



## CITY COUNCIL MEETING

Tuesday, May 17, 2022

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

### AMMENDED AGENDA

Public comments can be emailed to: [cityclerk@cityofcolusa.com](mailto:cityclerk@cityofcolusa.com), or dropped off at City Hall by 3:00 pm, May 17, 2022. Council Chambers are open to the public.

**Members of the public can view the regular meeting live through Zoom:**

<https://us06web.zoom.us/j/86465138081>

**Or, join from a phone:** (346) 248-7799, (720) 707-2699, (646) 558-8656

Webinar ID: 864 6513 8081

Mayor – Thomas Reische

Mayor Pro Tem – Daniel Vaca

Council Member – Denise Conrado

Council Member – Greg Ponciano

Council Member – Joshua Hill

### ROLL CALL

### PLEDGE OF ALLEGIANCE

### APPROVAL OF AGENDA

**PUBLIC COMMENTS** *(The public to address any item of City business NOT appearing on this Agenda. Speakers must limit their comments to three (3) minutes each. Please note that per Government Code Section 54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda)*

**CONSENT CALENDAR** - *All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.*

1. **Approve** - Council May 3rd Draft Minutes
2. **Receive and File** - Police Department April Report
3. **Receive and File** - Finance Department April Report
4. **Receive and File** - Treasurer's February Report
5. **Receive and File** - Warrant List for April
6. **Appoint** - Suzanne Gallaty as Tenant Commissioner pursuant to the Bylaws and the Agreement Creating the Regional Housing Authority.
7. **Adopt** - Revised Resolution for CDBG CV-1 grant to the required format.

8. **Adopt** - Resolution approving the Use Agreement Between City of Colusa and County Office of Education for Storage of Records in Room 15 and 16 at City Hall.
9. **Adopt** - Resolution rejecting all bids and authorizing staff to notify the bidders for the Water Park Splash Pad.
10. **Adopt** - Resolution accepting the City Project Number 2020-001 for construction of the 2020 Wastewater Improvements Project and authorize the City Manager to make final payment and release the 5% retention to R & R Horn, Inc. will change the contract amount to \$1,907,518.48 from \$1,904,702.94.

## **COUNCIL MEMBER AND CITY MANAGER REPORTS**

### **PUBLIC HEARINGS**

11. **Subject:** Public Hearing for a proposed Ordinance approving a Development Agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2876 Niagara Avenue.

**Recommendation:** Council to open the Public Hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance - An Ordinance of the City Council of the City of Colusa approving a Development Agreement between the City of Colusa and Genesis Extracts CA relative to the Establishment and operation of a Cannabis Manufacturing / Business Facility located at 2876 Niagara Avenue in Colusa

**Recommendation:** Council to adopt the following Resolution - A Resolution of the City Council approving a Special Use Permit and a Regulatory Use Permit, Relative to the Establishment and operation of a Cannabis Manufacturing / Business Facility located at 2876 Niagara Avenue in Colusa

12. **Subject:** Public Hearing for a proposed Ordinance approving a Development Agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2881 Niagara Avenue.

**Recommendation:** Council to open the Public Hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance - An Ordinance of the City Council of the City of Colusa approving a Development Agreement between the City of Colusa and RHF Partners, LLC Relative to the establishment and operation of a Cannabis Manufacturing / Business Facility located at 2881 Niagara Avenue in Colusa

**Recommendation:** Council to adopt a resolution of the City Council approving a Special Use Permit and a Regulatory Use Permit, relative to the Establishment and Operation of a Cannabis Manufacturing / Business Facility Located at 2881 Niagara Avenue in Colusa.

13. **Subject:** Public Hearing for a proposed Ordinance approving a Development Agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2949 Niagara Avenue.

**Recommendation:** Council to open the Public Hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance - An Ordinance of the City

Council approving a Development Agreement between the City of Colusa and Hunny Pot Farms relative to the operation of a Cannabis Manufacturing Facility Located At 2949 Niagara Avenue in Colusa.

**Recommendation:** Council to adopt a Resolution of the City Council approving a Special Use Permit and a Regulatory Use Permit, relative to the establishment and operation of a Cannabis Manufacturing / Business Facility Located at 2949 Niagara Avenue in Colusa.

### **COUNCIL CONSIDERATION**

**14. Subject:** City of Colusa Drought Response Plan

**Recommendation:** Council to consider adopting the Resolution approving the 2022 City of Colusa Drought Response Plan.

**15. Subject:** Ordinance to amend the City of Colusa City Code, including Appendix A (Zoning), to update cannabis regulations within the City

**Recommendation:** Conduct second reading of the amended draft Ordinance: An Ordinance of the City Council of the City of Colusa, California Amending Article 4, Article 21.5, and Article 33 of the City Zoning Code and repealing Section 32.11 of Article 32 of the City Zoning Code regarding Cannabis Business Uses and Regulatory Permits.

[This amended draft Ordinance reflects a majority of the City Council's preliminary direction from the May 3, 2022 Public Hearing to allow cannabis dispensaries within the C-G General Commercial District in addition to the M-1 Light Industrial District.]

### **DISCUSSION ITEMS**

**16.** County Fee Request from District 2 Supervisor Kalfsbeek Smith

17. Council to create an Ad Hoc Committee on Homelessness.

18. Council to discuss if City staff member and key City official reports should be reinstated on the agendas.

19. Consideration of projects for the application of the 2022 Community Development Block Grant (CDBG)

### **FUTURE AGENDA ITEMS**

### **ADJOURNMENT**



SHELLY KITTLE, CITY CLERK

The Regular Colusa City Council meetings are held the first and third Tuesdays of each month at 6:00 pm in the Colusa City Council Chambers located at 425 Webster Street, Colusa California unless otherwise noted above. Copies of open session agenda packets, which are distributed to the City Council, are on file at the front desk of the City at 425 Webster Street, Colusa, California, and are available for public inspection beginning 72 hours in advance, during normal business hours (7:00 am – 5:00 pm., Monday through Thursday except for City holidays). Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection at the front desk of the City and on the day of the meeting in the Council Chambers.

#### **Americans with Disabilities Act**

In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the City Clerk at least 48 hours prior to the meeting at (530) 458-4740 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting.

“This institution is an equal opportunity employer and provider”





## CITY COUNCIL MEETING

Tuesday, May 03, 2022

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

### MINUTES

**CALL TO ORDER** - Mayor Reische called the meeting to order at 5:32 pm

**ROLL CALL – PRESENT:** Council Members Josh Hill, Greg Ponciano, Daniel Vaca, Denise Conrado and Mayor Thomas Reische

**PUBLIC COMMENTS** - None.

### **CLOSED SESSION MEETING – 5:30 PM**

Public Employee Performance Evaluation (§ 54957) Title: City Manager

### **REGULAR MEETING – 6:00 PM**

**REPORT ON CLOSED SESSION** - Mayor Reische stated there was no reportable action.

**ROLL CALL – PRESENT:** Council Members Josh Hill, Greg Ponciano, Daniel Vaca, Denise Conrado and Mayor Thomas Reische

### **PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA** - There was council consensus of the agenda approval.

### **PUBLIC COMMENTS**

Sean Amsden member of “Concerned Citizens of Careful Planning” discussed the City's 2007 plan.

**CONSENT CALENDAR** - *All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.*

Mayor Reische recused himself from Item 6 - Warrants List due to his financial interest with George L. Messick as President. Council Member Ponciano requested Item 8 be pulled. Pioneer Review Editor Susan Meeker requested Item 9 be pulled. Motion by Council Member Hill, seconded by Council Member Conrado to approve Items 1-7 of the Consent Calendar. Motion passed unanimously.

- 1. Approve** - Council Draft Minutes of April 5th
- 2. Receive and File** - Fire Department March Report
- 3. Receive and File** - Police Department March Report

- 4. Receive and File** - Finance March Report
- 5. Receive and File** - City Treasurer's January Report
- 6. Receive and File** - March Warrants List
- 7. Receive and File** - PRT Quarterly report and State of the Parks report
- 8. Adopt** - Resolution approving the maximum vacation accrual limit and the requirements to vacation sell back for all groups except Fire Fighter association. Also approving the Bilingual pay for all groups.

ITEM PULLED: After council discussion, Mayor Reische recommended forming an Ad Hoc Committee to rectify the issues. Council Members Ponciano and Hill volunteered to serve on the Ad Hoc and will meet with Finance Director Aziz-Khan. This item will be brought back after they meet.

- 9. Adopt** - Resolution rejecting all bids, and authorize staff to notify the bidders for the Water Park Splash Pad

ITEM PULLED: Pioneer Review Editor Susan Meeker requested the bid release and the alternative plan. City Engineer Swartz stated he would provide the bids and bid results for the next council meeting. City Manager Cain stated the city plans to build the Splash Pad and will obtain a subcontractor on the specialty work.

**ACTION:** There was council consensus to bring back Items 8 and 9 to the next meeting.

### **COUNCIL MEMBER AND CITY MANAGER REPORTS**

Council Member Hill participated in a poll for Item 10 and attended a Chamber Meeting. Council Member Ponciano did some background work on public outreach. Council Member Vaca provided updates on meetings he attended. Council Member Conrado provided updates on all the meetings she attended. Mayor Reische didn't have anything to report. City Manager Cain introduced the City's Grant Writer Fernanda Vanetta. He attended a training seminar last week. Cain provided information on the two upcoming workshops.

### **PUBLIC HEARING**

- 10. Subject:** Public Hearing for an Ordinance to amend the City of Colusa City Code, including Appendix A (Zoning), to update cannabis regulations within the City

**Recommendation:** Council to continue the Public Hearing;

Council to introduce, read by title only, and waive the full first reading of the proposed Ordinance: An Ordinance of the City Council of the City of Colusa, California Amending Article 4, Article 21.5, and Article 33 of the City Zoning Code and repealing Section 32.11 of Article 32 of the City Zoning Code regarding Cannabis Business Uses and Regulatory Permits.

**PUBLIC COMMENTS:** Janice Bell expressed opposition of dispensaries on East Clay Street but not at (CIP) Colusa Industrial Properties.

Amber Torres provided feedback and results from the survey she conducted on retail cannabis. She expressed her opposition to retail cannabis anywhere in the city.

Michael West expressed opposition to retail cannabis in the city. He stated school officials do not want cannabis in the city.

Vicky Willoh – in favor of retail cannabis.

Kristin Amsden – opposed to retail cannabis.

Joey Ragens - opposed to retail cannabis, recommended a new EIR, and to abstain if a council member had a financial interest.

John Rogers - opposed to cannabis dispensaries.

Matt Simmons - opposed to cannabis dispensaries.

John Vaca expressed concerned about potential smell and abstain if a council member had a financial interest.

Nancy Newlin - opposed to downtown dispensaries.

Jennifer Giffin - opposed of dispensaries and recommended community-oriented businesses.

Loni Gross - opposed to downtown dispensaries.

Francis Austin - asked about the revenue from cannabis. City Manager Cain replied 1.2 million dollars.

Thomas Roach – asked where the city was percentage-wise. City Manager Cain replied 10%.

Jack Cunningham – discussed how dispensaries increase undesirable traffic.

Valente Bailey - opposed to downtown dispensaries.

Cheryl Goodman - opposed of all dispensaries.

Angela Kingsley - opposed of retail dispensaries.

**PUBLIC HEARING CLOSED AT 7:10 PM**

**ACTION:** Mayor Reische made a motion to amend the Ordinance allowing a dispensary in the M-1 and General Commercial District except for the Pirelli area, seconded by Council Member Vaca. Council Member Ponciano made a counter-motion to reject any language in the Ordinance pertaining to cannabis dispensaries. With no second, the counter-motion died. The original motion by Mayor Reische, seconded by Council Member Vaca passed 3-1 by the following roll-call vote.

**AYES:** Vaca, Conrado and Reische.

**NOES:** Ponciano.

**ABSTAIN:** Hill.

**ABSENT:** None.

### **COUNCIL CONSIDERATION**

**11. Subject:** Consideration of Parks Recreation and Tree Commission Appointment

City Clerk Kittle reported the vacancy on the Parks, Recreation and Tree Commission. Applicant, Thomas Roach was present, if they had any questions.

**ACTION:** Motion by Council Member Conrado, seconded by Council Member Vaca to appoint Thomas Roach to the Parks, Recreation and Tree Commission for a four-year term. Motion passed unanimously.

**12. Subject:** US Department of Transportation (DOT) Rural Surface Transportation Grant

City Manager Cain reported a grant fund match of 20% - the \$578,000 would come out of the cannabis fund.

**ACTION:** Motion by Council Member Vaca, seconded by Council Member Conrado to adopt **Resolution 22-16** for the city to submit a grant bid to US Department of Transportation (DOT) for the resurfacing of Fremont Street. Motion passed unanimously.

**13. Subject:** Rural Fire Capacity (RFC) Grant for 2022-23 Fiscal Year

City Manager Cain reported this grant would help the Fire Department purchase safety equipment. The cash match portion would be taken from strike team funds.

**ACTION:** Motion by Council Conrado, seconded by Council Member Vaca to approve submission of grant on behalf of the City of Colusa Fire Department for approximately \$20,000 in funds to be used for the purchase of communication equipment and Personal Protective Clothing and Equipment. Motion passed unanimously.

### **DISCUSSION ITEMS**

14. Council to set up an Ad Hoc Committee for the 25 acres of land adjacent to the wastewater treatment plant.

Council Members Hill and Vaca volunteered to be on the Ad Hoc Committee.

**FUTURE AGENDA ITEMS**

- Council Member Hill requested Fee Moratorium update.
- Council Member Ponciano requested forming an Ad Hoc Committee to partner with the Board of Supervisors and community members to discuss the homeless situation.
- Council Member Ponciano requested discussion to reinstate Department Heads, City Engineer, and Elected Treasurer oral reports.

**ADJOURNED at 7:32 pm**

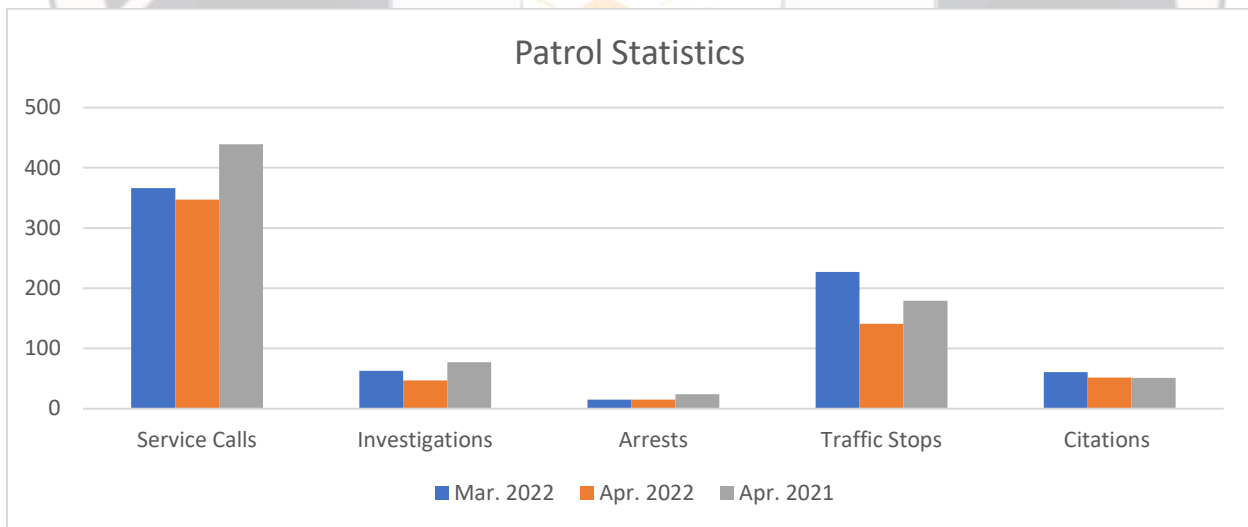
# Colusa Police Department

## *Monthly Report for April 2022*

### Monthly Activities

- City Council Meetings
- Concealed Weapons Permits interviews and application processing
- Participated in the Family Fair at Burchfield Primary School
- Participated in the 'Every 15 minutes' program at Colusa High School
- Attended Colusa County Partnership meeting
- Attended Juvenile Justice Committee meeting

### Monthly Statistics



- There were 347 calls for service for patrol officers with 28 agency assists. This is a decrease from March which was 366. The call volume continues to be lower than 2021. In April 2021, there were 439 calls for service. This is approximately a 20% decline from the prior year.
- During April 2022, there were 15 in-custody arrests. There were 13 citations issued in lieu of subjects being booked in jail. A vast majority of those citations issued were drug related offenses and suspended driver's licenses. There were 4 domestic violence related arrests made in April. There was 1 DUI related arrest made. There were 48 reports initiated with 47 being investigations.
- During the month of April, officers initiated 141 traffic enforcement stops. There were 52 citations issued for various vehicle violations. There were no reportable traffic collisions, only information exchanges.
- The Police Services Manager handled 65 calls for service during the month of April. These calls for service don't include telephone calls fielded by the Police Services Manager. Additionally,



she continues to handle a significant number of CCW applications. DOJ clearances for CCW applicants continues to experience delays. *Note: The Police Services Technician's calls for service are separate from patrol officers' calls for service.*

### Items of Interest

- The Colusa Police Department and Colusa County District Attorney's Office continue to investigate the murder of Giovanni Alcaraz. The integrity of Alcaraz's murder investigation is paramount. It is for this reason that specific details surrounding the events that led up to and the murder itself aren't made public. The Colusa Police Department will not engage nor comment on speculation put forth on social media. The United States Marshal Service is attempting to locate the suspect, Christian Suarez. Suarez is 5-09 in height, 120 pounds, with black hair and brown eyes. An arrest warrant has been issued for Suarez who is pictured below. If anyone has any information related to the location of Suarez and/or the murder of Giovanni Alcaraz, please contact the Colusa Police Department.

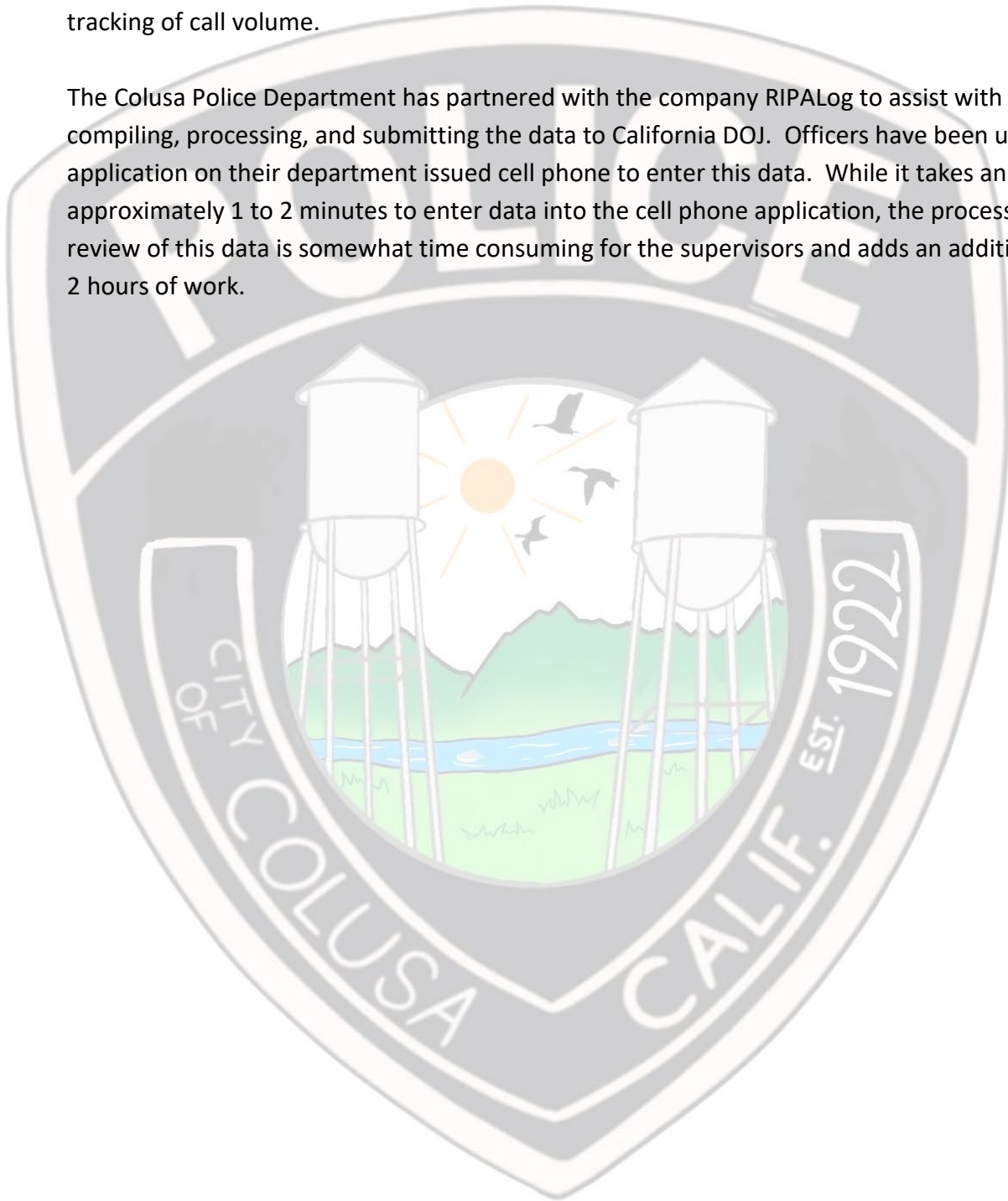


- Traffic congestion continues to be an issue at both Burchfield Primary School and Egling Middle School. Please remember that left turns are not permitted from the parking lots of both schools on to either Fremont Street or Webster Street. Trying to make left turns creates congestion both in the parking lots as well as the streets. Signage is posted at both schools. Additionally, please do not stop in the roadway and allow children to exit the vehicle. Not only is this not safe but it is also a violation of the California Vehicle Code.
- During the month of April, patrol staff transitioned from 10 hour shifts to 12 hour shifts. The change in shift length is a result of staffing shortages. We are continuing to accept applications for police officer.
- Beginning in January 2022, law enforcement throughout Colusa County is required by the California Department of Justice to compile 'stop data'. The data collected is pursuant to Assembly Bill 953, commonly referred to as Racial and Identity Profiling Act (RIPA). Any time an individual is detained and/or searched, an officer must make an entry into data collection application being utilized. The data includes the age, ethnicity, gender identification, location, and reason for contact. Additional information such as if the individual is homeless and gender identity related information is also documented. The names of the individuals contacted nor



their addresses noted in this data. The most frequent law enforcement contact that this data would be collected is during traffic enforcement stop. Traffic enforcement stop are generally considered self-initiated activity for law enforcement officers. These stops are not included in the 'Calls for Service' statistics. Some agencies choose to include this type of activity with their service call statistics however the Colusa Police Department doesn't to maintain accurate tracking of call volume.

