based on the following:



- Provide proof of civic engagement or volunteerism within the City of Clearlake during their first year at WCC for up to 90 hours of volunteered time per year.
- High school GPA and, if appropriate, college GPA.
- Enrollment in a Career Pathway at WCC that includes EMT, Administration of Justice, Agriculture, Culinary Arts, or Business.
- Or completion of a work-based ready internship in Clearlake that is associated with the student's educational program for up to 80 hours for the year. This requirement can be met by participating in the College Work-Study Program at WCC.

Scholarship awards are subject to the guidelines outlined above and contingent upon successful completion (grade of "C" or better or Pass) of 66% or more of units attempted for fall 2022 and spring 2023 classes with a 2.0 GPA.

Each program recipient enrolled under Woodland Community College and the Clearlake Promise Program must successfully complete (grade of "C" or better or Pass) 66% or more units of his or her courses attempted to be eligible for continued enrollment in the program and to qualify for the Clearlake Stars Scholarship Program during their second year of their academic program.

Provider shall keep documentation confirming eligibility requirements were met. In order to remain eligible for the Clearlake Promise Program(s), students must meet all Woodland Community College academic eligibility requirements.

**Allocation and Payment of Funds:** The City shall pay the funds to provider as follows: The provider will invoice the city of the actual expenses for tuition costs, names of students served, and disbursement of scholarship funds upon receipt of invoice from WCC with final number of awardees each semester. The City dollars are "last dollar" funds for fee portion of program of up to \$30,000 to cover the student fees and 10 student scholarship awards for each the 2022/23 and 2023/2024 academic years.

4. **Reports:** Provider shall file the following reports with City on the dates set forth below:

- 4.1 Report for Use of City Funds: annually or as requested by the City of Clearlake
- 4.2 Outcomes Report: annually or as requested by the City of Clearlake  
The Outcomes Report shall include the information set forth in Exhibit C.

## EXHIBIT B

## REPORT FOR USE OF CITY FUNDS

Provider: Woodland Community College Address: 2300 E. Gibson Rd.  
Woodland, CA 95776

Contact Person/Title: Dr. Artemio Pimentel, President, Woodland Community College  
Telephone: 530-661-5710  
Email: [apimente@yccd.edu](mailto:apimente@yccd.edu)

- 4.1 Report Due Dates annually within 60 days of the end of Spring semesters or as requested by the City of Clearlake

Report Accounting Period:

- Spring Fall 2022 semester through Spring semester 2024

City funds received during reporting period:

Report shall list amount awarded to each recipient to include Enrollment Fees, Student Representation Fee, Health Fee, Parking fee, textbooks, textbook rentals and required supplemental materials for enrolled classes purchased using WCC College Bookstore.

City funds expended during reporting period (please attach all receipts and proof of payments made using City funds): *[this should include a total and what it was spent on, including any line items, if applicable, and attach receipts or proof of expenditures]*

EXHIBIT C  
OUTCOMES REPORT

Provider: Woodland Community College  
Address: 2300 E. Gibson Road  
Woodland, CA 95776

Contact Person/Title: Dr. Artemio Pimentel, President, Woodland  
Community College  
Telephone: 530-661-5710  
Email: [apimente@yccd.edu](mailto:apimente@yccd.edu)

Report Due Dates: annually within 60 days of the end of spring semesters or as requested by the City of Clearlake

- Report Information:

Following Spring semester WCC will provide the City of Clearlake with the following data:

- # of students who applied for the Clearlake College Promise program
- # of students accepted into the Clearlake College Promise program
- # of those accepted into the Clearlake College Promise program who enrolled at WCC.
- Clearlake high school student enrollment trends at WCC.
- Basic demographics of Clearlake College Promise Program applicants and those enrolled through the Program.
- Basic demographics of Clearlake high school graduates enrolled at WCC = gender, race/ethnicity, age group.
- Fall and Spring semester course retention and course success rates for participants in the Clearlake College Promise program. \*
- Fall to Spring college persistence rate for participants in the Clearlake College Promise program. \*

\*Note: In order to protect student rights under FERPA, all data will be aggregate and data from groups with N<10 will be repressed.

## EXHIBIT D

## INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Provider, at its own cost and expense, shall procure “occurrence coverage” insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the services hereunder by the Provider and its agents, representatives, employees, volunteers and subcontractors. Provider shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Provider shall maintain the insurance policies required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

City may approve reduced coverage amounts after review by the Finance Director and City Attorney.

1. **Workers’ Compensation.** Provider shall, at its sole cost and expense, maintain Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance for any and all persons employed directly or indirectly by Provider. The Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Provider may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Provider, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

2. **General/Commercial Liability Insurance.**

2.1 **General requirements.** Provider, at its own cost and expense, shall maintain commercial general liability or general liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability or general liability insurance shall be per occurrence, combined single limit coverage for

risks associated with the work contemplated by this Agreement. If a commercial general or general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

**2.2 Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Provider, including the insured's general supervision; products and completed operations of Provider; premises owned, occupied, or used by Provider; and automobiles owned, leased, or used by the Provider. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Provider to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

**2.3 Sexual Molestation and Abuse Coverage.** Any Provider using City funds to provide direct services to children shall maintain sexual molestation and abuse coverage in an amount no less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00).