The Colusa Police Department has partnered with the company RIPALog to assist with compiling, processing, and submitting the data to California DOJ. Officers have been utilizing an application on their department issued cell phone to enter this data. While it takes an officer approximately 1 to 2 minutes to enter data into the cell phone application, the processing and review of this data is somewhat time consuming for the supervisors and adds an additional 1 to 2 hours of work.





***City of Colusa***  
***Finance Department***  
***Monthly Staff Report – April 2022***

**CDBG-HOME**

- Loan monitoring and correspondence.
- HOME 2018 NOFA Award general conditions setup cont'd.
- Devonshire apartments monitoring cont'd
- Home Loan compliance and reporting requirements

**Accounts Payable**

- Review Income and Expense statement April 2022
- April 2022 Warrant Listing.
- 128 accounts payable processed.
- Staff training on AP functions cont'd

**Payroll**

- Prepare April salary allocation transfers.
- April regular payroll.
- Implement (2) regular salary step increase
- Reconciliation of benefits accounts
- Staff training on Payroll function Cont'd.

**Accounts Receivable**

- Provide continued utility billing customer support.
- 2,177 utility bills mailed.
- (3) bad checks processed.
- 1,671 cash payments processed (utilities, bldg. permits, recreation and pool, encroachment, business license, State and County payments, and boat launch fees.
- Boat Launch and State Park Payments
- Updated Backflow record
- 1 Building Permits
- 49 Credit card Payments
- 2 Invoices

**City Hall - Customer Services**

- 429 customers walk-ins.

- 171 utility late notices.
- 127 Water/Sewer shut off for non-payment.
- 17 open utility accounts & adjustments.
- 11 closed utility accounts.
- 404 received phone calls.
- 2 Events/marque and banner applications processed.
- 5 business licenses processed.
- State Park Reservation & Revenue
- 27 public service requests
- Issued 2 Building Permits
- 6 Encroach Permits

### **General Ledger**

- Various correspondence with staff.
- Review the Income and Expense
- Bank reconciliation.
- Staff training on General Ledger

### **Personnel - HR**

- Sick and vacation leave accrual monthly report update.
- April 2022 MidAmerica retiree health insurance distribution.
- Workers Compensation claims cont. d.
- Begin migration of MOUs into Employee Handbook continued.
- Employee termination.
- Assistance with employee retirement
- Assist with the disability application
- Review NCCSIF monthly Workers Compensation & Liability Reports.
- Provide retirement information to Police Admin. Office Manager.
- Employee Income Verification (2).

### **Recreation Department**

- Monthly Calendar – Colusa Outlook.
- Assist with new recreation programs cont'd
- Processed recreation programs request

### **Other**

- Various Grants reimbursement reports and follow up

- Water Arrearage grant and credited the customers
- Applied for Sewer Arrearage program
- CV. 1 and Micro Enterprise Grants – Correspondence and follow up
- Work with Corbin Willits on On-Line Bill Pay scheduled for end of March cont'd.
- Begin July 2021 OPEB Valuation due June 30<sup>th</sup>, 2022. CERBT data extract report cont'd..
- NCCSIF vehicle-renewal policy and certification.
- Sunrise Landing Developer Payment reconciliation and request.
- NCCSIF inquiry about Pool contract with Swim Team and insurance requirements.
- Input in MOMs
- Budget Analysis
- Attend HDL meetings
- Participated in ARPA funding requirement.
- ARPA Annual Report
- Work in progress with all city assessment districts, public notices, and staff reports
- Grant Reimbursement request cont'd
- Numerous public record request cont'd
- Forward the package to Micro-enterprise applicant.
- Coordinate with SBDC for upcoming summit in May



**CITY OF COLUSA**  
**425 Webster Street**  
**Colusa, CA 95932**  
**(530) 458-4941**  
**Fax: (530) 458-8674**

May 9, 2022

ITEM FOR MAY 17, 2022

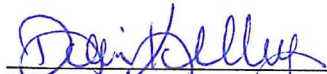
To: Colusa City Council Members

Re: Treasurer's Report for month ending February 2022

Please find the attached financial reports for your review. Based on the information provided to me, this report represents a true and accurate financial record as of February 28, 2022. I have included a summary below:

Bank Balance as of February 28, 2022	\$ 4,318,255.33
Outstanding payables	(14,223.49)
LAIF Balance as of February 28, 2022	10,659,899.65
Petty Cash	500.00
Total Balance as of February 28, 2022	<u>\$14,964,431.49</u>

Respectfully submitted,

  
 Devin Kelley, City Treasurer

**CITY OF COLUSA, CALIFORNIA  
BANK RECONCILIATION  
FOR THE MONTH FEBRUARY 2022**

Item 4.

***Bank Records:***

Wells Fargo Bank Balance - February 28, 2022	\$ 4,318,255.33
Wells Fargo Escrow Account Balance - February 28, 2022	-

**ADD / SUBTRACT:**

Outstanding Accounts Payable	(12,498.87)
Outstanding Payroll Payable	(1,724.62)

Reconciling Items:	-
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Reconciled Checking Balance - Wells Fargo Bank - February 28, 2022	4,304,031.84
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LAIF Balance - February 28, 2022	10,659,899.65
Petty Cash Balance - February 28, 2022	500.00

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<b>Total Reconciled Bank Balances - February 28, 2022</b>	<b><u><u>\$ 14,964,431.49</u></u></b>
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***City Records (Post Journal Entries):***

10200 - Wells Fargo Bank Operating / USDA Loan Escrow	\$ 4,308,117.03
10995 - LAIF	10,659,899.65
10100 - Petty Cash	500.00

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Total Checking and LAIF	\$ 14,968,516.68
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**ADD / SUBTRACT:**

Credit Card Deposits in MOMS - Not In Bank	(3,985.71)
HUTA Payment	
Return check reversed	
Return check reversed	
Adjustment for PERS	(99.48)
<b>Total Reconciled Book Balance - February 28, 2022</b>	<b><u><u>\$ 14,964,431.49</u></u></b>

## CITY OF COLUSA

APRIL 2022

Item 5.

## WARRANT LISTING

Check Number	Check Date	Check Amount	Vendor:	Invoice Number	Fund:	Account	Dept.:	Description
60317	4/4/2022	\$ 1,145.60	AFLAC	4/4/2022	101	22340		P/R Liab - Long Term Disa
<b>60317 Total</b>		\$ 1,145.60						
60318	4/4/2022	\$ 229.03	AIRGAS USA, LLC	912380762	101	52150	320	OXYGEN / FIRE
60318	4/4/2022	\$ 55.80	AIRGAS USA, LLC	912404987	101	52150	320	OXYGEN / FIRE
60318	4/4/2022	\$ 148.55	AIRGAS USA, LLC	912405355	101	52150	320	OXYGEN / FIRE
<b>60318 Total</b>		\$ 433.38						
60319	4/4/2022	\$ 434.13	ALLIANT NETWORKING SERVIC	13687	101	52500	230	MAINTENANCE AGRREMENT APRIL 2022 / FINANCE
60319	4/4/2022	\$ 434.13	ALLIANT NETWORKING SERVIC	13687	410	52500	670	MAINTENANCE AGRREMENT APRIL 2022 / WATER
60319	4/4/2022	\$ 434.15	ALLIANT NETWORKING SERVIC	13687	430	52500	690	MAINTENANCE AGRREMENT APRIL 2022 / SEWER
<b>60319 Total</b>		\$ 1,302.41						
60320	4/5/2022	\$ 100.00	NICK ALLEGRIINI	4/5/2022	410	51200	670	SAFETY SHOE REIMBURSEMENT - WATER
60320	4/5/2022	\$ 100.00	NICK ALLEGRIINI	4/5/2022	430	51200	690	SAFETY SHOE REIMBURSEMENT - SEWER
<b>60320 Total</b>		\$ 200.00						
60321	4/4/2022	\$ 7,936.50	THIRKETTLE CORPORATION	87523	410	57200	670	100 REPLACEMENT REGISTERS / WATER
<b>60321 Total</b>		\$ 7,936.50						
60322	4/4/2022	\$ 2,730.00	SADIE ASH	4/4/2022	101	52500	215	SOCIAL MEDIA MGMT,WEBSITE CLEANUP / ECON D
<b>60322 Total</b>		\$ 2,730.00						
60323	4/5/2022	\$ 350.94	AT&T	17840782	101	53200	710	CAL NET DOJ 2/1-2/28 / POLICE
<b>60323 Total</b>		\$ 350.94						
60324	4/5/2022	\$ 489.34	BUTTE SAND & GRAVEL	88718	410	52700	670	SAND / WATER
<b>60324 Total</b>		\$ 489.34						
60325	4/4/2022	\$ 200.00	JEREMY CAIN	4/4/2022	101	22530		SECTION 125 DEPENDENT CARE PLAN FEBRUARY 2022
60325	4/4/2022	\$ 200.00	JEREMY CAIN	4/4/2022	101	22530		SECTION 125 DEPENDANT CARE PLAN MARCH 2022
<b>60325 Total</b>		\$ 400.00						
60326	4/5/2022	\$ 2,889.27	CALIFORNIA ENGINEERING CO	11580	507	52500	620	ARCO GAS STATION DEVELOPMENT PLAN / CITY ENGINEER
60326	4/5/2022	\$ 3,010.39	CALIFORNIA ENGINEERING CO	11581	253	60010	620	CITY WATERPARK SPLASH PAD / CITY ENGINEER
60326	4/5/2022	\$ 535.05	CALIFORNIA ENGINEERING CO	11582	101	52500	620	PAVEMENT MANAGEMANT PLAN / CITY ENGINEER
60326	4/5/2022	\$ 214.02	CALIFORNIA ENGINEERING CO	11583	101	52500	620	CIP FINAL MAP REVIEW / CITY ENGINNER
60326	4/5/2022	\$ 214.02	CALIFORNIA ENGINEERING CO	11584	553	52500	620	TRIPLE CROWN LOT LINE ADJ / CITY ENGINEER
60326	4/5/2022	\$ 302.84	CALIFORNIA ENGINEERING CO	11585	101	52500	620	GENERAL SERVICES / CITY ENGINEER
60326	4/5/2022	\$ 302.84	CALIFORNIA ENGINEERING CO	11585	410	52500	620	GENERAL SERVICES / CITY ENGINEER
60326	4/5/2022	\$ 302.84	CALIFORNIA ENGINEERING CO	11585	430	52500	620	GENERAL SERVICES / CITY ENGINEER
60326	4/5/2022	\$ 6,335.00	CALIFORNIA ENGINEERING CO	11586	101	52500	620	SUNRISE LANDING PHASE 3 / CITY ENGINEER
60326	4/5/2022	\$ 2,250.00	CALIFORNIA ENGINEERING CO	11587	101	52500	620	SUNRISE LANDING PHASE 2 / CITY ENGINEER
<b>60326 Total</b>		\$ 16,356.27						
60327	4/4/2022	\$ 35.22	CINTAS	113784364	101	52100	630	LINEN MAINT / STREETS
60327	4/4/2022	\$ 35.22	CINTAS	113784364	101	52100	650	LINEN MAINT / PARKS
60327	4/4/2022	\$ 64.03	CINTAS	113784373	410	51200	670	LINEN MAINT - WATER
60327	4/4/2022	\$ 64.03	CINTAS	113784373	430	51200	690	LINEN MAINT - SEWER
60327	4/4/2022	\$ 35.22	CINTAS	114467481	101	51200	630	LINEN MAINTENANCE / STREETS
60327	4/4/2022	\$ 35.22	CINTAS	114467481	101	51200	650	LINEN MAINTENANCE / PARKS
60327	4/4/2022	\$ 64.03	CINTAS	114467532	410	51200	670	LINEN MAINTENANCE / WATER
60327	4/4/2022	\$ 64.03	CINTAS	114467532	430	51200	690	LINEN MAINTENANCE / SEWER



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60327	4/4/2022	\$ 64.03	CINTAS	115164580	410	51200	670	LINEN MAINT- WATER
60327	4/4/2022	\$ 64.03	CINTAS	115164580	430	51200	690	LINEN MAINT- SEWER
<b>60327 Total</b>		\$ 525.06						
60328	4/4/2022	\$ 269.76	CLOSE LUMBER INC.	2203-2271	430	52700	690	BUILDING MAINTENANCE / SEWER
<b>60328 Total</b>		\$ 269.76						
60329	4/4/2022	\$ 13.36	COLUSA COUNTY AUDITOR	4052	101	53800	650	REIMBURSEMENT ALTERNATIVE SENTENCING SVC FEBRUARY
<b>60329 Total</b>		\$ 13.36						
60330	4/5/2022	\$ 126.00	COLUSA INDIAN HEALTH CLIN	4/5/2022	101	53800	630	NOKES PRE EMPLOYMENT PHYSICAL / STREETS
60330	4/5/2022	\$ 150.00	COLUSA INDIAN HEALTH CLIN	4/5/2022	101	53800	210	COVID SCREENING / ADMIN
60330	4/5/2022	\$ 75.00	COLUSA INDIAN HEALTH CLIN	4/5/2022	410	53800	670	COVID SCREENING / WATER
60330	4/5/2022	\$ 75.00	COLUSA INDIAN HEALTH CLIN	4/5/2022	430	53800	690	COVID SCREENING / SEWER
<b>60330 Total</b>		\$ 426.00						
60331	4/4/2022	\$ 340.00	COLUSA PROFESSIONAL	4/4/2022	101	22400		P/R Liab - Firemen Assoc
<b>60331 Total</b>		\$ 340.00						
60332	4/4/2022	\$ 352.50	COLUSA COUNTY AIR POLLUTI	48-9106-1	430	52400	690	ANNUAL RENEWAL (PERMIT #2706-143) / SEWER
<b>60332 Total</b>		\$ 352.50						
60333	4/4/2022	\$ 53.59	DERODA INC.	58721	430	52110	690	SUPPLIES / SEWER
60333	4/4/2022	\$ (17.47)	DERODA INC.	58722	430	52110	690	SUPPLIES / SEWER
60333	4/4/2022	\$ 30.87	DERODA INC.	58992	214	52720	710	OIL FILTER,OIL,DRAIN PAN / POLICE
60333	4/4/2022	\$ 15.93	DERODA INC.	59063	430	52700	690	BUILDING MAINTENANCE / SEWER
60333	4/4/2022	\$ 36.44	DERODA INC.	59425	214	52720	710	EQUIPMENT MAINT / POLICE
60333	4/4/2022	\$ 56.03	DERODA INC.	59490	101	52720	630	OXYGEN / STREETS
60333	4/4/2022	\$ 63.15	DERODA INC.	59506	101	52720	630	OXYGEN SENSOR / STREETS
60333	4/4/2022	\$ 33.92	DERODA INC.	59836	214	52720	710	OIL/AIR FILTER / POLICE
60333	4/4/2022	\$ 16.62	DERODA INC.	59894	214	52720	710	EQUIPMENT MAINT / POLICE
60333	4/4/2022	\$ 27.34	DERODA INC.	60490	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60333	4/4/2022	\$ 183.31	DERODA INC.	60545	410	52720	670	EQUIPMENT MAINTENANCE / WATER
60333	4/4/2022	\$ (19.31)	DERODA INC.	60547	410	52720	670	EQUIPMENT MAINTENANCE / WATER
<b>60333 Total</b>		\$ 480.42						
60334	4/4/2022	\$ 325.00	COMPUTER LOGISTICS	83236	214	52500	710	RECURRING BARRACUDA APRIL / POLICE
<b>60334 Total</b>		\$ 325.00						
60335	4/4/2022	\$ 147.94	COMCAST	4/4/2022	101	53200	710	BUSINESS INTERNET 3/21-4/20 / POLICE
60335	4/5/2022	\$ 70.62	COMCAST	4/5/2022	101	53200	630	BUSINESS INTERNET 3/31-4/30 / STREETS
<b>60335 Total</b>		\$ 218.56						
60336	4/4/2022	\$ 290.72	CORBIN WILLITS SYSTEMS IN	C203151	101	53300	230	ENHANCEMENT AND SERVICE FEES
60336	4/4/2022	\$ 290.72	CORBIN WILLITS SYSTEMS IN	C203151	410	53300	230	ENHANCEMENT AND SERVICE FEES
60336	4/4/2022	\$ 290.73	CORBIN WILLITS SYSTEMS IN	C203151	430	53300	230	ENHANCEMENT AND SERVICE FEES
<b>60336 Total</b>		\$ 872.17						
60337	4/4/2022	\$ 513.50	COLUSA POLICE ASSOCIATION	4/4/2022	101	22410		P/R Liab - Police Assoc D
<b>60337 Total</b>		\$ 513.50						
60338	4/4/2022	\$ 857.00	CALIFORNIA RURAL WATER AS	04/04/221	410	52400	670	ANNUAL MEMBERSHIP 5/1/2022-5/1/2023 / WATER
<b>60338 Total</b>		\$ 857.00						
60339	4/4/2022	\$ 132.05	DAVIES OIL COMPANY, INC.	67983	101	52270	310	Fuel
60339	4/4/2022	\$ 4,427.61	DAVIES OIL COMPANY, INC.	67983	101	52270	710	Fuel

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60339	4/4/2022	\$ 952.68	DAVIES OIL COMPANY, INC.	67983	101	52270	320	Fuel
60339	4/4/2022	\$ 429.95	DAVIES OIL COMPANY, INC.	67983	101	52270	650	Fuel
60339	4/4/2022	\$ 1,097.99	DAVIES OIL COMPANY, INC.	67983	101	52270	630	Fuel
60339	4/4/2022	\$ 704.01	DAVIES OIL COMPANY, INC.	67983	410	52270	670	Fuel
60339	4/4/2022	\$ 1,615.65	DAVIES OIL COMPANY, INC.	67983	430	52270	690	Fuel
60339	4/4/2022	\$ 1,370.83	DAVIES OIL COMPANY, INC.	384476	101	52270	630	Fuel
<b>60339 Total</b>		\$ 10,730.77						
60340	4/4/2022	\$ 100.00	DAVIES CHEVRON	4/4/2022	101	52720	710	CARWASH X 10 / POLICE
<b>60340 Total</b>		\$ 100.00						
60341	4/4/2022	\$ 52.00	DEPARTMENT OF JUSTICE	PO 64254	101	52430	710	Weapons Permit Police - B. GONCZERUK
60341	4/4/2022	\$ 52.00	DEPARTMENT OF JUSTICE	PO 64255	101	52430	710	Weapons Permit Police - P. SPIVAK
<b>60341 Total</b>		\$ 104.00						
60342	4/4/2022	\$ 93.00	DEPARTMENT OF JUSTICE	PO 64256	101	52430	710	CCW INITIAL PERMIT - M. CULL / POLICE
<b>60342 Total</b>		\$ 93.00						
60343	4/4/2022	\$ 77.00	EFFIE'S TIRE & LUBE	23176	214	52720	710	EQUIPMENT MAINT / POLICE
60343	4/4/2022	\$ 82.00	EFFIE'S TIRE & LUBE	23225	214	52720	710	EQUIPMENT MAINT / POLICE
<b>60343 Total</b>		\$ 159.00						
60344	4/4/2022	\$ 1,097.00	FAILSAFE TESTING	12029	101	52720	320	ANNUAL LADDER TESTING / FIRE
<b>60344 Total</b>		\$ 1,097.00						
60345	4/4/2022	\$ 1,670.00	FAST RESPONSE ON-SITE TES	155887	101	53800	320	MEDICAL & FIT TEST X 12 / FIRE
<b>60345 Total</b>		\$ 1,670.00						
60346	4/4/2022	\$ 15.00	FRUIT GROWERS LABORATORY	271165A	410	52520	670	TESTING / WATER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271225A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 1,184.00	FRUIT GROWERS LABORATORY	271265A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271266A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 1,480.00	FRUIT GROWERS LABORATORY	271267A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 41.00	FRUIT GROWERS LABORATORY	271272A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271295A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 156.00	FRUIT GROWERS LABORATORY	271335A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 30.00	FRUIT GROWERS LABORATORY	271336A	410	52520	670	TESTING / WATER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271459A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 30.00	FRUIT GROWERS LABORATORY	271466A	410	52520	670	TESTING / WATER
60346	4/4/2022	\$ 18.00	FRUIT GROWERS LABORATORY	271467A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 65.00	FRUIT GROWERS LABORATORY	271481A	410	52520	670	TESTING / WATER
60346	4/4/2022	\$ 138.00	FRUIT GROWERS LABORATORY	271505A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271515A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271606A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 30.00	FRUIT GROWERS LABORATORY	271686A	410	52520	670	TESTING / WATER
60346	4/4/2022	\$ 55.00	FRUIT GROWERS LABORATORY	271690A	430	52520	690	TESTING / SEWER
60346	4/4/2022	\$ 15.00	FRUIT GROWERS LABORATORY	271832A	410	52520	670	TESTING / WATER
<b>60346 Total</b>		\$ 3,587.00						
60347	4/4/2022	\$ 5,014.90	GALLAWAY ENTERPRISES	4445	535	52500	220	21-137 WESCOTT SUBDIVISION (CIP) / PLANNING
60347	4/4/2022	\$ 4,650.50	GALLAWAY ENTERPRISES	4470	535	52500	220	21-137 WESCOTT SUBDIVISION (CIP) / PLANNING
<b>60347 Total</b>		\$ 9,665.40						

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60348	4/5/2022	\$ 153.36	GRIFF'S FEED & SEED	349855	101	51200	630	PANTS, RUBBER BOOTS-NOKES / STREETS
60348	4/5/2022	\$ 153.36	GRIFF'S FEED & SEED	349855	101	51200	650	PANTS, RUBBER BOOTS-NOKES / PARKS
<b>60348 Total</b>		\$ 306.72						
60349	4/4/2022	\$ 491.30	THE HARTFORD	239691941	997	22310		LIFE INSURANCE PREMIUMS APRIL 2022
<b>60349 Total</b>		\$ 491.30						
60350	4/4/2022	\$ 1,191.07	Hinderliter,de Llamas & A	SIN015037	101	52500	230	CONTRACT SERVICES-SALES TAX JAN-MAR 2022 / FINANCE
<b>60350 Total</b>		\$ 1,191.07						
60351	4/4/2022	\$ 38,317.62	HOBLIT MOTORS	4/4/2022	101	57100	231	2022 FORD EXPLORER VIN#55535 / POLICE
<b>60351 Total</b>		\$ 38,317.62						
60352	4/4/2022	\$ 160.00	HOBLIT CHEVROLET BUICK GM	35238	214	52720	710	EQUIPMENT MAINTENANCE / POLICE
<b>60352 Total</b>		\$ 160.00						
60353	4/4/2022	\$ 451.05	JOHNSON PRINTING & DESIGN	66123	214	52100	710	500 STAMPED ENVELOPES / POLICE
<b>60353 Total</b>		\$ 451.05						
60354	4/4/2022	\$ 8.79	JOHN DEERE FINANCIAL	2627633	310	59200	650	MOWER LEASE
60354	4/4/2022	\$ 134.70	JOHN DEERE FINANCIAL	2627633	310	59100	650	MOWER LEASE
60354	4/4/2022	\$ 39.55	JOHN DEERE FINANCIAL	2627633	253	59200	650	MOWER LEASE
60354	4/4/2022	\$ 606.15	JOHN DEERE FINANCIAL	2627633	253	59100	650	MOWER LEASE
60354	4/4/2022	\$ 39.55	JOHN DEERE FINANCIAL	2627633	101	59200	650	MOWER LEASE
60354	4/4/2022	\$ 606.16	JOHN DEERE FINANCIAL	2627633	101	59100	650	MOWER LEASE
<b>60354 Total</b>		\$ 1,434.90						
60355	4/4/2022	\$ 2,060.94	JONES & MAYER	4/4/2022	101	52500	240	ATTORNEY SERVICES GENERAL FUND RETAINER
60355	4/4/2022	\$ 2,060.94	JONES & MAYER	4/4/2022	410	52500	240	ATTORNEY SERVICES WATER FUND RETAINER
60355	4/4/2022	\$ 2,030.18	JONES & MAYER	4/4/2022	430	52500	240	ATTORNEY SERVICES SEWER FUND RETAINER
60355	4/4/2022	\$ 3,425.03	JONES & MAYER	4/4/2022	101	52500	240	ATTORNEY SERVICES COUNTY / CIP LITIGATION
<b>60355 Total</b>		\$ 9,577.09						
60356	4/4/2022	\$ 1,635.50	JON'S BACKFLOW	508	410	52500	670	ANNUAL TESTING-BACKFLOWS / WATER
<b>60356 Total</b>		\$ 1,635.50						
60357	4/5/2022	\$ 1,265.55	KELLEY'S AUTOMOTIVE	20246	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
<b>60357 Total</b>		\$ 1,265.55						
60358	4/4/2022	\$ 32.18	L.C.M.S. AWARDS	909506	285	52100	230	2 PLASTIC DESK PLATES / FINANCE
<b>60358 Total</b>		\$ 32.18						
60359	4/4/2022	\$ 889.38	LES SCHWAB TIRE CENTER	621003116	410	52720	670	EQUIPMENT MAINT / W-S
60359	4/4/2022	\$ 889.38	LES SCHWAB TIRE CENTER	621003116	430	52720	690	EQUIPMENT MAINT / W-S
<b>60359 Total</b>		\$ 1,778.76						
60360	4/5/2022	\$ 1,249.68	LINCOLN AQUATICS	SNO78299	253	52250	640	CHLORINE / REC
<b>60360 Total</b>		\$ 1,249.68						
60362	4/4/2022	\$ 90.50	GEORGE L. MESSICK CO.	550141/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$ 28.94	GEORGE L. MESSICK CO.	550324/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$ 102.88	GEORGE L. MESSICK CO.	553074/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$ 51.43	GEORGE L. MESSICK CO.	553106/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$ 31.09	GEORGE L. MESSICK CO.	553118/1	430	52110	690	SUPPLIES / SEWER
60362	4/5/2022	\$ 5.34	GEORGE L. MESSICK CO.	553272/1	310	52700	650	BUILDING MAINT / STATE PARK
60362	4/4/2022	\$ 25.04	GEORGE L. MESSICK CO.	553279/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$ 4.28	GEORGE L. MESSICK CO.	553336/1	430	52110	690	SUPPLIES / SEWER

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60362	4/4/2022	\$	38.60	GEORGE L. MESSICK CO.	553345/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$	37.48	GEORGE L. MESSICK CO.	553530/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$	27.86	GEORGE L. MESSICK CO.	553608/1	430	52700	690	BUILDING MAINT / SEWER
60362	4/4/2022	\$	21.43	GEORGE L. MESSICK CO.	553638/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$	68.62	GEORGE L. MESSICK CO.	554080/1	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60362	4/4/2022	\$	72.87	GEORGE L. MESSICK CO.	554083/1	101	52700	630	BUILDING MAINTENANCE / STREETS
60362	4/4/2022	\$	54.67	GEORGE L. MESSICK CO.	554105/1	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60362	4/5/2022	\$	13.93	GEORGE L. MESSICK CO.	554143/1	430	52700	690	BUILDING MAINT / SEWER
60362	4/4/2022	\$	75.06	GEORGE L. MESSICK CO.	554150/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/4/2022	\$	9.11	GEORGE L. MESSICK CO.	554182/1	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60362	4/4/2022	\$	4.39	GEORGE L. MESSICK CO.	554193/1	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60362	4/4/2022	\$	163.04	GEORGE L. MESSICK CO.	554329/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$	171.15	GEORGE L. MESSICK CO.	554344/1	430	52700	690	BUILDING MAINT / SEWER
60362	4/5/2022	\$	105.03	GEORGE L. MESSICK CO.	554407/1	430	52700	690	BUILDING MAINT / SEWER
60362	4/5/2022	\$	16.07	GEORGE L. MESSICK CO.	554465/1	310	52700	650	BUILDING MAINT / STATE PARK
60362	4/4/2022	\$	69.71	GEORGE L. MESSICK CO.	554630/1	101	52110	630	SUPPLIES / STREETS
60362	4/4/2022	\$	17.14	GEORGE L. MESSICK CO.	554662/1	101	52700	650	BUILDING MAINTENANCE / PARKS
60362	4/4/2022	\$	386.10	GEORGE L. MESSICK CO.	554663/1	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60362	4/4/2022	\$	85.80	GEORGE L. MESSICK CO.	554664/1	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60362	4/4/2022	\$	74.11	GEORGE L. MESSICK CO.	554665/1	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60362	4/4/2022	\$	130.27	GEORGE L. MESSICK CO.	554680/1	253	52260	650	CHEMICALS / PARKS
60362	4/4/2022	\$	21.41	GEORGE L. MESSICK CO.	554712/1	101	52700	650	BUILDING MAINTENANCE / PARKS
60362	4/5/2022	\$	45.01	GEORGE L. MESSICK CO.	554720/1	430	52700	690	BUILDING MAINT / SEWER
60362	4/4/2022	\$	46.10	GEORGE L. MESSICK CO.	554752/1	101	52720	320	EQUIPMENT MAINTENANCE / FIRE
60362	4/4/2022	\$	4.28	GEORGE L. MESSICK CO.	554758/1	101	52720	630	EQUIPMENT MAINT. / STREETS
60362	4/4/2022	\$	4.28	GEORGE L. MESSICK CO.	554764/1	101	52720	630	EQUIPMENT MAINT. / STREETS
60362	4/5/2022	\$	22.51	GEORGE L. MESSICK CO.	554806/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	176.64	GEORGE L. MESSICK CO.	554808/1	101	52110	650	SUPPLIES / PARKS
60362	4/5/2022	\$	75.62	GEORGE L. MESSICK CO.	554812/1	253	52700	640	BUILDING MAINT / REC
60362	4/4/2022	\$	26.77	GEORGE L. MESSICK CO.	554822/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$	9.64	GEORGE L. MESSICK CO.	554825/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	15.00	GEORGE L. MESSICK CO.	554828/1	101	52720	320	EQUIPMENT MAINT / FIRE
60362	4/5/2022	\$	108.79	GEORGE L. MESSICK CO.	554831/1	101	52110	630	SUPPLIES / STREETS
60362	4/5/2022	\$	7.26	GEORGE L. MESSICK CO.	554841/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	13.93	GEORGE L. MESSICK CO.	554843/1	253	52720	640	EQUIPMENT MAINT / REC
60362	4/5/2022	\$	21.41	GEORGE L. MESSICK CO.	554861/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	13.93	GEORGE L. MESSICK CO.	554871/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	12.85	GEORGE L. MESSICK CO.	554884/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$	6.42	GEORGE L. MESSICK CO.	554923/1	101	52700	650	BUILDING MAINT / PARKS
60362	4/5/2022	\$	73.98	GEORGE L. MESSICK CO.	554938/1	253	52700	650	BUILDING MAINT / PARKS
60362	4/4/2022	\$	7.50	GEORGE L. MESSICK CO.	555004/1	101	52720	320	EQUIPMENT MAINTENANCE / FIRE
60362	4/5/2022	\$	6.94	GEORGE L. MESSICK CO.	555008/1	101	52700	650	BUILDING MAINT / PARKS
60362	4/4/2022	\$	33.23	GEORGE L. MESSICK CO.	555057/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$	18.22	GEORGE L. MESSICK CO.	555204/1	101	52700	630	BUILDING MAINT / STREETS

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60362	4/5/2022	\$ 72.92	GEORGE L. MESSICK CO.	555207/1	410	52720	670	EQUIPMENT MAINT / WATER
60362	4/4/2022	\$ 72.91	GEORGE L. MESSICK CO.	555215/1	410	52250	670	CHLORINE / WATER
60362	4/5/2022	\$ 5.35	GEORGE L. MESSICK CO.	555244/1	253	52720	640	EQUIPMENT MAINT / PARKS
60362	4/4/2022	\$ 40.72	GEORGE L. MESSICK CO.	555308/1	101	52720	320	EQUIPMENT MAINTENANCE / FIRE
60362	4/5/2022	\$ 201.58	GEORGE L. MESSICK CO.	555337/1	253	52260	640	CHEMICALS / REC
60362	4/4/2022	\$ 21.10	GEORGE L. MESSICK CO.	555349/1	430	52700	690	BUILDING MAINT. / SEWER
60362	4/5/2022	\$ 80.41	GEORGE L. MESSICK CO.	555362/1	253	52260	640	METAL CONTROLL, CLARIFIER / REC
60362	4/5/2022	\$ 20.35	GEORGE L. MESSICK CO.	555370/1	253	52700	640	BUILDING MAINT / REC
60362	4/5/2022	\$ 53.60	GEORGE L. MESSICK CO.	555372/1	253	52110	640	VALVE / REC
60362	4/5/2022	\$ 63.26	GEORGE L. MESSICK CO.	555394/1	253	52210	650	SUPPLIES / PARKS
60362	4/5/2022	\$ 27.86	GEORGE L. MESSICK CO.	555409/1	101	52700	650	BROOM / PARKS
60362	4/5/2022	\$ 10.70	GEORGE L. MESSICK CO.	555412/1	101	52720	650	EQUIPMENT MAINT / PARKS
60362	4/5/2022	\$ 85.79	GEORGE L. MESSICK CO.	555419/1	101	52110	630	ROPE / STREETS
60362	4/5/2022	\$ 5.35	GEORGE L. MESSICK CO.	555454/1	101	52720	650	EQUIPMENT MAINT / PARKS
60362	4/4/2022	\$ 10.07	GEORGE L. MESSICK CO.	555463/1	430	52700	690	BUILDING MAINTENANCE / SEWER
60362	4/5/2022	\$ 7.57	GEORGE L. MESSICK CO.	555540/1	253	52210	640	SUPPLIES / REC
<b>60362 Total</b>		\$ 3,533.20						
60363	4/4/2022	\$ 507.54	MES VISION	4/4/2022	997	22330		VISION INSURANCE PREMIUMS COVERAGE
<b>60363 Total</b>		\$ 507.54						
60364	4/4/2022	\$ 2,150.00	MetLife Investors	4/4/2022	101	22510		P/R Liab - Deferred Comp
<b>60364 Total</b>		\$ 2,150.00						
60365	4/4/2022	\$ 958.49	MME, MUNICIPAL MAINT., EQ	168499	101	52720	630	EQUIPMENT MAINT / STREETS
60365	4/4/2022	\$ 1,861.31	MME, MUNICIPAL MAINT., EQ	168636	101	52720	630	EQUIPMENT MAINT / STREETS
<b>60365 Total</b>		\$ 2,819.80						
60366	4/4/2022	\$ 33.37	MT. SHASTA SPRING WATER	465857	101	53800	320	WATER, COOLER RENTAL / FIRE
60366	4/4/2022	\$ 70.93	MT. SHASTA SPRING WATER	471472	214	52100	710	WATER, COOLER RENTAL / POLICE
<b>60366 Total</b>		\$ 104.30						
60367	4/4/2022	\$ 624.47	N&S TRACTOR	IC45741	410	52720	670	EQUIPMENT MAINT / WATER
<b>60367 Total</b>		\$ 624.47						
60368	4/4/2022	\$ 639.63	NCCSIF TREASURER	2481	101	51150	110	WORKERS COMP DEPOSITS/PREMIUMS / CITY CLERK
60368	4/4/2022	\$ 2,918.92	NCCSIF TREASURER	2481	101	51150	210	WORKERS COMP DEPOSITS/PREMIUMS / ADMIN SVCS
60368	4/4/2022	\$ 1,631.12	NCCSIF TREASURER	2481	101	51150	215	WORKERS COMP DEPOSITS/PREMIUMS / ECON DEV.
60368	4/4/2022	\$ 1,525.78	NCCSIF TREASURER	2481	101	51150	220	WORKERS COMP DEPOSITS/PREMIUMS / PLANNING
60368	4/4/2022	\$ 4,909.62	NCCSIF TREASURER	2481	101	51150	230	WORKERS COMP DEPOSITS/PREMIUMS / FINANCE
60368	4/4/2022	\$ -	NCCSIF TREASURER	2481	101	51150	310	WORKERS COMP DEPOSITS/PREMIUMS / BUILDING
60368	4/4/2022	\$ 6,886.11	NCCSIF TREASURER	2481	101	51150	320	WORKERS COMP DEPOSITS/PREMIUMS / FIRE
60368	4/4/2022	\$ 4,036.85	NCCSIF TREASURER	2481	101	51150	630	WORKERS COMP DEPOSITS/PREMIUMS / STREETS
60368	4/4/2022	\$ 2,027.55	NCCSIF TREASURER	2481	101	51150	650	WORKERS COMP DEPOSITS/PREMIUMS / PARKS
60368	4/4/2022	\$ 12,464.44	NCCSIF TREASURER	2481	101	51150	710	WORKERS COMP DEPOSITS/PREMIUMS / POLICE
60368	4/4/2022	\$ 2,930.02	NCCSIF TREASURER	2481	410	51150	670	WORKERS COMP DEPOSITS/PREMIUMS / WATER
60368	4/4/2022	\$ 2,786.71	NCCSIF TREASURER	2481	430	51150	690	WORKERS COMP DEPOSITS/PREMIUMS / SEWER
<b>60368 Total</b>		\$ 42,756.75						
60369	4/4/2022	\$ 1,245.82	OWEN EQUIPMENT CO.	55893	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
<b>60369 Total</b>		\$ 1,245.82						

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60370	4/4/2022	\$ 39.90	PACIFIC STORAGE COMPANY	5099637	214	52100	710	SHREDDING -64 GALLON TOTE / POLICE
<b>60370 Total</b>		\$ 39.90						
60371	4/5/2022	\$ 307.84	PAPE MACHINERY	400359	310	52720	650	EQUIPMENT MAINTENANCE / STATE PARK
60371	4/5/2022	\$ 1,190.82	PAPE MACHINERY	13324658	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60371	4/5/2022	\$ 31.94	PAPE MACHINERY	13393529	310	52720	650	EQUIPMENT MAINTENANCE / PARKS
60371	4/5/2022	\$ 429.59	PAPE MACHINERY	13393543	310	52720	650	EQUIPMENT MAINT. / STATE PARK
60371	4/5/2022	\$ 79.32	PAPE MACHINERY	13398305	101	52720	650	EQUIPMENT MAINT. / PARKS
<b>60371 Total</b>		\$ 2,039.51						
60372	4/4/2022	\$ 1,475.00	WYATT PAXTON	529	101	52500	310	FEB 2022 EMAILS, INSPECTIONS, CALLS,PLAN CHECKS
60372	4/5/2022	\$ 3,375.00	WYATT PAXTON	535	101	52500	310	PLAN CHECK,EMAILS,CALLS MARCH 2022 / BUILDING INSP
<b>60372 Total</b>		\$ 4,850.00						
60373	4/4/2022	\$ 4,905.90	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	610	Utilities
60373	4/4/2022	\$ 1,055.44	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	710	Utilities
60373	4/4/2022	\$ 2,111.56	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	320	Utilities
60373	4/4/2022	\$ 592.86	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	630	Utilities
60373	4/4/2022	\$ 15.92	PACIFIC GAS AND ELECTRIC	4/4/2022	620	52600	630	Utilities
60373	4/4/2022	\$ 31.86	PACIFIC GAS AND ELECTRIC	4/4/2022	610	52600	630	Utilities
60373	4/4/2022	\$ 7,438.80	PACIFIC GAS AND ELECTRIC	4/4/2022	241	52600	630	Utilities
60373	4/4/2022	\$ 300.81	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	640	Utilities
60373	4/4/2022	\$ 795.45	PACIFIC GAS AND ELECTRIC	4/4/2022	101	52600	650	Utilities
60373	4/4/2022	\$ 26.24	PACIFIC GAS AND ELECTRIC	4/4/2022	253	52600	640	Utilities
60373	4/4/2022	\$ 10,758.98	PACIFIC GAS AND ELECTRIC	4/4/2022	410	52600	670	Utilities
60373	4/4/2022	\$ 23,753.34	PACIFIC GAS AND ELECTRIC	4/4/2022	430	52600	690	Utilities
60373	4/4/2022	\$ 846.39	PACIFIC GAS AND ELECTRIC	4/4/2022	310	52600	650	Utilities
<b>60373 Total</b>		\$ 52,633.55						
60374	4/4/2022	\$ 5,329.33	PREMIER ACCESS INSURANCE	4/4/2022	997	22320		DENTAL INSURANCE PREMIUMS
<b>60374 Total</b>		\$ 5,329.33						
60375	4/4/2022	\$ 70,260.38	R&R HORN, INC.	4/4/2022	430	62693	690	COLUSA WASTEWATER PLANT PROJECT #20-0-08
60375	4/4/2022	\$ 2,674.76	R&R HORN, INC.	4/4/2022	430	62693	690	COLUSA WASTEWATER PLANT PROJECT # 20-0-08
<b>60375 Total</b>		\$ 72,935.14						
60376	4/4/2022	\$ 199.61	READING OIL, INC.	315447	101	52720	630	PROPANE / STREETS
<b>60376 Total</b>		\$ 199.61						
60377	4/5/2022	\$ 144.50	REGIONAL HOUSING AUTHORIT	829-03242	262	52500	230	HOME HOUSING PROGRAMS / FINANCE
<b>60377 Total</b>		\$ 144.50						
60378	4/4/2022	\$ 135.00	GUMERCINDO SALAZAR	4/4/2022	101	51300	320	DMV PHYSICAL REIMBURSEMENT / FIRE
<b>60378 Total</b>		\$ 135.00						
60379	4/4/2022	\$ 100.00	SIERRA CENTRAL CREDIT UNI	4/4/2022	101	22500		P/R Liab - Credit Union
<b>60379 Total</b>		\$ 100.00						
60380	4/4/2022	\$ 61.00	STATE DISBURSEMENT UNIT	4/4/2022	101	22520		COURT ORDERED CHILD SUPPORT PAYROLL WITHHOLDING
<b>60380 Total</b>		\$ 61.00						
60381	4/4/2022	\$ 81.04	STOHLMAN ENTERPRISES INC	11400	253	52700	640	BUILDING MAINTENANCE / REC
60381	4/5/2022	\$ 91.53	STOHLMAN ENTERPRISES INC	11403	253	52700	640	BUILDING MAINT / REC
<b>60381 Total</b>		\$ 172.57						
60382	4/4/2022	\$ 281.94	SUPERIOR TIRE SERVICE	273100	410	52720	670	FLAT REPAIR / WATER