### **3. Automobile Liability Insurance.**

**3.1 General requirements.** When applicable, Provider, at its own cost and expense, shall maintain automobile liability insurance for the term of this Agreement in an amount not

less than ONE MILLION DOLLARS (\$1,000,000.00). The automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

**3.2 Minimum scope of coverage.** Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

**3.3 Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Provider, including the insured's general supervision of Provider; products and completed operations of Provider; premises owned, occupied, or used by Provider; and automobiles owned, leased, or used by the Provider. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Provider to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

#### **4. All Policies Requirements.**

**4.1 Verification of coverage.** Prior to beginning any work under this Agreement, Provider shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.2 **Subcontractors.** Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.3 **Deductibles and Self-Insured Retentions.** Provider shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. General Liability and Automobile liability – self-insured retention is \$250,000. Workers’ compensation – self-insured.

During the period covered by this Agreement, only upon the prior express written authorization of the Contract Administrator, Provider may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Provider procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.5 **Waiver of Subrogation.** Provider hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Provider agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation. The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Provider, its employees, agents, and subcontractors.

4.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Provider shall provide written notice to City at Provider’s earliest possible opportunity and in no case later than five (5) days after Provider is notified of the change in coverage.



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Discussion and Possible Action Regarding Approval of an Agreement Between the City of Clearlake and Woodland Community College for the Clearlake Promise Program

**MEETING DATE:** Dec. 2, 2021

**SUBMITTED BY:** Alan D. Flora, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☒ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to discuss the establishment of the Clearlake Promise Program through an agreement with Woodland Community College.

On May 6, 2021 the City Council received a presentation, at the request of Mayor Slooten, regarding the Woodland Promise Program. This program was established through a partnership with the City of Woodland and Woodland Community College. The Council expressed an interest in establishing a similar program here in the City of Clearlake. Mayor Slooten and staff met with Dr. Cortez and discussed the parameters of a possible agreement, which is now in a draft form for the Council to consider.

Students living within the City of Clearlake and attending Woodland Community College would be eligible to apply for the following benefits:

- All extra fees, not covered by traditional financial aid, would be paid by the City of Clearlake (normally about \$750/student)
- The program would cover the 2022-23 and 2023-24 academic year
- Promise Program enrollees would also be eligible for a \$1,000 Clearlake Stars scholarship from the City
- Students would be required to perform a minimum of 90 hours of civic engagement or volunteerism
- Students would complete a work-based internship in Clearlake that is associated with their educational program

The cost of the program would not be expected to exceed \$27,500 per year. This would cover the \$15,000 toward the Promise Program, \$10,000 for Clearlake Stars scholarships, and \$2,500 for marketing efforts.

Woodland College would provide annual reports to the City on the program participants and success in order to evaluate extensions of the program.

#### OPTIONS:

1. Approve the Agreement and Authorize the Mayor to Sign.
2. Provide Direction to Staff.



**FISCAL IMPACT:**

☐ None      ☐ \$27,500      Budgeted Item? ☐ Yes ☒ No

Budget Adjustment Needed? ☒ Yes ☐ No      If yes, amount of appropriation increase: \$27,500

Affected fund(s): ☒ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments: If the Council approves the agreement staff will include a corresponding budget adjustment in the Mid-Year budget update. Funds for the program do not need to be available until spring.

**STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

**SUGGESTED MOTIONS:**

☒ **Attachments: Draft Agreement**



# CITY OF CLEARLAKE

## City Council

### STAFF REPORT

**SUBJECT:** Update and Discussion on the Cache Fire

**MEETING DATE:** Dec. 2, 2021

**SUBMITTED BY:** Alan D. Flora, City Manager

**PURPOSE OF REPORT:** ☐ Information only ☒ Discussion ☒ Action Item

#### WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to discuss response to the Cache Fire and provide possible direction as needed.

#### BACKGROUND/DISCUSSION:

On August 18<sup>th</sup> the Cache Fire erupted within the City boundary, destroying 57 homes, 81 outbuildings and various other property. On August 19<sup>th</sup> the City Council Ratified the City Manager/Emergency Services Director's State of Emergency and request for a state declaration and aid. On August 24<sup>th</sup> the County Board of Supervisors ratified the Public Health Emergency and declared a County state of emergency as a result of the Cache Fire.

While no state or federal declarations or significant aid have yet been approved, we are working with various state agencies and our legislative representatives to respond to the immediate need for housing, and cleanup as we prepared for rebuilding. This item is to provide an update to the Council and community on the current status of various aspects of the recovery efforts from the Cache Fire and to facilitate discussion and possible direction to staff as needed.

#### OPTIONS:

1. Provide Direction to Staff.

#### FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

#### STRATEGIC PLAN IMPACT:

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities

- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

Section K, Item 26.

**SUGGESTED MOTIONS:**

☐ **Attachments:**