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60382	4/4/2022	\$ 441.45	SUPERIOR TIRE SERVICE	273360	101	52720	650	EQUIPMENT MAINT / PARKS
60382	4/4/2022	\$ 25.00	SUPERIOR TIRE SERVICE	273615	101	52720	630	FLAT REPAIR / STREETS
<b>60382 Total</b>		\$ 748.39						
60383	4/4/2022	\$ 44.47	SUTTER BUTTES COMMUNICATI	43637	214	52200	710	MOTOROLA PORTABLE ANTENNA / POLICE
60383	4/4/2022	\$ 261.60	SUTTER BUTTES COMMUNICATI	43691	214	52720	710	EQUIPMENT MAINTENANCE / POLICE
<b>60383 Total</b>		\$ 306.07						
60384	4/4/2022	\$ 75.00	TRANSUNION RISK AND ALTER	4/4/2022	214	52500	710	MINIMUM USAGE FEBRUARY ACCT# 1368807 / POLICE
<b>60384 Total</b>		\$ 75.00						
60385	4/4/2022	\$ 111.20	USA BLUEBOOK	917818	430	52520	690	EQUIPMENT MAINTENANCE / SEWER
60385	4/4/2022	\$ 421.74	USA BLUEBOOK	921120	410	52700	670	BUILDING MAINTENANCE / WATER
<b>60385 Total</b>		\$ 532.94						
60386	4/4/2022	\$ 500.64	U. S. POST OFFICE	4/4/2022	410	52100	670	BULK POSTAGE FOR UTILITY BILLS/WATER
60386	4/4/2022	\$ 500.65	U. S. POST OFFICE	4/4/2022	430	52100	690	BULK POSTAGE FOR UTILITY BILLS/ SEWER
<b>60386 Total</b>		\$ 1,001.29						
60387	4/4/2022	\$ 45.00	VALLEY TOXICOLOGY SERVICE	4400	214	52500	710	BLOWS FOR FEBRUARY / POLICE
<b>60387 Total</b>		\$ 45.00						
60388	4/4/2022	\$ 45.81	VERIZON WIRELESS	4/4/2022	310	53200	650	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 395.84	VERIZON WIRELESS	4/4/2022	101	53200	710	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 87.33	VERIZON WIRELESS	4/4/2022	410	53200	670	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 168.24	VERIZON WIRELESS	4/4/2022	430	53200	690	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 81.62	VERIZON WIRELESS	4/4/2022	101	53200	650	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 175.21	VERIZON WIRELESS	4/4/2022	101	53200	630	CITY CELL PHONES FEB 17- MAR 16 2022
60388	4/4/2022	\$ 130.34	VERIZON WIRELESS	4/4/2022	101	53200	210	CITY CELL PHONES FEB 17- MAR 16 2022
<b>60388 Total</b>		\$ 1,084.39						
60389	4/4/2022	\$ 114.00	COLUSA COUNTY PIONEER REV	2022-0250	253	53100	230	NOTICE OF CONTRACTORS CITY WATERPARK SPLASH PAD
60389	4/4/2022	\$ 102.00	COLUSA COUNTY PIONEER REV	2022-0255	410	53100	670	PUBLIC NOTICE-LEVELS OF IRON & MANGANESE/ WATER
60389	4/4/2022	\$ 84.00	COLUSA COUNTY PIONEER REV	2022-0258	214	52100	710	EMPLOYMENT-POLICE OFFICER POSITION
60389	4/4/2022	\$ 72.00	COLUSA COUNTY PIONEER REV	2022-0264	102	53100	210	NOTICE HEARING CANNABIS-RELATED DEF. / ADMIN SER.
60389	4/4/2022	\$ 60.00	COLUSA COUNTY PIONEER REV	2022-0265	102	53100	220	NORTH STATE GROCERY PUBLIC HEARING / PLANNING
60389	4/4/2022	\$ 72.00	COLUSA COUNTY PIONEER REV	2022-0280	101	53100	220	NOTICE OF PUBLIC (RAY DAVIS)-HUNNY POT FARMS
60389	4/4/2022	\$ 65.00	COLUSA COUNTY PIONEER REV	2022-0374	101	52850	230	ONE YEAR SUBSCRIPTION / FINANCE
<b>60389 Total</b>		\$ 569.00						
60390	3/30/2022	\$ 116.78	DIANA, BACA	000C20401	410	20310		MQ CUSTOMER REFUND FOR BAC0001
<b>60390 Total</b>		\$ 116.78						
60391	3/30/2022	\$ 183.43	CHUNG SUN MARKET	000C20401	410	20310		MQ CUSTOMER REFUND FOR CHU0002
<b>60391 Total</b>		\$ 183.43						
60392	3/30/2022	\$ 113.92	MARGERY FUSON	000C20401	410	20310		MQ CUSTOMER REFUND FOR FUS0009
<b>60392 Total</b>		\$ 113.92						
60393	3/30/2022	\$ 114.93	ED & JANET MILES	000C20401	410	20310		MQ CUSTOMER REFUND FOR MIL0072
<b>60393 Total</b>		\$ 114.93						
60394	3/30/2022	\$ 113.82	LYNN WHITING	000C20401	410	20310		MQ CUSTOMER REFUND FOR WHI0034
<b>60394 Total</b>		\$ 113.82						
60395	4/18/2022	\$ 9.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	210	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$ 9.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	220	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22



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60395	4/18/2022	\$	36.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	230	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	36.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	320	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	45.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	630	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	18.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	650	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	90.00	ACI SPECIALTY BENEFITS	ACI1839IN	101	50535	710	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	18.90	ACI SPECIALTY BENEFITS	ACI1839IN	410	50535	670	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
60395	4/18/2022	\$	18.90	ACI SPECIALTY BENEFITS	ACI1839IN	430	50535	690	EMPLOYEE ASSISTANCE PROGRAM QTR 2 4/1/22-6/30/22
<b>60395 Total</b>		\$	280.80						
60396	4/18/2022	\$	3,830.74	AG SPRAY EQUIPMENT	171440	241	57100	630	TRAILER SPRAYER - STREETS
60396	4/18/2022	\$	3,830.75	AG SPRAY EQUIPMENT	171440	241	57100	650	TRAILER SPRAYER - PARKS
<b>60396 Total</b>		\$	7,661.49						
60397	4/14/2022	\$	105.15	AIRGAS USA, LLC	998762790	101	52150	320	OXYGEN / FIRE
60397	4/14/2022	\$	88.56	AIRGAS USA, LLC	998766107	101	52150	320	OXYGEN / FIRE
<b>60397 Total</b>		\$	193.71						
60398	4/18/2022	\$	433.58	ALLIANT NETWORKING SERVIC	13746	101	52500	230	MAINTENANCE AGREEMENT MAY 2022
60398	4/18/2022	\$	433.57	ALLIANT NETWORKING SERVIC	13746	410	52500	670	MAINTENANCE AGREEMENT MAY 2022
60398	4/18/2022	\$	433.57	ALLIANT NETWORKING SERVIC	13746	430	52500	690	MAINTENANCE AGREEMENT MAY 2022
<b>60398 Total</b>		\$	1,300.72						
60399	4/13/2022	\$	44.12	ARNOLD'S	97847	430	52720	690	TUFF JUG & JUG NOZZEL / SEWER
<b>60399 Total</b>		\$	44.12						
60400	4/14/2022	\$	350.94	AT&T	17997371	101	53200	710	CAL NET 3/1/2022-3/31/2022 - POLICE
<b>60400 Total</b>		\$	350.94						
60401	4/14/2022	\$	315.47	AT&T MOBILITY	4/14/2022	101	53200	320	PHONE SERVICES MAR 03-APR 02, 2022 - FIRE
<b>60401 Total</b>		\$	315.47						
60402	4/14/2022	\$	108.46	DAVID AVERA	4/14/2022	101	51300	320	REIMBURSEMENT DMV PHYSICAL / FIRE
<b>60402 Total</b>		\$	108.46						
60403	4/13/2022	\$	11.24	H.R BEELER TRACTOR & EQUI	IC16540	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
<b>60403 Total</b>		\$	11.24						
60404	4/13/2022	\$	35.22	CINTAS	115840837	101	51200	630	LINEN MAINTENANCE - STREETS
60404	4/13/2022	\$	35.22	CINTAS	115840837	101	51200	650	LINEN MAINTENANCE - PARKS
60404	4/13/2022	\$	57.49	CINTAS	115840907	410	51200	670	LINEN MAINTENANCE - WATER
60404	4/13/2022	\$	57.50	CINTAS	115840907	430	51200	690	LINEN MAINTENANCE - SEWER
60404	4/18/2022	\$	64.18	CINTAS	116520968	101	51200	630	LINEN MAINT - STREETS/PARKS
60404	4/18/2022	\$	64.18	CINTAS	116520968	101	51200	650	LINEN MAINT - STREETS/PARKS
60404	4/18/2022	\$	84.30	CINTAS	116520970	410	51200	670	LINEN MAINT - W/S
60404	4/18/2022	\$	84.31	CINTAS	116520970	430	51200	690	LINEN MAINT - W/S
<b>60404 Total</b>		\$	482.40						
60405	4/18/2022	\$	200.00	ROCIO COBARRVBIAS	PO 65188	101	53800	640	SCOUT CABIN DEPOSIT REFUND / REC
<b>60405 Total</b>		\$	200.00						
60406	4/14/2022	\$	10.86	COLUSA COUNTY AUDITOR	4061	101	53800	650	REIMBURSEMENT ALTERNATIVE SENTENCING MAR-22
<b>60406 Total</b>		\$	10.86						
60407	4/14/2022	\$	14,724.00	COUNTY OF COLUSA/OFFICE O	4/13/2022	101	52540	710	DISPATCH SVC 3RD QTR JAN-MARCH FISCAL YR 2021-2022
60407	4/14/2022	\$	7,372.00	COUNTY OF COLUSA/OFFICE O	4/14/2022	101	52541	710	ANIMAL CONTROL SVC 3RD QTR JAN-MAR 2022/POLICE
<b>60407 Total</b>		\$	22,096.00						

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60408	4/14/2022	\$ 425.00	COLUSA PROFESSIONAL	4/14/2022	101	22400		P/R Liab - Firemen Assoc (RE-ISSUE AUG 2021)
<b>60408 Total</b>		\$ 425.00						
60409	4/13/2022	\$ 77.45	COLUSANET, INC	147633	310	52600	650	MONTHLY RATE FOR INTERNET / STATE PARK
<b>60409 Total</b>		\$ 77.45						
60410	4/13/2022	\$ 7.50	DERODA INC.	58731	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60410	4/13/2022	\$ 583.36	DERODA INC.	60599	430	52720	690	BATTERY / SEWER
60410	4/13/2022	\$ 199.88	DERODA INC.	60716	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60410	4/13/2022	\$ (66.91)	DERODA INC.	60739	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60410	4/13/2022	\$ 49.68	DERODA INC.	60834	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60410	4/13/2022	\$ 134.44	DERODA INC.	60864	101	52720	630	BATTERY / STREETS
60410	4/13/2022	\$ 120.18	DERODA INC.	60890	430	52720	690	BATTERY / SEWER
60410	4/13/2022	\$ (120.18)	DERODA INC.	60911	430	52720	690	RETURN OF BATTERY / SEWER
60410	4/13/2022	\$ 45.08	DERODA INC.	60917	430	52700	690	BUILDING MAINTENANCE / SEWER
60410	4/13/2022	\$ 48.47	DERODA INC.	61161	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60410	4/13/2022	\$ 17.47	DERODA INC.	61176	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60410	4/18/2022	\$ 47.01	DERODA INC.	61353	101	52720	630	FILTER,OIL / STREETS
60410	4/18/2022	\$ 26.98	DERODA INC.	61359	101	52720	630	OIL/AIR FILTER / STREETS
<b>60410 Total</b>		\$ 1,092.96						
60411	4/14/2022	\$ 78.94	COMCAST	4/14/2022	101	53200	320	SERVICES FROM 4/9/2022-5/8/2022 - FIRE
60411	4/18/2022	\$ 231.92	COMCAST	4/18/2022	101	53200	230	BUSINESS INTERNET 4/13-5/12 /FINANCE
<b>60411 Total</b>		\$ 310.86						
60412	4/14/2022	\$ 52.00	DARREN RAM	PO 64257	101	51170	710	GYM MEMBERSHIP FOR MARCH-APRIL 2022 / POLICE
<b>60412 Total</b>		\$ 52.00						
60413	4/13/2022	\$ 85.79	DAVISON DRUG & STATIONERY	102219	101	52110	630	INK / STREETS
<b>60413 Total</b>		\$ 85.79						
60414	4/14/2022	\$ 70.00	DAVIES CHEVRON	4/14/2022	214	52720	710	CARWASH (7) / POLICE
<b>60414 Total</b>		\$ 70.00						
60415	4/13/2022	\$ 601.08	WILBUR-ELLIS COMPANY LLC	14863381	101	52750	630	ROUNDUP - STREETS
60415	4/13/2022	\$ 601.09	WILBUR-ELLIS COMPANY LLC	14863381	101	52750	650	ROUNDUP - PARKS
60415	4/13/2022	\$ 1,033.46	WILBUR-ELLIS COMPANY LLC	14886406	101	52720	630	ROUNDUP POWERMAX - STREETS
60415	4/13/2022	\$ 1,033.46	WILBUR-ELLIS COMPANY LLC	14886406	101	52750	650	ROUNDUP POWERMAX - PARKS
60415	4/13/2022	\$ 557.09	WILBUR-ELLIS COMPANY LLC	14886876	101	52750	630	ROUNDUP - STREETS
60415	4/13/2022	\$ 557.09	WILBUR-ELLIS COMPANY LLC	14886876	101	52750	650	ROUNDUP - PARKS
<b>60415 Total</b>		\$ 4,383.27						
60416	4/14/2022	\$ 3,413.20	ESO SOLUTIONS,INC	ESO-75123	101	52850	320	REPORTING SOFTWARE / FIRE
<b>60416 Total</b>		\$ 3,413.20						
60417	4/13/2022	\$ 138.00	FRUIT GROWERS LABORATORY	271687A	430	52520	690	TESTING / SEWER
60417	4/13/2022	\$ 270.00	FRUIT GROWERS LABORATORY	271688A	430	52520	690	TESTING / SEWER
60417	4/13/2022	\$ 41.00	FRUIT GROWERS LABORATORY	271689A	430	52520	690	TESTING / SEWER
60417	4/13/2022	\$ 138.00	FRUIT GROWERS LABORATORY	271831A	430	52520	690	TESTING / SEWER
<b>60417 Total</b>		\$ 587.00						
60418	4/14/2022	\$ 700.89	FRONTIER	4/14/2022	101	53200	320	Communications
<b>60418 Total</b>		\$ 700.89						
60419	4/14/2022	\$ 847.00	GALLAWAY ENTERPRISES	4517	535	52500	220	21-137 WESCOTT SUBDIVISION / PLANNING

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<b>60419 Total</b>		\$ 847.00						
60420	4/18/2022	\$ 169.50	HOBLIT CHEVROLET BUICK GM	2534	101	52720	320	TOW SERVICE / FIRE
<b>60420 Total</b>		\$ 169.50						
60421	4/14/2022	\$ 260.00	DAVID JACKSON	PO 64258	101	51170	710	GYM MEMBERSHIP 7/6/2021-4/6/2022 / POLICE
<b>60421 Total</b>		\$ 260.00						
60422	4/14/2022	\$ 2,421.75	JONES & MAYER	4/14/2022	101	52500	240	ATTORNEY SERVICES/GENERAL FUND RETAINER
60422	4/14/2022	\$ 2,421.75	JONES & MAYER	4/14/2022	410	52500	240	ATTORNEY SERVICES/WATER FUND RETAINER
60422	4/14/2022	\$ 2,385.60	JONES & MAYER	4/14/2022	430	52500	240	ATTORNEY SERVICES/SEWER FUND RETAINER
60422	4/14/2022	\$ 1,544.11	JONES & MAYER	4/14/2022	101	52500	240	COUNTY/ CIP LITIGATION
<b>60422 Total</b>		\$ 8,773.21						
60423	4/14/2022	\$ 1,071.54	SHELLY M. KITTLE	4/14/2022	101	51300	110	TRAINING AND TRAVEL REIMBURSEMENT /CITY CLERK
<b>60423 Total</b>		\$ 1,071.54						
60424	4/14/2022	\$ 1,166.66	JENNIFER LAY-SCHNYDER	4/14/2022	101	52500	640	RECREATION COORDINATOR (APRIL) / REC
<b>60424 Total</b>		\$ 1,166.66						
60425	4/14/2022	\$ 4,562.00	LEAGUE OF CALIF. CITIES	641092	101	52850	230	MEMBERSHIP DUES FOR 2022 / FINANCE
<b>60425 Total</b>		\$ 4,562.00						
60426	4/14/2022	\$ 500.00	MARKS, GABRIEL	4/14/2022	310	52500	650	COLUSA STATE PARK CAMP HOST / STATE PARK
<b>60426 Total</b>		\$ 500.00						
60427	4/14/2022	\$ 339.83	MERIDIAN DIESEL	6667	101	52720	320	EQUIPMENT MAINTENANCE / FIRE
<b>60427 Total</b>		\$ 339.83						
60428	4/13/2022	\$ 184.43	GEORGE L. MESSICK CO.	555767/1	253	52260	640	CHEMICALS / REC
60428	4/14/2022	\$ 64.22	GEORGE L. MESSICK CO.	555890/1	214	52100	710	AIR FILTER / POLICE
60428	4/13/2022	\$ 7.50	GEORGE L. MESSICK CO.	555926/1	253	52700	640	BUILDING MAINTENANCE / REC
60428	4/13/2022	\$ 19.29	GEORGE L. MESSICK CO.	555976/1	253	52720	640	EQUIPMENT MAINTENANCE / REC
60428	4/13/2022	\$ 62.18	GEORGE L. MESSICK CO.	555990/1	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60428	4/13/2022	\$ 187.64	GEORGE L. MESSICK CO.	556082/1	253	52110	640	SUPPLIES / REC
60428	4/13/2022	\$ 21.44	GEORGE L. MESSICK CO.	556141/1	253	52110	640	SUPPLIES / REC
60428	4/13/2022	\$ 20.70	GEORGE L. MESSICK CO.	556476/1	101	52110	610	CLEANING SUPPLIES / CITY HALL
60428	4/18/2022	\$ 68.41	GEORGE L. MESSICK CO.	556493/1	253	52700	640	TRASHCAN / REC
60428	4/18/2022	\$ 10.90	GEORGE L. MESSICK CO.	556500/1	253	52700	640	BUILDING MAINT / REC
60428	4/18/2022	\$ 26.80	GEORGE L. MESSICK CO.	556523/1	253	52700	640	BUILDING MAINT / REC
60428	4/18/2022	\$ 92.21	GEORGE L. MESSICK CO.	556885/1	253	52250	640	CHLORINE / REC
60428	4/18/2022	\$ 128.69	GEORGE L. MESSICK CO.	556886/1	430	52720	690	BATTERY / SEWER
60428	4/13/2022	\$ 92.21	GEORGE L. MESSICK CO.	K56386/1	253	52260	640	CHEMICALS / REC
60428	4/13/2022	\$ 172.63	GEORGE L. MESSICK CO.	K56387/1	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
60428	4/13/2022	\$ 6.42	GEORGE L. MESSICK CO.	K56426/1	101	52720	630	EQUIPMENT MAINTENANCE / STREETS
<b>60428 Total</b>		\$ 1,165.67						
60429	4/13/2022	\$ 4.29	MT. SHASTA SPRING WATER	471464	101	53300	630	COOLER RENTAL / STREETS
60429	4/14/2022	\$ 2.15	MT. SHASTA SPRING WATER	473323	101	52100	230	COOLER RENTAL / FINANCE
60429	4/14/2022	\$ 2.15	MT. SHASTA SPRING WATER	473324	101	52100	230	COOLER RENTAL / FINANCE
60429	4/14/2022	\$ 33.50	MT. SHASTA SPRING WATER	475898	101	53800	320	5 GAL SPRING WATER / FIRE
60429	4/14/2022	\$ 39.00	MT. SHASTA SPRING WATER	476726	101	52100	230	5 GAL SPRING WATER / FINANCE
60429	4/14/2022	\$ 17.00	MT. SHASTA SPRING WATER	476727	101	52100	230	5 GAL SPRING WATER / FINANCE
60429	4/14/2022	\$ 46.65	MT. SHASTA SPRING WATER	476938	214	52100	710	5 GAL PURIFIED WATER / POLICE

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<b>60429 Total</b>		\$ 144.74						
60430	4/19/2022	\$ 3,266.33	MUNICIPAL EMERGENCY SVCS.	IN1688829	101	52720	320	FLOW TEST / FIRE
<b>60430 Total</b>		\$ 3,266.33						
60431	4/14/2022	\$ 1.18	NCCSIF TREASURER	2481-	101	51150	110	WORKERS COMPENSATIN DEPOSIT/CITY CLERK
60431	4/14/2022	\$ 5.37	NCCSIF TREASURER	2481-	101	51150	210	WORKERS COMPENSATIN DEPOSIT/CITY MANAGER
60431	4/14/2022	\$ 3.00	NCCSIF TREASURER	2481-	101	51150	215	WORKERS COMPENSATIN DEPOSIT/ECON DEV
60431	4/14/2022	\$ 2.80	NCCSIF TREASURER	2481-	101	51150	220	WORKERS COMPENSATIN DEPOSIT/PLANNING
60431	4/14/2022	\$ 9.17	NCCSIF TREASURER	2481-	101	51150	230	WORKERS COMPENSATIN DEPOSIT/FINANCE
60431	4/14/2022	\$ -	NCCSIF TREASURER	2481-	101	51150	310	WORKERS COMPENSATIN DEPOSIT/BUILDING
60431	4/14/2022	\$ 12.66	NCCSIF TREASURER	2481-	101	51150	320	WORKERS COMPENSATIN DEPOSIT/FIRE
60431	4/14/2022	\$ 7.42	NCCSIF TREASURER	2481-	101	51150	630	WORKERS COMPENSATIN DEPOSIT/STREETS
60431	4/14/2022	\$ 3.73	NCCSIF TREASURER	2481-	101	51150	650	WORKERS COMPENSATIN DEPOSIT/PARKS
60431	4/14/2022	\$ 22.91	NCCSIF TREASURER	2481-	101	51150	710	WORKERS COMPENSATIN DEPOSIT/POLICE
60431	4/14/2022	\$ 5.39	NCCSIF TREASURER	2481-	410	51150	670	WORKERS COMPENSATIN DEPOSIT/WATER
60431	4/14/2022	\$ 5.12	NCCSIF TREASURER	2481-	430	51150	690	WORKERS COMPENSATIN DEPOSIT/SEWER
<b>60431 Total</b>		\$ 78.75						
60432	4/14/2022	\$ 39.90	PACIFIC STORAGE COMPANY	5103190	214	52100	710	SERVICE 6 GAL TOTE / POLICE
<b>60432 Total</b>		\$ 39.90						
60433	4/13/2022	\$ 7.06	PAPE MACHINERY	13427288	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60433	4/13/2022	\$ 78.16	PAPE MACHINERY	13427312	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60433	4/13/2022	\$ 78.21	PAPE MACHINERY	13448663	430	52720	690	OIL FILTERS & FUEL FILTERS / SEWER
60433	4/13/2022	\$ 10.05	PAPE MACHINERY	13448767	310	52720	650	EQUIPMENT MAINTENANCE / STATE PARK
60433	4/13/2022	\$ 21.53	PAPE MACHINERY	13450076	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60433	4/13/2022	\$ 47.07	PAPE MACHINERY	13450106	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60433	4/13/2022	\$ 127.08	PAPE MACHINERY	13450343	430	52720	690	FUEL PUMP / SEWER
60433	4/13/2022	\$ 69.29	PAPE MACHINERY	13454283	101	52720	650	EQUIPMENT MAINTENANCE / PARKS
60433	4/18/2022	\$ 137.81	PAPE MACHINERY	13474777	101	52720	630	EQUIPMENT MAINT / STREETS
<b>60433 Total</b>		\$ 576.26						
60434	4/14/2022	\$ 89.96	QUILL CORPORATION	24090742	430	52100	690	INK / SEWER
60434	4/14/2022	\$ 47.31	QUILL CORPORATION	24090742	101	52100	230	OFFICE SUPPLIES / FINANCE
60434	4/19/2022	\$ 328.41	QUILL CORPORATION	24316193	214	52100	710	OFFICE SUPPLIES / POLICE
<b>60434 Total</b>		\$ 465.68						
60435	4/13/2022	\$ 332.96	SAM'S CLUB/SYNCHRONY BANK	4/13/2022	101	53800	320	OFFICE EXPENSES / FIRE
60435	4/13/2022	\$ 43.47	SAM'S CLUB/SYNCHRONY BANK	4/13/2022	101	52100	230	OFFICE SUPPLIES / FINANCE
60435	4/13/2022	\$ 43.47	SAM'S CLUB/SYNCHRONY BANK	4/13/2022	101	52100	220	OFFICE SUPPLIES / PLANNING
60435	4/13/2022	\$ 25.38	SAM'S CLUB/SYNCHRONY BANK	4/13/2022	410	52100	670	OFFICE SUPPLIES / WATER
60435	4/13/2022	\$ 25.38	SAM'S CLUB/SYNCHRONY BANK	4/13/2022	430	52100	690	OFFICE SUPPLIES / SEWER
<b>60435 Total</b>		\$ 470.66						
60436	4/14/2022	\$ 45.00	SOERSON PEST CONTROL, IN	1214277	101	52700	320	PEST-MONTHLY SERVICES / FIRE
<b>60436 Total</b>		\$ 45.00						
60437	4/14/2022	\$ 438.67	TIM GANGL WEB DEVELOPMENT	CITYSITE0	101	52500	215	UPDATING CITY WEBSITE/SOCIAL MEDIA - ECON. DEV
<b>60437 Total</b>		\$ 438.67						
60438	4/14/2022	\$ 75.00	TRANSUNION RISK AND ALTER	4/14/2022	214	52500	710	MARCH MINIMUM USAGE ACCT #1368807 / POLICE
<b>60438 Total</b>		\$ 75.00						

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60439	4/18/2022	\$ 72.06	TRI COUNTIES BANK	4/18/2022	430	52720	690	ALL STATES AG PARTS-EQUIPMENT MAINT / SEWER
60439	4/18/2022	\$ 23.55	TRI COUNTIES BANK	4/18/2022	101	52100	210	AMAZON-AMERICAN FLAG / ADMIN SERVICE
60439	4/18/2022	\$ 42.89	TRI COUNTIES BANK	4/18/2022	101	52100	120	AMAZON-IPAD KEYBOARD /CITY COUNCIL
60439	4/18/2022	\$ 582.08	TRI COUNTIES BANK	4/18/2022	101	52100	120	AMAZON-IPAD /CITY COUNCIL
60439	4/18/2022	\$ 102.96	TRI COUNTIES BANK	4/18/2022	410	52110	670	AMAZON-GAS CYLINDER /WATER
60439	4/18/2022	\$ 79.02	TRI COUNTIES BANK	4/18/2022	430	52700	690	HOME DEPOT-BUILDING MAINT / SEWER
60439	4/18/2022	\$ 353.88	TRI COUNTIES BANK	4/18/2022	410	52700	670	AMAZON-LIGHTS / WATER
60439	4/18/2022	\$ 319.61	TRI COUNTIES BANK	4/18/2022	253	52700	640	HOME DEPOT- BUILDING MAINT / REC
60439	4/18/2022	\$ 29.00	TRI COUNTIES BANK	4/18/2022	214	52100	710	WHEN I WORK / POLICE
60439	4/18/2022	\$ 16.82	TRI COUNTIES BANK	4/18/2022	214	52100	710	TARGET-CLETS MONITOR PART / POLICE
60439	4/18/2022	\$ 525.05	TRI COUNTIES BANK	4/18/2022	211	52200	710	QUIK CODES / POLICE
60439	4/18/2022	\$ 60.01	TRI COUNTIES BANK	4/18/2022	214	52100	710	AMAZON-COMPUTER PRIVACY SCREEN FILTER / POLICE
60439	4/18/2022	\$ 9.56	TRI COUNTIES BANK	4/18/2022	214	52100	710	USPS-FIRST CLASS MAIL / POLICE
60439	4/18/2022	\$ 50.00	TRI COUNTIES BANK	4/18/2022	101	52850	710	CA ASSOC. FOR PROPERTY&EVIDENCE-MARTIN / POLICE
60439	4/18/2022	\$ 50.00	TRI COUNTIES BANK	4/18/2022	101	52850	710	CA ASSOC. FOR PROPERTY&EVIDENCE-VARGAS / POLICE
60439	4/18/2022	\$ 19.20	TRI COUNTIES BANK	4/18/2022	101	52110	710	AMAZON-CHILDRENS FAIR GAMES / POLICE
60439	4/18/2022	\$ 17.69	TRI COUNTIES BANK	4/18/2022	101	52110	710	TARGET-CHILDRENS FAIR GAMES / POLICE
60439	4/18/2022	\$ 313.14	TRI COUNTIES BANK	4/18/2022	101	52720	320	BATTERY MART / FIRE
60439	4/18/2022	\$ 56.94	TRI COUNTIES BANK	4/18/2022	101	53800	320	SAVMOR-WATER / FIRE
60439	4/18/2022	\$ 98.66	TRI COUNTIES BANK	4/18/2022	101	52150	320	RITE AID-BLOOD PRESSURE CUFF / FIRE
60439	4/18/2022	\$ 68.00	TRI COUNTIES BANK	4/18/2022	101	51300	320	SIERRA SAC VALLEY-EMT RENEWAL-GUMER SALAZAR / FIRE
60439	4/18/2022	\$ 68.00	TRI COUNTIES BANK	4/18/2022	101	51300	320	SIERRA SAC VALLEY-EMT RENEWAL-AVERA / FIRE
60439	4/18/2022	\$ 36.00	TRI COUNTIES BANK	4/18/2022	101	52500	215	WIX / ECON D.
60439	4/18/2022	\$ 14.95	TRI COUNTIES BANK	4/18/2022	101	52500	215	WIX / ECON D.
60439	4/18/2022	\$ 28.00	TRI COUNTIES BANK	4/18/2022	101	52500	215	WIX / ECON D.
60439	4/18/2022	\$ 15.00	TRI COUNTIES BANK	4/18/2022	101	52500	215	BUFFER / ECON D.
60439	4/18/2022	\$ 9.99	TRI COUNTIES BANK	4/18/2022	101	52500	215	ADOBE / ECON D.
60439	4/18/2022	\$ 45.00	TRI COUNTIES BANK	4/18/2022	101	52500	215	CONSTANT CONTACT / ECON D
60439	4/18/2022	\$ 279.90	TRI COUNTIES BANK	4/18/2022	101	52100	210	ZOOM / ADMIN SERVICE
<b>60439 Total</b>		\$ 3,386.96						
60440	4/14/2022	\$ 41,197.25	TROJAN TECHNOLOGIES GROUP	10318917	430	52700	690	BUILDING MAINTENANCE / SEWER
<b>60440 Total</b>		\$ 41,197.25						
60441	4/13/2022	\$ 1,069.92	USA BLUEBOOK	928758	430	52720	690	EQUIPMENT MAINTENANCE / SEWER
60441	4/13/2022	\$ 1,263.66	USA BLUEBOOK	932181	410	52250	670	CHLORINE / WATER
60441	4/19/2022	\$ 1,528.67	USA BLUEBOOK	942096	410	52700	670	BUILDING MAINT / WATER
60441	4/19/2022	\$ 339.74	USA BLUEBOOK	942318	410	52700	670	HARNESS / WATER
60441	4/19/2022	\$ 518.04	USA BLUEBOOK	942328	410	52700	670	BUILDING MAINT / WATER
<b>60441 Total</b>		\$ 4,720.03						
60442	4/14/2022	\$ 180.00	VALLEY TOXICOLOGY SERVICE	4422	214	52500	710	BLOWS & ANALYSIS / POLICE
<b>60442 Total</b>		\$ 180.00						
60443	4/14/2022	\$ 60.00	COLUSA COUNTY PIONEER REV	2022-0443	101	53100	220	PUBLIC HEARING - GEORGE & CHRISTINA HAYES/PLANNING
60443	4/14/2022	\$ 72.00	COLUSA COUNTY PIONEER REV	2022-0448	101	53100	220	PUBLIC HEARING J. GONZALEZ/RHF PARTNERS/PLANNING
60443	4/14/2022	\$ 54.00	COLUSA COUNTY PIONEER REV	2022-0449	101	53100	220	NOTICE OF PUBLIC HEARING-JAC COLUSA FARMS/PLANNING
60443	4/14/2022	\$ 36.00	COLUSA COUNTY PIONEER REV	2022-0459	410	53100	670	REQUEST FOR PROPOSALS WATER MASTER PLAN / WATER

## CITY OF COLUSA

APRIL 2022

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<b>60443 Total</b>		\$ 222.00						
60444	4/14/2022	\$ 272.41	XEROX CORPORATIONS	3162540	101	53300	215	LEASE PAYMENT / ECON. DEV
60444	4/14/2022	\$ 272.41	XEROX CORPORATIONS	3162540	101	53300	220	LEASE PAYMENT / PLANNING
60444	4/14/2022	\$ 272.43	XEROX CORPORATIONS	3162540	101	53300	230	LEASE PAYMENT / FINANCE
<b>60444 Total</b>		\$ 817.25						
<b>Grand Total</b>		\$ 438,256.83						



1455 Butte House Road • Yuba City, CA 95993

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April 11, 2022

City Council  
City of Colusa  
425 Webster Street  
Colusa, CA 95932

RE: Tenant Commissioner Appointment

As per the Bylaws "The Board shall be composed of two Commissioners appointed by the Governing Body of the City of Yuba City; two Commissioners appointed by the Governing Body of the City of Live Oak; two Commissioners appointed by the Governing Body of the City of Colusa; two Commissioners appointed by the Sutter County Board of Supervisors; two Commissioners appointed by the Nevada County Board of Supervisors; two Commissioners appointed by the Yuba County Board of Supervisors; two Commissioners appointed by the Colusa County Board of Supervisors; and except as otherwise provided in section 34246.5 of the California Health & Safety Code, one Tenant Commissioner of the Housing Authority as appointed jointly by the Governing Bodies of the Cities of Live Oak, Colusa and Yuba City and the Board of Supervisors of the Counties of Sutter, Yuba, Colusa and Nevada upon the recommendation of the Housing Authority Board of Commissioners. The Member Governing Bodies shall notify the Secretary of the Housing Authority, in writing, of all appointments."

At the April 6, 2022 meeting of the Regional Housing Authority (RHA) Board of Commissioners it was approved to recommend Suzanne Gallaty to be re-appointed to the Tenant Commissioner position.

The Regional Housing Authority requests the City of Colusa City Council appoint Suzanne Gallaty as Tenant Commissioner pursuant to the Bylaws and the Agreement Creating the Regional Housing Authority.

Sincerely,



Gustavo Becerra  
Executive Director

## RESOLUTION NO. 20-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM- CORONAVIRUS RESPONSE ROUND 1 (CDBG CV-1)  
NOFA DATED JUNE 5, 2020

BE IT RESOLVED by the City Council of the City of Colusa as follows:

### SECTION 1:

The City Council has reviewed and hereby approves the submission to the State of California of one or more applications(s) in the aggregate amount, not to exceed, of \$71,894  
Economic Development- Coronavirus Prevention, Business Stability, Employee Retention:  
\$71,894

### SECTION 2:

The City Acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

### SECTION 3:

The City hereby authorizes and designates the City Manager to execute and deliver all application and act on the City's behalf in all matters pertaining to all such applications.

### SECTION 4:

If an application is approved, the City Manager or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on the 18<sup>th</sup> of August 2020 by the following vote:

AYES: Ponciano, Reische, Markss, Nobles, Hill.

NOES: None.

ABSENT: None.

ABSTAIN: None.

ATTEST:

  
Shelly Kittle, City Clerk

  
JOSH HILL, MAYOR





## City of Colusa California

### STAFF REPORT

**DATE:** May 9, 2022  
**TO:** Mayor and Members of the City Council  
**FROM:** Fernanda Vanetta, Grant Writer

**AGENDA ITEM:**

Subject: Correction of City Council Resolution for CDBG CV-1

**Recommendation:** Council to approve corrected resolution for the CDBG CV-1 grant to the required format.

**BACKGROUND ANALYSIS:** The original resolution did not follow the required format from the California Department of Housing and Community Development. No changes have been made in the content of the resolution; modifications are only to the style and format of the resolution. The City does need to use the updated resolution in order to be able to receive the funds from the state.

**BUDGET IMPACT:** \$71,894

**STAFF RECOMMENDATION:** Staff recommends The City Council approves updated resolution.

**ATTACHMENT:**

**RESOLUTION NO. 22-\_\_\_\_\_****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA  
APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A  
GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS  
RESPONSE ROUND 1 (CDBG CV-1) NOFA DATED JUNE 5, 2020**

BE IT RESOLVED by the City Council of the City of Colusa as follows:

**SECTION 1:**

The City Council has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount, not to exceed, of \$71,894 for the following CDBG CV-1 activities pursuant to the June 2020 CDBG CV-1 Notice of Funding Availability (NOFA):

Economic Development – Coronavirus Prevention, Business Stability, Employee Retention: \$71,894

**SECTION 2:**

The City hereby approves the use of Program Income in an amount not to exceed \$0 for the CDBG CV1 activities described in Section 1.

**SECTION 3:**

The City acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

**SECTION 4:**

The City hereby authorizes and directs the City Manager, or designee\*, to execute and deliver all applications and act on the City behalf in all matters pertaining to all such applications.

**SECTION 5:**

If an application is approved, the City Manager, or designee\*, is authorized to enter into, execute and deliver the grant agreement (*i.e.*, Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant.

**SECTION 6:**

If an application is approved, the City Manager, or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on May 17, 2022, by the following vote:

AYES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

**STATE OF CALIFORNIA**  
City of Colusa

I, Shelly Kittle, City Clerk of the City of Colusa, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 17 day of May, 2022.

Shelly Kittle, City Clerk of the City of Colusa, State of California

By: \_\_\_\_\_  
Shelly Kittle, City Clerk

**RESOLUTION NO. 22 –**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA  
TO RENEW THE EXISTING USE AGREEMENT WITH THE COLUSA COUNTY  
OFFICE OF EDUCATION**

**WHEREAS**, the City of Colusa and Colusa County Office of Education has had a use agreement since 2014 and renewed several times since then

**WHEREAS**, both parties agree to renew the contract on existing terms and conditions for two more years with the option to extend one more year after that date

**Therefore**, the staff recommends extending the contract with the Colusa County Office of Education.

**PASSED AND ADOPTED** as a Resolution of the City Council of the City of Colusa, at its regular meeting duly held on the 17th day of May 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
SHELLY KITTLE, CITY CLERK



## City of Colusa California

### STAFF REPORT

**DATE:** May 17th, 2022  
**TO:** Mayor and Members of the City Council  
**FROM:** Ishrat Aziz-Khan, through Jesse Cain, City Manager

#### **AGENDA ITEM:**

Consideration of Resolution approving the Use Agreement Between City of Colusa and County Office of Education for Storage of Records.

#### **Recommendation:**

Council to adopt the Resolution to sign an agreement between the City of Colusa and Colusa County Office of Education to use the Room 15 and Room 16 at the City Hall.

#### **BACKGROUND ANALYSIS:**

The City of Colusa and the County Office of Education entered into an agreement in October 2014. The rent amount and the term of condition remained the same from 2014 until now. The contract was renewed several times until it expired last year. It is time to renew the contract again.

#### **BUDGET IMPACT:**

The County Office of Education pays \$825.00 per quarter totaling \$3,300 annual. The rent remained the same, therefore no budget impact

.

#### **STAFF RECOMMENDATION:**

The staff recommends approving the resolution for the Use Agreement between the city of Colusa and Colusa County Office of Education

.

#### **ATTACHMENTS:**

Use Agreement, Standard Agreement and Resolution



## USE AGREEMENT BETWEEN CITY OF COLUSA AND COUNTY OFFICE OF EDUCATION FOR STORAGE OF RECORDS

This Use Agreement is entered into this 19th day of May 2022 by and between the CITY OF COLUSA, a municipal corporation and the COUNTY OF COLUSA OFFICE OF EDUCATION, a political subdivision of the State of California in Colusa County for the use of a portion of space at the building located at 425 Webster Street, owned by City and commonly known as City Hall.

### RECITALS

**WHEREAS**, the City is the owner of certain real property located at 425 Webster Street, Colusa, California 95932, commonly known as City Hall; and

**WHEREAS**, the City has storage space available on the second floor of City Hall; and

**WHEREAS**, allowing County to use storage space at City Hall on the terms and conditions set out herein will be beneficial to the City and County.

In consideration of the foregoing, the parties mutually agree as follows:

**1. Recitals.**

**2. Premises.** City hereby agrees that the County may use on an exclusive basis storage space in Rooms 15 and 16, located on the second floor of the building known as City Hall, 425 Webster Street, Colusa, California 95932.

**3. Use of the Premises.** County shall use the Premises for record storage purposes only, unless prior written consent from City is obtained.

**4. Term.** This Agreement shall be for a term of two (2) years, beginning on the 17th day of May, 2022 and ending on the 30 day of June, 2024 unless terminated earlier pursuant to the provisions of this Agreement. The Agreement shall automatically renew for one (1) year periods on the same terms and conditions set forth herein.

**5. Condition of Premises.** County acknowledges that it has fully inspected the Premises and accepts the same in its existing condition, and agrees that no demands for alterations, repairs or additions are to be made upon City.

If it shall become necessary to close City Hall, or prevent access to the Premises, due to an unforeseen event outside of City's control including, but not limited to, earthquake, flood,

explosion or other act of God, City shall not be liable to County or any third party for damages due to loss of business, loss of revenue, loss of property or any additional costs.

**6. Use Fee.** County shall pay City a use fee, for the possession and use of the Premises, a total annual payment of Three Thousand Three Hundred Dollars (\$3,300) Use Fee. Such payment shall be made on a quarterly basis, payable in advance on the first day of each calendar quarter, in the sum of Eight Hundred Twenty-Five Dollars (\$825) per quartet.

County will incur a twenty-five dollar (\$25.00) late charge in the event that the Use Fee, or any portion of the Use Fee, is not received by City within fifteen (15) days after the due date.

County shall pay an insufficient funds charge, consistent with the charge currently imposed by City for insufficient checks, for each check that is returned for lack of sufficient funds.

**7. Access to Premises.** County shall have access to the Premises during standard City Hall working hours, unless otherwise agreed to in writing in advance. Currently, standard working hours are Monday thru Thursday 7:30 a.m. to 5:00 p.m., holidays excluded.

**8. Security of Premises.** The Premises are currently equipped with a standard lock, and City will provide County a key to the Premises. City will also retain a key to the Premises, to be used if necessary for inspections or if County needs access to the Premises. City reserves the right to enter into the Premises at any reasonable time for the purpose of inspecting the Premises. County shall not interfere with this right in any way including, but not limited to, installing new door locks or utilizing padlocks or any other type of security measure without providing City with any keys and/or security codes required to access the Premises.

**9. Improvements.** County shall obtain City's written consent prior to making any alterations or improvements to the Premises. City shall have the right to remove any of County's alterations and improvements prior to the expiration of the Agreement. County shall repair any damage caused by attaching any items to, or removing them from, the Premises.

**10. Utilities and Services.** City shall pay for all utilities and at City's expense.

**11. Maintenance.** County shall maintain the Premises, and keep the Premises free of trash and debris. County shall return the Premises to City in broom clean condition, and in same or better shape than when County began using the Premises.

**12. Insurance.** City agrees to obtain and maintain during the Term of this Agreement, fire and extended coverage insurance, or its equivalent, for City Hall. Such insurance shall not be



cancelled without providing advance notice to the County of such cancellation, and it shall be the responsibility of the City to notify County of such change or cancellation.

County agrees to obtain and maintain during the Term of this Agreement public liability and property insurance protecting County and County's property in an amount not less than One Million Dollars (\$1,000,000.00). Such insurance, or its equivalent, shall name the City as an additional insured and the policy shall be so endorsed. Such insurance shall not be cancelled without providing advance notice to the City of such cancellation, and it shall be the responsibility of the County to notify City of such change or cancellation. County shall provide City with a copy of all insurance policies that are required by this Agreement.

**13. Assignment and Subletting.** County shall not assign or sublet the Premises or any part of the Premises.

**14. Destruction and/or Damage to Premises.** In the event the Premises shall be totally or partially destroyed or damaged through fire or any other cause not the fault of the County, County will owe no Use Fee for any period during which the County is substantially deprived of the use of the Premises.

**15. Limitation on City's Liability; Waiver of Claims.** City shall not be responsible for or liable to County, and County hereby assumes the risk of, and waives and releases City from any and all claims arising out of or related to the storage of records at the Premises, including but not limited to damage or destruction of the records. Nothing in this Section shall relieve City from liability caused solely and directly by the gross negligence or willful misconduct of City, but City shall not be liable under any circumstances for any consequential, incidental or punitive damages.

This Section 15 shall constitute a separate agreement between County and City and shall survive any termination of this Agreement.

**16. Indemnification.** County agrees to indemnify, defend and hold harmless City, its officials, officers, employees, agents and consultants from any and all claims that arise out of the storage of the records at the Premises, except for those arising from the sole or gross negligence of the City.

This Section 16 shall constitute a separate agreement between County and City and shall survive any termination of this Agreement.

**17. Termination of Agreement.** Either Party may terminate this Agreement, with or

without cause, upon ninety (90) days written notice to the other Party. County shall not be responsible for payment of Use Fee for the remainder of the Term when this Agreement.

**18. Default.** City shall provide County written notice of any default under this Agreement. Upon receipt of the notice of default, County shall have ten (10) days to cure such default. If County does not cure the default; City may institute legal action to recover possession of the Premises.

**19. Taxes.** This Agreement may create a possessory interest which is subject to property taxation. The Party in whom the possessory interest is vested may be subject to the payment of any property tax levied on such interest. See Revenue and Taxation Code Section 107.6.

**20. Compliance with Law.** County shall comply with all applicable laws, ordinances, and codes of federal, state and local governments when conducting any activities at the Premises pursuant to this Agreement.

**21. Miscellaneous.**

**A. Governing Law and Forum.** This Agreement shall be construed in accordance with the laws and judicial decisions of the State of California and venue for any legal or equitable action shall be in the County of Colusa.

**B. Notices.** All notices required by this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in the United States Mail for delivery by registered or certified mail addressed to the parties at the following addresses:

CITY:

COUNTY:

City of Colusa

Colusa County of Board of Education

Jesse Cain, City Manager

\_\_\_\_\_

425 Webster Street

\_\_\_\_\_

Colusa, CA 95932

\_\_\_\_\_

**C. Severability.** If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision or provisions.

**D. Interpretation of Agreement.** The headings within this Agreement are solely for reference purposes and shall not limit or otherwise affect any of the terms of this Agreement. The parties have had an equal opportunity to participate in the drafting of this Agreement; therefore, the normal construction as against the drafting party shall not apply to this Agreement.

**E. Relationship of Parties.** The parties do not intent that this Agreement constitute, and this Agreement shall not be interpreted under any circumstances as, a partnership, joint venture or other business association. This Agreement does not, and is not intended to create any rights for parties who are not signatories hereto.

**F. Amendments.** This Agreement may only be amended by mutual written consent of both Parties, signed by both Parties to this Agreement.

**22. Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the matters contained herein and supersedes all prior or contemporaneous understandings, whether written or oral, with respect thereto.

**WHEREFORE**, the parties have executed this Agreement as of the Effective Date set forth above.

CITY OF COLUSA

BY: \_\_\_\_\_

Tom Reische, ( Mayor)

Attest:

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

Shelly Kittle

Approved:

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

Ryan Jones, City Attorney

COLUSA COUNTY BOARD OF  
EDUCATION

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

\_\_\_\_\_

Attest:

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

\_\_\_\_\_

Approved:

\_\_\_\_\_



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022  
**TO:** City Council  
**FROM:** David Swartz, PE, PLS, City Engineer

**AGENDA ITEM:**

Subject: Water Park Splash Pad – Bids Rejection

**Recommendation:** Council to adopt Resolution No. \_\_\_\_\_ rejecting all bids and authorize staff to notify the bidders.

**BACKGROUND ANALYSIS:** The City has received grant funding in an amount of approximately \$177K for the installation of a waterpark splash pad feature that was placed out to bid during the month of March. Bids were opened, on March 29<sup>th</sup>. A total of two bids were received. Both bids were substantially over the planned construction budget and would have required the City council to dedicate other funds to this project in order to supplement the gap. The gap, between the budget and the low bid was approximately \$50,000 +/- . Staff have come up with an alternate strategy to construct the water park splash pad which we believe can build the project within budget.

Attached hereto are the bid sheets from the two bidders.

**BUDGET IMPACT:** Grant funds up to \$177K

**STAFF RECOMMENDATION:** Approve the attached Resolution rejecting all bids.

**ATTACHMENT:**

Resolution No. \_\_\_\_\_

## RESOLUTION NO. 22-

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA REJECTING ALL BIDS FOR THE SPLASH PAD PROJECT

WHEREAS, The City placed out to competitive bid a project to install a splash pad water park project located next to the municipal swimming pool in Will S. Park;

WHEREAS, the City conducted a bid opening on March 29<sup>th</sup>, 2022;

WHEREAS, the City received two bids on the project: One from Lamb Construction, and a second one from Playgrounds Unlimited.

WHEREAS, staff are recommending the City reject all bids received from the bid opening and authorize the City Manager or City Engineer to notify all bidders that that city has rejected all bids:

NOW THEREFORE, the City Council of the City of COLUSA does hereby resolve that:

1. The City is rejecting all bids received for the water park splash pad project and hereby instructs the city manager or city engineer to notify all bidders in writing of this decision.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Colusa at a regularly scheduled meeting held on the 17th day of May 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
THOMAS REISCHE MAYOR

Attest:

\_\_\_\_\_  
Shelly Kittle, City Clerk

**PROPOSAL TO THE CITY OF COLUSA  
DEPARTMENT OF PUBLIC WORKS**

**CONTRACT NO. 21-101**

**NAME OF BIDDER** Lamb Unlimited General Engineering  
**BUSINESS P.O. BOX** PO Box 190  
**CITY, STATE, ZIP** Corning, Ca 96021  
**BUSINESS STREET ADDRESS** 4050 Toomes Avenue  
**CITY, STATE, ZIP** Corning, Ca 96021 *(Please include even if P.O. Box used)*  
**TELEPHONE NO:**            **AREA CODE ( 539 )** 518-9082  
**FAX NO:**            **AREA CODE (    )**             
**CONTRACTOR LICENSE NO.** 1052556

The work for which this proposal is submitted is for construction in conformance with these contract documents, and technical specifications, with the City of Colusa standards and municipal code and standard details, and the Cal Trans Standard Plans (including the payment of not less than the State general prevailing wage rates or Federal minimum wage rates). The project plans described below, including any addenda thereto, the contract annexed hereto, and also in conformance with the California Department of Transportation Standard Plans, dated July, 2010, the Standard Specifications, dated July, 2010, and the Labor Surcharge and Equipment Rental Rates in effect on the date the work is accomplished.

The special provisions for the work to be done are dated February 18, and are entitled:

**CITY OF COLUSA  
CITY WATERPARK SPLASH PAD  
SPECIAL PROVISIONS**

The project plans for the work to be done were approved February 18, 2022 and are entitled:

**CITY OF COLUSA  
DEPARTMENT OF PUBLIC WORKS  
PROJECT PLANS FOR**

**CITY WATERPARK  
SPLASH PAD**

**IN**

**THE CITY OF COLUSA**

Bids are to be submitted for the entire work. The amount of the bid for comparison purposes will be the total of all items. The bidder shall set forth for each unit basis item of work a unit price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for that purpose. In the case of unit basis items, the amount set forth under the "Item Total" column shall be the product of the unit price bid and the estimated quantity for the item.

## CONTRACTOR'S BID

---

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Mobilization	1	LS	2,440.00	2,440.00
2	Minor Concrete- Splash Pad	1,605	SF	30.00	48,150.00
3	Minor Concrete- Equipment Cabinet Pad	32	SF	39.75	1,272.00
4	1" PVC C-900 Feature Supply Line	440	LF	48.55	21,362.00
5	1.5" PVC C-900 Feature Supply Line	60	LF	60.60	3,636.00
6	2" PVC C-900 Water Line	15	LF	511.00	7,665.00
7	4" HDPE Type S- Storm Drain	120	LF	73.50	8,820.00
8	Installation of Water Odyssey Components	1	LS	18,065.00	18,065.00
9	1" Electrical Conduit and Conductor	200	LF	46.50	9,300.00
10	Connection to Existing Electrical	1	LS	3,800.00	3,800.00

**TOTAL BID** 124,510.00 One hundred twenty four thousand five hundred ten and no cents



**PROPOSAL TO THE CITY OF COLUSA  
DEPARTMENT OF PUBLIC WORKS**

**CONTRACT NO. 21-101**

**NAME OF BIDDER** Community playgrounds Inc.  
**BUSINESS P.O. BOX** \_\_\_\_\_  
**CITY, STATE, ZIP** \_\_\_\_\_  
**BUSINESS STREET ADDRESS** 200 Commercial St  
(Please include even if P.O. Box used)  
**CITY, STATE, ZIP** Vallejo CA 94589  
**TELEPHONE NO:** \_\_\_\_\_ **AREA CODE (415)** 892 - 8100  
**FAX NO:** \_\_\_\_\_ **AREA CODE (415)** 892 - 3132  
**CONTRACTOR LICENSE NO.** 362950 A, C61 D24, D12

The work for which this proposal is submitted is for construction in conformance with these contract documents, and technical specifications, with the City of Colusa standards and municipal code and standard details, and the Cal Trans Standard Plans (including the payment of not less than the State general prevailing wage rates or Federal minimum wage rates). The project plans described below, including any addenda thereto, the contract annexed hereto, and also in conformance with the California Department of Transportation Standard Plans, dated July, 2010, the Standard Specifications, dated July, 2010, and the Labor Surcharge and Equipment Rental Rates in effect on the date the work is accomplished.

The special provisions for the work to be done are dated February 18, and are entitled:

**CITY OF COLUSA  
CITY WATERPARK SPLASH PAD  
SPECIAL PROVISIONS**

The project plans for the work to be done were approved February 18, 2022 and are entitled:

**CITY OF COLUSA  
DEPARTMENT OF PUBLIC WORKS  
PROJECT PLANS FOR**

**CITY WATERPARK  
SPLASH PAD**

**IN**

**THE CITY OF COLUSA**

Bids are to be submitted for the entire work. The amount of the bid for comparison purposes will be the total of all items. The bidder shall set forth for each unit basis item of work a unit price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for that purpose. In the case of unit basis items, the amount set forth under the "Item Total" column shall be the product of the unit price bid and the estimated quantity for the item.



# CONTRACTOR'S BID

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Mobilization	1	LS	—	16,491
2	Minor Concrete- Splash Pad	1,605	SF	41.00	65,805
3	Minor Concrete- Equipment Cabinet Pad	32	SF	38.50	1,232
4	1" PVC C-900 Feature Supply Line	440	LF	45.80	20,152
5	1.5" PVC C-900 Feature Supply Line	60	LF	31.50	1,890
6	2" PVC C-900 Water Line	15	LF	335.00	5,025
7	4" HDPE Type S- Storm Drain	120	LF	102.50	12,300
8	Installation of Water Odyssey Components	1	LS	—	18,660
9	1" Electrical Conduit and Conductor	200	LF	71.00	14,200
10	Connection to Existing Electrical	1	LS	—	2,226

TOTAL BID \$ 157,981.00



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022  
**TO:** Mayor and City Council Members  
**FROM:** City Manager, Jesse Cain

#### **AGENDA ITEM:**

**Subject:** A Resolution of the City Council of Colusa accepting the City Project Number 2020-001 for construction of the 2020 Wastewater Improvements Project and authorize the City Manager to make the final payment and release the 5% retention to R & R Horn, Inc.

**Recommendation:** Approve a Resolution of the City Council of Colusa accepting the City Project Number 2020-001 for construction of the 2020 Wastewater Improvements Project and authorize the City Manager to make final payment and release the 5% retention to R & R Horn, Inc. will change the contract amount to \$1,907,518.48 from \$1,904,702.94.

**BACKGROUND ANALYSIS:** The City's long-term goal is to have a wastewater system that produces high quality recycled water that is stored in the winter and then used to irrigate City owned cropland. Once online, the recycled water system will eliminate the City's discharge permit to the Powell Slough and minimize groundwater pumping. The City also has a goal to upgrade and retire two older sewer pump stations and construct new sewers that accommodate planned growth. For the last six years, the City has been maximizing its low interest loans and grant opportunities with the California State Revolving Fund (SRF) to make progress toward these goals.

In 2016, the City received \$10.7 million in loans and grants from the California State Revolving Fund (SRF) which various funded improvements at the WWTP to produce recycled water. Those improvements were completed in 2019. In June of 2020 the City received an additional \$6.1 million in low interest loans and grants from SRF (SRF Loan C06-7896-310). This loan and grant funds the city's purchase of 500 acres of farmland next to the plant and this 2020 Wastewater Improvements Project. Later this year the City will complete various irrigation improvements so that next summer the system will be online and delivering recycled water to its nearby cropland.

In June of 2020, the City of Colusa went out to bid for the 2020 Wastewater Improvements Project. This Project provides several upgrades to the City's WWTP including a new sludge drying pad, a new debris receiving station, a new security gate, a new irrigation system for use of recycled water around the plant, a new influent sewer connection, and enhancements to the seasonal recycled water storage pond.

During Construction the following unforeseen problems have caused the contractor to perform additional work to meet the goals of the contract. An additional 849.19 tons of rock over the approved 6,000 tons was needed to complete the slope protection and 100 feet of fencing was needed to complete the work. The extra rock was substituted for road base in the contract. The rock has been authorized and paid for but, the 100 feet of fencing slipped through the Change Order process for an additional cost of \$2,815.54. The price for the additional work at the contract price is a good use of Wastewater Enterprise funds.

**BUDGET IMPACT:** This project and the SRF loan and grant were all included in the City's June 2018 Sewer Rate Study and adoption.

In addition to the SRF loan and grant, the City would utilize about \$600,000 from City Sewer Reserves that have been set aside for this Project.

**STAFF RECOMMENDATION:** Approve a Resolution of the City Council of Colusa accepting the City Project Number 2020-001 for construction of the 2020 Wastewater Improvements Project and authorization of the City Manager to make final payment and release the 5% retention to R & R Horn, Inc. will change the contract amount to \$1,907,518.48.

**ATTACHMENT:**

Resolution

Invoice for fencing from Crusader Fence for R & R Horn Contractors, Inc.:

Completion Report

**RESOLUTION NO. [REDACTED]**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA TO AUTHORIZE PROJECT ACCEPTANCE AND RELEASE OF RETENTION TO R & R HORN GENERAL CONTRACTOR, INC. FOR THE 2020 WASTEWATER IMPROVEMENT PROJECT, SRF LOAN PROJECT NO. C-06-7896-310, FOR THE TOTAL AMOUNT OF \$1,907,518.48.**

**WHEREAS**, in May 2020 the City advertised for the construction of the 2020 Wastewater Improvement Project; and on July 30, 2020 received one bid from R & R Horn General Contractors, Inc, a California Corporation.

**WHEREAS**, on September 15, 2020, the City Council authorized staff to use California State Revolving Fund Grant/Loan for implementation of the City of Colusa 2020 Wastewater Improvement Project; and

**WHEREAS**, the City wishes to continue to pursue a combination of SRF Grants and Loans to implement implementation of the City of Colusa 2009 Sewer Collection System Master Plan and NPDES Permit; and

**WHEREAS**, the City wishes to stabilize rates for wastewater collection and treatment for the City's rate payers; and

**WHEREAS**, The Contractor has submitted a Final Invoice that will help meet the City goals to stabilize future rates; and

**WHEREAS**, the City is willing to amend the Agreement under the terms of the Negotiations and modified Contract; and

**WHEREAS**, the City and Contractor believe the Final Invoice to the Amended Contract is necessary to meet the goals of the City and is consistent with Section 25 B Amendments of the original Agreement be in writing and signed by both parties.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:**

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Council Approval of Agreement. The City Council hereby approves Project Acceptance and Release of Retention between the City of Colusa and R & R General Contractors, Inc.
3. Authorization to City Manager. The City Council of the City of Colusa hereby authorizes the City Manager to proceed with Project Acceptance and Release of Retention, attached hereto and incorporated by reference, and also authorizes the City Manager to execute any further documentation in order to carry out the intent of this resolution. The City Manager is also hereby authorized to make any minor amendments, which do not alter the intent of the parties, to carry out the intent of this Resolution.
4. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 17 day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

\_\_\_\_\_  
Shelly Kittle, City Clerk

**City of Colusa**

**R & R Horn General Contractors, Inc.**

By: \_\_\_\_\_  
Jesse Cain,  
City Manager

By: \_\_\_\_\_  
Quin Hogan  
Vice President and Secretary

ATTEST:

\_\_\_\_\_  
Shelly Kittle, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



# City of Colusa 2020 WWTP Improvements

## Project Completion Report



Prepared by:



NEXGEN Utility Management, Inc.  
4010 Lennane Drive Sacramento, CA 95834



March 2022

## City of Colusa 2020 Wastewater Improvements Project

# Project Completion Report

### 1.1 PROJECT DESCRIPTION

The project constructs various upgrades at the City of Colusa Wastewater Treatment Plant including: installation of rock slope protection on recycled water seasonal storage basin; replacement of rock slope protection in the emergency storage basin and operational recycled water storage basin; installation of a new manhole and stub out for future sewer mainline; construction of a new Vac-con dump area; installation of recycled water irrigation booster pump stations and irrigation system; automatic chain-link entrance gate, planting irrigated grass and other vegetation as shown on the plans; and other miscellaneous improvements at the Colusa WWTP as shown in Figure 1-1.



Figure 1-1  
City of Colusa 2020 Wastewater Improvements



### 1.1.1 Vaccon Drying Bed and Future Sewer Connection Stubout

The Vaccon drying bed was constructed to allow the Vaccon Trucks to be able to discharge contaminated soil and other material onto a concrete surface so liquids can drain into the headworks. Spoils would then dry and be either placed into a dumpster or hauled out in a dump truck. The new manhole and stubout was connected to the existing 18 inch mainline leading into the headworks. A 24 inch mainline was routed outside the plant to the location of a planned mainline. This allows future construction without disturbing the new gate and paving. Figure 1-2 shows the constructed Vaccon Dump Station and drying bed.



Figure 1-2  
**City of Colusa Vaccon Dump Station and Drying Bed**

The old entrance gate was not secure enough for the WWTP and needed to be replaced. A new section of fencing was installed to transition the new gate to the old fencing. This improves the security of the WWTP. New paving was placed and a stub out for future mainline connection was also installed. The new gate and fencing replaces a manually operated gate and replaces about 100 feet of fencing that was buried by ongoing weed control and disking. This is shown in Figure 1-3





Figure 1-3  
**City of Colusa New Gate and Replacement Fencing**

### **1.1.2 WWTP Entrance Landscaping and Grass Planting**

The City of Colusa's largest investment is the WWTP. The entrance was a maintenance issue with weed control and eroding surfaces. It was decided to improve the visual impact of the entrance to show the public the importance of this facility. The grass will reduce weed control needs and be more easily maintained by periodic mowing. The original intent was to connect the front landscaping to the recycled pipeline directly. This did not prove feasible at this time. In the future, the entire plant water system will be connecting to the recycled water system at the MCC #1 building. The connection will be from the new recycled pumping system located near the recycled water operational storage basin. The front irrigation system is now connected to the "2 Water System." The front irrigation system irrigation pump and control system is shown in Figure 1 – 4.

### **1.1.3 Biosolids Drying Area and Stock Piling Surface For Seasonal Disposal**

The 2007 Project created a pile of excess soil excavated from the old pond bottoms during construction of the advanced treatment facilities. It had been described as bio solids, but after testing the material, it was shown to be soil with less than 4% organic matter. This material had been in place for 18 years. The WWTP needs an area to stockpile solar dried biosolids before placing the material on adjacent city owned farmland. The General Permit allows a disposal rate of 10 tons per acre of class a Biosolids. The certification of Class A can take as long as 8 weeks. In order to bring the SSB back into service the solar dried material will be stockpiled in this area while being tested and the cropland harvested. The biosolids storage

area is shown in Figure 1 – 5.



Figure 1-4  
**City of Colusa WWTP Entrance Landscaping and Grass Planting**



Figure 1-5  
**City of Colusa Biosolids Drying Area and Stock Piling Surface**



#### 1.1.4 Slope protection in Ponds and Erosion Control

The new recycled water storage ponds, monthly storage, and new emergency storage ponds needed slope protection to reduce slope erosion and stabilize the slopes. About 7,200 feet of slope protection was placed on the side slopes of the ponds. Figure 1 – 6 shows the slope protection



Figure 1-6

#### 1.1.5 City of Colusa Slope protection in Ponds and Erosion Control

### 2.1 ADDRESSING WATER QUALITY

The Stormwater protection was accomplished by not allowing storm runoff to leave the facility.

### 3.1 AMERICAN IRON AND STEEL - COUNTY OF ORIGIN

All rebar and fittings were certified as meeting the American Iron and Steel Requirements in the contract.

### 3.2 PROJECT LIKELIHOOD OF SUCCESS

With the addition of slope protection, the recycled storage ponds and secondary treatment ponds the reliability of the system and risk of turbidity problems in the WWTP treatment process and recycled water delivery is significantly reduced. Work remaining includes installing recycled water delivery pump stations, power, and delivery pipelines. This work is in the design stage at this time. This will allow the City of Colusa to be able to provide the capacity for the City's growth within the next 30 years, reduce the overall energy consumption of the WWTP, reduce local groundwater demand, and reduce demand on the City water system.

### 4.1 COMPLIANCE WITH ENVIRONMENTAL CONDITIONS

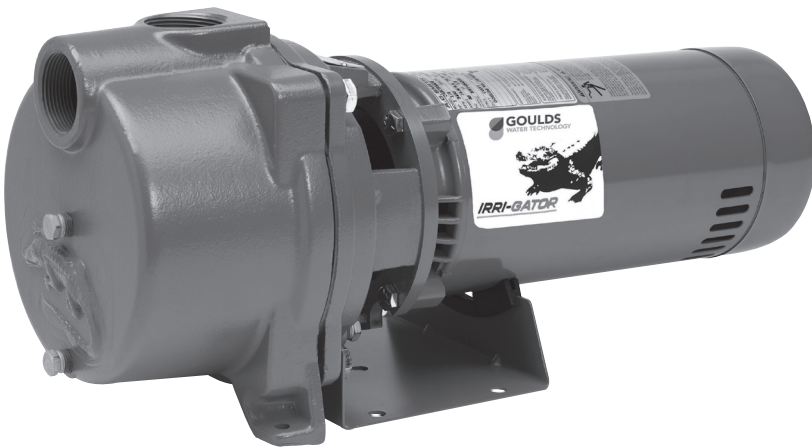
The City of Colusa's 2020 WWTP Wastewater Improvement Project claims a mitigated negative declaration with the following environmental factors being potentially affected: Biological Resources and Cultural Resources. For Biological Resources, The proposed project does not have and direct or indirect impacts to any federal or state special-status species. The project will not have a significant effect on GGS because several standard mitigation measures will be implemented to avoid any potential impacts during construction of the WWTP improvements. The new reclamation pipeline will be located within existing farm service roads. No formal consultation with USFWS is needed for this project as numerous preapproved measures in the Section 7 USACE/USFWS Programmatic Agreement with precautions will be in place by the City to avoid potential take of GGS during construction. To address compliance with cultural resources, mitigation measure CUL-1 will be conducted. CUL-1 ensures that impacts on potential cultural material are less than significant. No cultural resources or artifacts are known with the project APE. Standard mitigation measures of stopping work if resources are observed during construction and retaining qualified cultural resources professional to document findings will be done by the City. During construction no cultural resources were discovered by the monitor or construction workers.

## **APPENDIX A**

### **Operations and Maintenance Manual Cover Sheets**

**INSTRUCTION MANUAL**

IM049R09



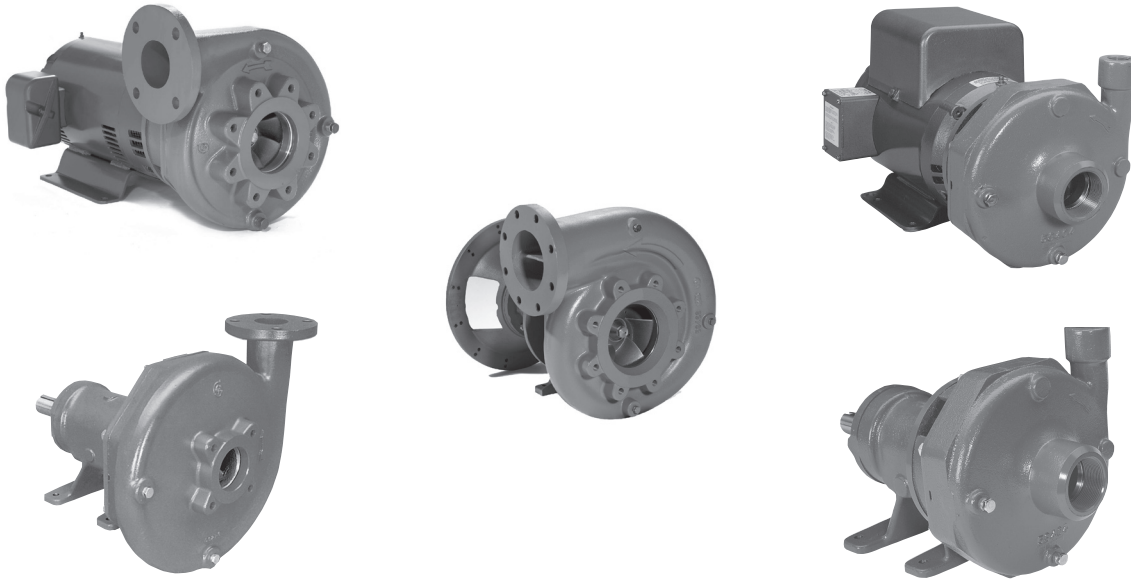
# GT IRRI-GATOR™

SELF-PRIMING CENTRIFUGAL PUMPS



## INSTRUCTION MANUAL

IM010R010



# Models 3656 / 3756

INSTALLATION, OPERATION AND MAINTENANCE INSTRUCTIONS



R&R Horn, Inc  
PO Box 6697  
Chico, CA 95927

Invoice Date	Customer ID	Invoice ID
03-01-2022	CIT10	19004000110
Draw ID	Contract ID	
199	20-0-08	

Item 10.

To:  
City of Colusa

Job Location:  
Colusa Wastewater Plant

1	Retainage Billed	96,400.43
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**CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT**

**NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.**

**Identifying Information**

Name of Claimant: R&amp;R Horn, Inc.,

Name of Customer: City of Colusa

Job Location: 2820 Will S Green Ave Colusa CA

Owner: City of Colusa

**Conditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: City of Colusa

Amount of Check: \$ 96,400.43

Check Payable to: R&amp;R Horn, Inc.

**Exceptions**

This document does not affect any of the following:  
Disputed claims for extras in the amount of: \$

**Signature**

Claimant's Signature:

Claimant's Title:

Date of Signature:

*[Handwritten Signature]*  
*Contract Administrator*  
*3-1-22*

7/1/12

## Change Request

**Number:** CI#18  
**Date:** 11/11/21  
**Job:** 20-0-08 Colusa Wastewater Plant  
**Phone:**

We are pleased to offer the following specifications and pricing to make the following changes:

Description	Price
Small Job Fencing	\$7,058.71
Subtotal:	\$7,058.71
<b>Total:</b>	<b>\$7,058.71</b>

If you have any questions, please contact me at .

Approved by: \_\_\_\_\_  
Date: \_\_\_\_\_



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022

**TO:** Mayor Reische and Members of the City Council

**FROM:** Bryan Stice, Community Development Manager through Jesse Cain, City Manager

#### AGENDA ITEM:

Subject: Public Hearing for a proposed Ordinance approving a development agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2876 Niagara Avenue.

**Recommendation:** Council to open the Public Hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND GENESIS EXTRACTS CA RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2876 NIAGARA AVE. IN COLUSA

**Recommendation:** Council to adopt the following Resolution:

A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2876 NIAGARA AVE. IN COLUSA

#### BACKGROUND ANALYSIS:

The subject property (the "Site") is located on 1.6 acres within the southern portion of the Colusa Industrial Park (CIP) at 2876 Niagara Avenue and surrounded by existing industrial land uses to the north, west and south. The Colusa County Airport is located immediately east of the Site.

There is an existing 4800-square-foot, single-story building, within which the Owner plans to install equipment for, and perform, "Type 7" volatile extraction cannabis operations at the Site (the "Project"). Sufficient paved parking space is available to accommodate the Project's 15 employees projected to work at the site after the first year of operation. Limited extracted cannabis products would be transported to and from the site from time to time as available.

Genesis Extracts CA (the "Owner") requests development agreement ("DA"), Cannabis Business Regulatory Permit, and Cannabis Business Special Use Permit approval as required by City

Code to operate their cannabis business.

### Development Agreement

As drafted, the term of the DA would last ten years. The DA contains mutually agreeable terms and provisions defining the obligations and contributions applicable to the City and the Owner. The DA establishes performance requirements, reporting and audition procedures, monetary compensation to the City (in the form of Production Fees), regulations, "City Covenants," and specific development criteria of the project.

### Use Permits

The extraction of cannabis products is considered "manufacturing," and one of many permitted uses, within the City's cannabis regulations, following approval of a DA, special use permit, and regulatory permit by the City Council. The scope of the Owner's Project is limited to how it is described above in compliance with State and City regulations including the Zoning Ordinance. Multiple conditions of any use permit approval would apply to the project (if approved) and are included within the draft resolution. These include requiring detailed plans for security and safety, odor control, premises layout, and parking.

Staff considers the proposed use of the site, DA, special use permit and regulatory permit to be consistent with the City Code, Zoning Ordinance and General Plan

### ENVIRONMENTAL REVIEW:

City Staff considers approval of this Development Agreement to be exempt from California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15332, which reads as follows:

*Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.*

*(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.*

*(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

*(c) The project site has no value, as habitat for endangered, rare or threatened species.*

*(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

*(e) The site can be adequately served by all required utilities and public services.*

Staff considers the development of the Project to be exempt as provided above since for the following reasons: It is consistent with the general plan designation & policies as well as with applicable zoning designation and regulations; The Project Site, as previously developed, has no value, as habitat for endangered, rare or threatened species; The limited, 4,800-square-foot building with conditions would generate negligible traffic, noise, air quality, or water quality, impacts; and all utilities and public services are already at the Site.

**PUBLIC COMMENT:**

Staff received comments on the proposed Project.

**PLANNING COMMISSION ACTION:**

During their meeting of April 13, 2022, the Planning Commission considered a Planning Department staff report and public testimony in support of the project. Following the public hearing, the Planning Commission voted 5-0 to pass a Resolution recommending City Council approval of the proposed DA. Under the City Code, the Planning Commission does not review cannabis-related use permits.

**BUDGET IMPACT:**

If adopted, this ordinance and DA may facilitate new sources of revenue (over a longer period of time) to the City of Colusa from future cannabis manufacturing activities associated with this Project.

**STAFF RECOMMENDATION:**

Staff recommends that the City Council consider the analysis, project staff report, and public testimony. Should the City Council support such analysis and the proposed project, staff recommends that the City Council approve the following:

1. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND GENESIS EXTRACTS CA RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2876 NIAGARA AVE. IN COLUSA
2. A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2876 NIAGARA AVE. IN COLUSA

**ATTACHMENT:**

Ordinance No \_\_\_\_ approving Development Agreement

Resolution No \_\_\_\_ for Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit

## ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT  
AGREEMENT BETWEEN THE CITY OF COLUSA AND GENESIS EXTRACTS CA  
RELATIVE TO THE OPERATION OF A CANNABIS MANUFACTURING (“TYPE 7”  
VOLATILE EXTRACTION) FACILITY LOCATED AT 2876 NIAGARA AVENUE IN  
COLUSA

The City Council of the City of Colusa does ordain as follows:

Section 1. The City Council of the City of Colusa finds and determines that:

A. 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 because the Project is exempt from further environmental review under CEQA. City of Colusa Planning Staff have concluded with certainty that the Project would have no significant effect on the environment, pursuant to Guidelines Section 15061 (b) (3), because there is no development associated with the proposed draft Ordinance.

B. The development agreement is consistent with and implements the policies of the City of Colusa's General Plan, including the Housing Element.

C. The development agreement is compatible with the land uses and development regulations prescribed by the zoning for the property located at 2876 Niagara Avenue (“Site”).

D. The development agreement will not be detrimental to the health, safety, and welfare of persons residing in the immediate area nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of residents of the city as a whole.

E. The development agreement will not adversely affect the orderly development of property or the preservation of property, on or off the project Site.

F. The agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

Section 2. The Planning Commission, during a duly noticed public hearing held on April 13, 2022, passed a resolution by a vote of 5-0 recommending City Council approval of this Ordinance for the Development Agreement.

Section 3. The City Council of the City of Colusa hereby approves the Ordinance for the Development Agreement, attached hereto and incorporated by reference herein, by and between the City of Colusa and Genesis Extracts CA relative to the manufacturing of cannabis products.

Section 4. The City Council of the City of Colusa hereby directs the Mayor to sign the Development Agreement by and between the City of Colusa and Genesis Extracts CA relative to only Type 7 (Volatile Extraction) on behalf of the City of Colusa and directs the City Clerk to record said document with the Colusa County Recorder.

Section 5. Within fifteen days of passage of this ordinance, the City Clerk shall cause the full text of the ordinance, with the names of those City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City. In lieu of publishing the full text of the ordinance, the City Clerk, if so directed by the City Attorney and within fifteen days, shall cause a summary of the ordinance, prepared by the City Attorney and with the names of the City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City, and shall post in the office of the City Clerk a certified copy of the City Council members voting for and against the ordinance. The publication of a summary of the ordinance in lieu of the full text of the ordinance is authorized only where the requirements of Government Code section 36993 (c) (1) are met.

INTRODUCED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
TOM REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
SHELLY KITTLE, City Clerk

First Reading:

Second Reading:

Effective Date:

ATTACHED:

DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF COLUSA AND  
GENESIS EXTRACTS CA

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of Colusa  
425 Webster Street  
Colusa, CA 95932

Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
Recording Fee Exempt per Government Code §6103

**DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the "Execution Date"), by and between the **CITY OF COLUSA, a California municipal corporation** ("City") and **Genesis Extracts CA** ("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 intends to remodel up to 4,800 square feet of existing interior building space on 1.6 acres of currently developed property (APN: 017-130-084) for the purposes of cannabis extraction, under a Type 7 (Volatile Extraction) California License. The site is more fully described in Exhibit A and shown on the map in Exhibit B.
- D. Owner intends to operate a Cannabis Manufacturing Facility as defined in the City of Colusa City Code. Such Cannabis Manufacturing Facilities shall operate in accordance with the California State cannabis laws, creating a unified regulatory structure for adult use and medical cannabis. Prior to operating a cannabis facility, Owner shall be required to obtain a special use permit and regulatory permit from City.

GENESIS EXTRACTS CA / CITY OF COLUSA DEVELOPMENT AGREEMENT

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Owner and Tenants (if any) shall collectively be referred to in this Agreement as Developers.

- E. Ultimately, Developer intends to obtain all necessary state licenses issued pursuant to MAUCRSA to operate the Cannabis Manufacturing Facility at the Site once such licenses are being issued.
- F. Developers presently intend to develop and open a Cannabis Manufacturing Facility on the Site (featuring 15 employees after the first year) consistent with the California Marijuana Laws and Project Approvals (known as the “Project” as further described below).
- G. On July 18, 2017, City adopted Ordinance 519 permitting Cannabis Manufacturing Facilities in strict compliance with the applicable California laws regulating cannabis cultivation, manufacturing, processing, and distribution under certain conditions and provisions. Currently, City is updating the City Code to comply with new State cannabis regulations that are in effect as of the date of this Agreement.
- H. 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 quarterly fees based on the gross revenue of the Cannabis Manufacturing operations as hereinafter defined, which fees shall abate if and when the City adopts a tax on Cannabis Manufacturing Facilities.
- I. The City of Colusa, as “Lead Agency,” has determined that —based upon CEQA Guidelines Section 15061 (b) (3)— the Project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- J. 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 the City’s General Plan, zoning code and municipal ordinances.
- K. 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.

- L. The City agrees that Owner's land use entitlements for the Project shall vest for the term of this Agreement as described below.
- M. After conducting a duly noticed hearing on April 13, 2022, the Planning Commission of the City reviewed, considered and voted 5-0, passed a resolution recommending City Council approval of an Ordinance approving this Agreement.
- N. After conducting a duly noticed hearing on, May 17, 2022, 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 Colusa and its residents.
- O. Production Fee. "Production Fee" shall mean any cannabis cultivation, processing, testing, distribution, and transportation of cannabis and cannabis products.

**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:

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. 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 Colusa 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 Developers will be deemed to be the agent of the other for any purpose whatsoever. City and Developers 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 Developers joint venturers or partners.

3. Term. Except as otherwise specified herein, the term of this Agreement (the "Term") is 10 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 Developers.

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 Developers.

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 Developers, 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 Cannabis Manufacturing, notwithstanding that the Cannabis Manufacturing 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, Developers shall have no right to engage in Cannabis Manufacturing 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 Developers on a form acceptable to the City's Director of Finance to report to the City of the Cannabis Manufacturing distribution and sales, as defined herein, in the Project during each Operational Quarter, as defined herein. Each Certified Report shall be certified as true and correct by a duly authorized officer of Owner.

4.2. Production Fee. "Production Fee" shall mean a quarterly fee remitted to the City by Owner based on the gross wholesale receipts of its operations, as defined below, in the amount of 3% of gross sales from operations to begin after 8 months of commencement of operation.

4.3. 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. Owner will also require all Tenant(s) to certify that Tenant(s) are not income tax exempt under State or Federal Law and will not file for such an exemption.

4.4. Land Use Regulations. "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:

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

4.4.2. 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;

4.4.3. The control and abatement of nuisances.

4.4.4. 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

4.4.5. The exercise of the power of eminent domain.

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

4.6. Operational Quarter. "Operational Quarter" shall mean any calendar quarter during which any gross revenue of the Project is produced.

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 Developers compliance with this Agreement, California medical marijuana 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. Quarterly payments of the Production Fee by Owner to the City as specified in Section 6 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 Manufacturing operations.

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

6.1. Remittance of Fees; Certified Reports. Within thirty (30) calendar days following the end of each quarterly 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 and Manufacturing, Cultivation and Distribution Fees for that Operational Period as identified in the Certified Report. Owner shall pay Fees to the City on a quarterly basis without exception. Any material misstatement or misrepresentation in the Certified

Report and any failure to pay Fees when due shall constitute events of default by Developers subject to the default provisions of this Agreement.

6.2. Maintenance of Records. Developers 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. Developers shall maintain such records in a form and location reasonably accessible to the City, following reasonable notice to Developers 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.

6.3. Audit. Within ninety (90) calendar days following the end of each Operational Quarter, the City may conduct an audit or arrange for a third-party independent audit, at Developers' expense, of Developers records regarding Certified Reports and the Fees. The City's Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Developers, and shall reasonably attempt to schedule the audit so as to reduce the impact on Tenants' operations as much as is feasible. Developers shall cooperate with the City in completing the audit. If the audit reveals that Owner has underpaid the Fees, 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 or Nursery Fees, City shall provide written notification to Owner and shall credit such amount against Owner's subsequent quarterly payment of Fees.

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

7.1. 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.

7.1.1. Developer shall comply with all applicable state regulations governing its manufacturing operations. If permanent regulations are not in place at the time operations commence, Developer shall comply with whatever temporary, interim, or urgency regulations that are in effect pending the State's consideration and adoption of permanent regulations.

7.2. 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, security fencing and landscaping improvements consistent with the policies in the City's General Plan.

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

7.4. 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 Developers, 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.

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

8.1. Expeditious Services. City shall process applications and address questions and concerns raised by Developers 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.

8.2 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 Manufacturing 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.

8.3 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 Developers 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).

8.4 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.

## 9. Effect of Agreement.

9.1 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 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.

9.2 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.

9.3 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.

9.3.1 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.

10. Specific Criteria Applicable to Development of the Project.

10.1 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.

10.2 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.

10.3 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.

11. Permitted Delays; Supersedure by Subsequent Laws.

11.1 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.

11.2 Supersedure of Subsequent Laws or Judicial Action.

11.2.1 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.

12. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Developers. 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 Developers. To the extent allowable by law, the Developers 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 Developers 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 Developers, 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.

13. 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.

14. 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.

15. 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, distributees, 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 which consent will not be unreasonably withheld, provided the entity receiving the Assignment is qualified to conduct business under all City codes and ordinances, and obtains all required state and City permits. 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.

16. Review for Compliance.

16.1 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.

17. 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.

17.1 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.

17.2 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.

18. 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 Colusa  
425 Webster Street  
Colusa CA 95932  
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:** Genesis Extracts CA  
C/O Joel Gonzalez  
2876 Niagara Ave.  
Colusa, CA 95932

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.

19. **Breach and Remedies.** Notwithstanding any provision of this Agreement to the contrary, Developers 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 Developers' 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.

20. 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.

21. 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.

22. 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.

23. 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.

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

25. 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 encumbrancer 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.

26. Encumbrances on Real Property.

26.1 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.

26.2 Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Developers may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Developers 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.

26.3 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.

26.4 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.

26.5 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.

27. 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.

28. 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 Colusa County, California.

29. 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.

30. 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.

31. 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.

32. 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.

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

34. 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.

35. 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.

36. Waiver. 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.

37. 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.

38. 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.

39. 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.

40. 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.

***Signatures on Next Page***

“CITY”

CITY OF COLUSA, CA  
a California Municipal Corporation

Date: \_\_\_\_\_, 2022

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

Mayor

Attest:

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

City Clerk

*Approved as to form:*

Jones & Mayer

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

Ryan R. Jones, Esq.  
City Attorney

“Authorized Agent”

Joel Gonzalez

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

Date: \_\_\_\_\_, 2022

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

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

Approved as to form:

By: \_\_\_\_\_  
Attorney for Owner

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

## EXHIBIT "A"

Item 11.

### Legal Description

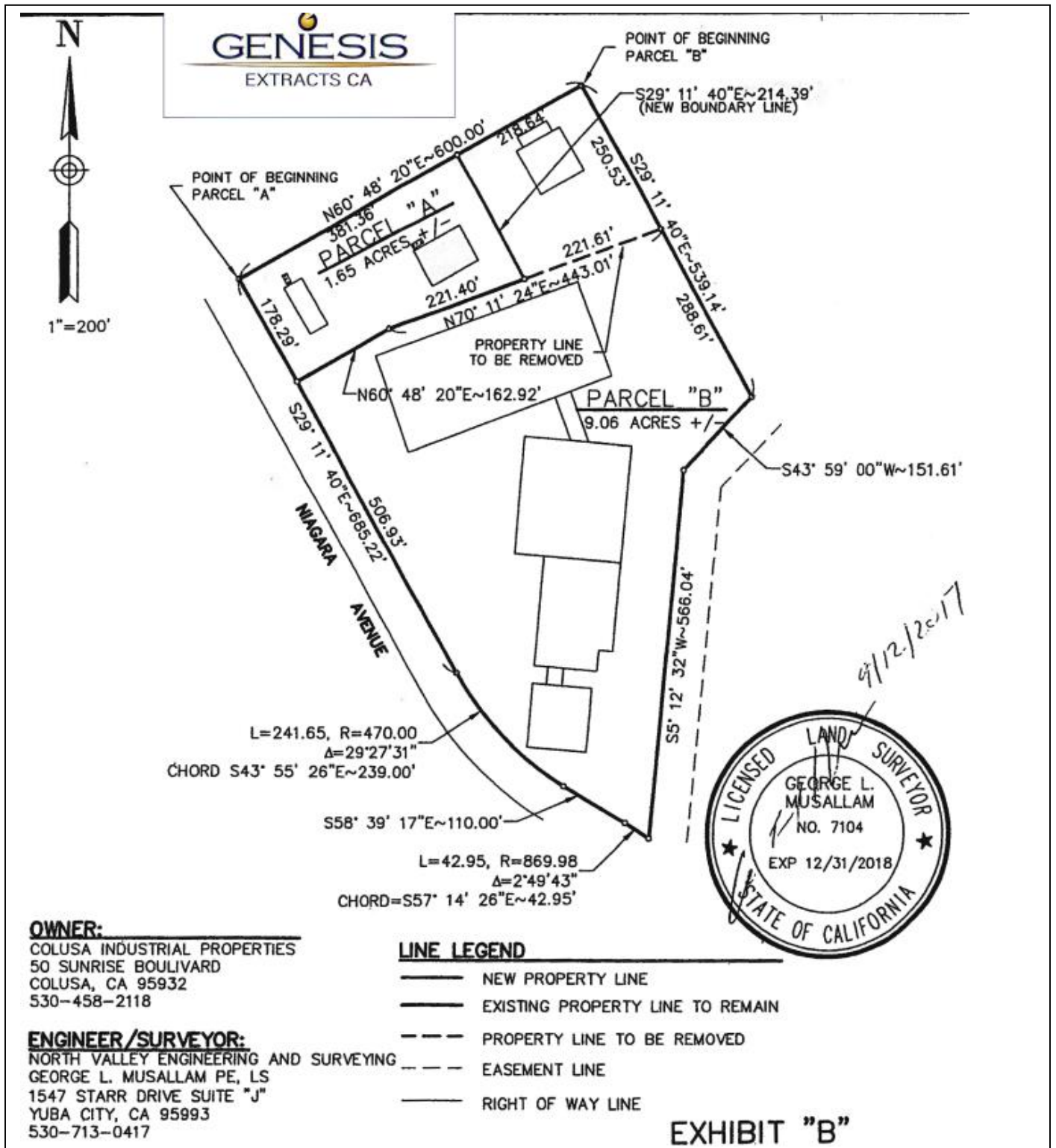
A PORTION OF PARCEL 2 AS SHOWN ON THAT CERTAIN MAP RECORDED IN BOOK 4 OF PARCEL MAPS AT PAGE 37 ON FILE IN THE OFFICE OF RECORDER, COUNTY OF COLUSA, STATE OF CALIFORNIA , AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 2; THENCE NORTH 60° 48' 20" EAST ALONG THE NORTHERLY PROPERTY LINE OF SAID PARCEL 2 A DISTANCE OF 381.36 FEET; THENCE SOUTH 29° 11' 40" EAST A DISTANCE OF 214.39 FEET; THENCE SOUTH 70° 11' 24" WEST A DISTANCE OF 221.40 FEET; THENCE SOUTH 60° 48' 20" WEST A DISTANCE OF 162.92 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF NIAGARA AVENUE; THENCE NORTH 29° 11' 40" WEST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 178.29 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.65 ACRES +/-.

## EXHIBIT “B”

## Site & Boundary Map



**RESOLUTION NO. 22-**

A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT  
AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND  
OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED  
AT 2876 NIAGARA AVE. IN COLUSA

Whereas, Genesis Extracts CA (the “Owner”) has applied to the City to develop and open a cannabis manufacturing facility at 2876 Niagara Ave, Colusa, CA consistent with California laws regulating cannabis manufacturing (the “Project”); and

Whereas, the Project will include extracting and related cannabis manufacturing activities in compliance with state and local law, but would not include the dispensing or sale to individual qualified persons at the facility.

Whereas, the City of Colusa has adopted City Code Article 21-5, and added Section 33.03 to the City of Colusa Zoning Code, setting forth requirements for cannabis manufacturing regulations and a requirement to obtain a Cannabis Special Use Permit respectively; and

Whereas, the City of Colusa also added a new Chapter 12F to the City of Colusa Municipal Code setting forth requirements for a Cannabis Regulatory Permit; and

Whereas, the Owner must be granted both a Cannabis Special Use Permit and a Cannabis Regulatory Permit by the City of Colusa City Council.

Now therefore, the City Council of the City of Colusa does resolve as follows:

Section 1. The City Council finds that the establishment, maintenance and operation of the Project applied for is consistent with the City’s General Plan and zoning for the site.

Section 2. The City Council finds that the establishment, maintenance and operation of the Project applied for will not be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.

Section 3. 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. City Staff considers



approval of this Development Agreement to be exempt from California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15332, because staff considers the development of the Project to be exempt as provided above since for the following reasons: It is consistent with the general plan designation & policies as well as with applicable zoning designation and regulations; The Project Site, as previously developed, has no value, as habitat for endangered, rare or threatened species; The limited, 4,800-square-foot building with conditions would generate negligible traffic, noise, air quality, or water quality, impacts; and all utilities and public services are already at the Site.

Section 4. The City Council hereby approves a cannabis special use permit for the Project, to be valid through May 17, 2023, and subject to the following conditions:

1. A diagram and floor plan of the entire Premises, denoting all the use of areas proposed for Cannabis Operations, including, but necessarily limited to, cultivation, processing, manufacturing, testing, transportation, deliveries, and storage. The diagram and floor plan need not be prepared by a licensed design professional, but must be drawn to a designated scale or drawn with marked dimensions of the interior of the Premises to an accuracy of plus or minus six (6) inches.
2. A Security and Safety Plan for insuring the safety of persons and to protect the Premises from theft meeting all of the requirements of Article 21-5.06 subsections (q) and (r) to be reviewed and approved by the City of Colusa Police Chief.
3. Odor Control Plan. Cannabis Operations shall provide sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the Premises, outside the building housing the Cannabis Operations, or anywhere on adjacent property or public rights-of-way. As such, Cannabis Operations must install and maintain the following equipment or any other equipment which the City's Building Official determines has the same or better effectiveness:
  - a. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
  - b. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.
4. Hazardous Materials Safety Plan. Butane and other flammable materials are permitted to be used for extraction and processing provided the Operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. Submit a hazardous materials safety plan depicting the location

and safety measures to be used for review and approval by the City of Colusa Fire Chief.

5. Proof of Insurance meeting the requirements of Colusa Municipal Code Article 21.5. Section 14.
6. A facility parking and landscaping plan shall be submitted to, and approved by, the Planning Department prior to occupancy of the project site.

Section 5. The City Council hereby approves a cannabis manufacturing regulatory permit for the Project, to be valid through May 17, 2023.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of May 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
Shelly Kittle, City Clerk



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022  
**TO:** Mayor Reische and member of the City Council  
**FROM:** Bryan Stice, Community Development Manager through Jesse Cain, City Manager

#### AGENDA ITEM:

Subject: Public Hearing for a proposed Ordinance approving a development agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2881 Niagara Avenue.

**Recommendation:** Council to Open the public hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND RHF PARTNERS, LLC RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2881 NIAGARA AVE. IN COLUSA

**Recommendation:** Council to adopt the following Resolution:

A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2881 NIAGARA AVE. IN COLUSA

#### BACKGROUND ANALYSIS:

The subject property (the "Site") is located on 5 acres within the southern portion of the Colusa Industrial Park (CIP) at 2881 Niagara Avenue and surrounded by existing industrial land uses to the north, west and south. Agricultural land and undeveloped industrial properties are located to the west of the Site.

There are two existing buildings on the Site. One is approximately 50,000 square feet and not a part of this proposal. The other, Project building totals approximately 11,200 square feet within which the Owner plans to remodel, install equipment for, and operate a cannabis nursery at the Site (the "Project"). Sufficient paved parking space is available to accommodate the Project's 15 employees projected to work at the site. With approval of the Project, cannabis would be cultivated, dried and processed within the facility as described within their detailed business plan (attached). Finished cannabis products would be transported from the site from time to time.

RHF Partnership LLC (the "Owner") requests development agreement ("DA"), Cannabis Business Regulatory Permit, and Cannabis Business Special Use Permit approval as required by City Code to operate their cannabis business.

### Development Agreement

As drafted, the term of the DA would last ten years. The DA contains mutually agreeable terms and provisions defining the obligations and contributions applicable to the City and the Owner. The DA establishes performance requirements, reporting and audition procedures, monetary compensation to the City (in the form of Production Fees), regulations, "City Covenants," and specific development criteria of the project.

### Use Permits

The extraction of cannabis products is considered "manufacturing," and one of many permitted uses, within the City's cannabis regulations, following approval of a DA, special use permit, and regulatory permit by the City Council. The scope of the Owner's Project is limited to how it is described above in compliance with State and City regulations including the Zoning Ordinance. Multiple conditions of any use permit approval would apply to the project (if approved) and are included within the draft resolution. These include requiring detailed plans for security and safety, odor control, premises layout, and parking.

Staff considers the proposed use of the site, DA, special use permit and regulatory permit to be consistent with the City Code, Zoning Ordinance and General Plan

### ENVIRONMENTAL REVIEW:

City Staff considers approval of this Development Agreement to be exempt from California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15332, which reads as follows:

*Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.*

*(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.*

*(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

*(c) The project site has no value, as habitat for endangered, rare or threatened species.*

*(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

*(e) The site can be adequately served by all required utilities and public services.*

Staff considers the development of the Project to be exempt as provided above since for the following reasons: It is consistent with the general plan designation & policies as well as with applicable zoning designation and regulations; The Project Site, as previously developed, has no value, as habitat for endangered, rare or threatened species; Operations within the limited,

11,200-square-foot building with conditions would generate negligible traffic, noise, air quality, or water quality, impacts; and all utilities and public services are already at the Site.

**PUBLIC COMMENT:**

Staff received comments on the proposed Project.

**PLANNING COMMISSION ACTION:**

During their meeting of April 13, 2022, the Planning Commission considered a Planning Department staff report and public testimony in support of the Project. Following the public hearing, the Planning Commission voted 5-0 to pass a Resolution recommending City Council approval of the proposed DA. Under the City Code, the Planning Commission does not review cannabis-related use permits.

**BUDGET IMPACT:**

If adopted, this ordinance and DA may facilitate new sources of revenue (over a longer period of time) to the City of Colusa from future cannabis cultivation/manufacturing activities associated with this Project.

**STAFF RECOMMENDATION:**

Staff recommends that the City Council consider the analysis, project staff report, and public testimony. Should the City Council support such analysis and the proposed project, staff recommends that the City Council approve the following:

1. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND RHF PARTNERS, LLC RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2881 NIAGARA AVE. IN COLUSA
2. A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2881 NIAGARA AVE. IN COLUSA

**ATTACHMENT:**

Ordinance No \_\_\_\_ approving Development Agreement

Resolution No \_\_\_\_ for Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit

## ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT  
AGREEMENT BETWEEN THE CITY OF COLUSA AND RHF PARTNERSHIP, LLC  
RELATIVE TO THE OPERATION OF A CANNABIS MANUFACTURING FACILITY  
LOCATED AT 2881 NIAGARA AVENUE IN COLUSA

The City Council of the City of Colusa does ordain as follows:

Section 1. The City Council of the City of Colusa finds and determines that:

A. 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 because the Project is exempt from further environmental review under CEQA. City of Colusa Planning Staff have concluded with certainty that the Project would have no significant effect on the environment, pursuant to Guidelines Section 15061 (b) (3), because there is no development associated with the proposed draft Ordinance.

B. The development agreement is consistent with and implements the policies of the City of Colusa's General Plan, including the Housing Element.

C. The development agreement is compatible with the land uses and development regulations prescribed by the zoning for the property located at 2881 Niagara Avenue (“Site”).

D. The development agreement will not be detrimental to the health, safety, and welfare of persons residing in the immediate area nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of residents of the city as a whole.

E. The development agreement will not adversely affect the orderly development of property or the preservation of property, on or off the project Site.

F. The agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

Section 2. The Planning Commission, during a duly noticed public hearing held on April 13, 2022, passed a resolution by a vote of 5-0 recommending City Council approval of this Ordinance for the Development Agreement.

Section 3. The City Council of the City of Colusa hereby approves the Ordinance for the Development Agreement, attached hereto and incorporated by reference herein, by and between the City of Colusa and RHF Partnership, LLC relative to the manufacturing of cannabis products.

Section 4. The City Council of the City of Colusa hereby directs the Mayor to sign the Development Agreement by and between the City of Colusa and RHF Partnership, LLC relative to cannabis manufacturing on behalf of the City of Colusa and directs the City Clerk to record said document with the Colusa County Recorder.

Section 5. Within fifteen days of passage of this ordinance, the City Clerk shall cause the full text of the ordinance, with the names of those City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City. In lieu of publishing the full text of the ordinance, the City Clerk, if so directed by the City Attorney and within fifteen days, shall cause a summary of the ordinance, prepared by the City Attorney and with the names of the City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City, and shall post in the office of the City Clerk a certified copy of the City Council members voting for and against the ordinance. The publication of a summary of the ordinance in lieu of the full text of the ordinance is authorized only where the requirements of Government Code section 36993 (c) (1) are met.

INTRODUCED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES: Councilmembers:  
 NOES: Councilmembers:  
 ABSENT: Councilmembers:  
 ABSTAIN: Councilmembers:

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES: Councilmembers:  
 NOES: Councilmembers:  
 ABSENT: Councilmembers:  
 ABSTAIN: Councilmembers:

\_\_\_\_\_  
 TOM REISCHE, Mayor

ATTEST:

\_\_\_\_\_  
 SHELLY KITTLE, City Clerk

First Reading:

Second Reading:

Effective Date:

ATTACHED:

DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF COLUSA AND RHF PARTNERSHIP, LLC

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of Colusa  
425 Webster Street  
Colusa, CA 95932

Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
Recording Fee Exempt per Government Code §6103

**DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the "Execution Date"), by and between the **CITY OF COLUSA, a California municipal corporation** ("City") and **RHF Partnership 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 intends to convert, through the course of two phases, an existing 11,200-square-foot industrial building at 2881 Niagara Avenue (APN: 017-130-012-000) into a cannabis manufacturing facility for the purposes of cannabis cultivation. Owner may expand operations in future phases to include other cannabis uses. The site is more fully described in Exhibit A and shown on the map in Exhibit B.
- D. Owner intends to operate a Cannabis Manufacturing Facility as defined in the City of Colusa City Code. Such Cannabis Manufacturing Facilities shall operate in accordance with the California State cannabis laws, creating a unified regulatory structure for adult use and medical cannabis. Prior to operating a cannabis facility,

RHF PARTNERSHIP, LLC. / CITY OF COLUSA DEVELOPMENT AGREEMENT

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Tenants shall be required to obtain a special use permit and regulatory permit from City. Owner and Tenants (if any) shall collectively be referred to in this Agreement as Developers.

- E. Ultimately, Developer intends to obtain all necessary state licenses issued pursuant to MAUCRSA to operate the Cannabis Manufacturing Facility at the Site once such licenses are being issued.
- F. Developers presently intend to develop and open a Cannabis Manufacturing Facility on the Site (featuring up to 15 employees) consistent with the California Marijuana Laws and Project Approvals (known as the “Project” as further described below).
- G. On July 18, 2017, City adopted Ordinance 519 permitting Cannabis Manufacturing Facilities in strict compliance with the applicable California laws regulating cannabis cultivation, manufacturing, processing, and distribution under certain conditions and provisions. Currently, City is updating the City Code to comply with new State cannabis regulations that are in effect as of the date of this Agreement.
- H. 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 quarterly fees based on the gross revenue of the Cannabis Manufacturing operations as hereinafter defined, which fees shall abate if and when the City adopts a tax on Cannabis Manufacturing Facilities.
- I. The City of Colusa, as “Lead Agency,” has determined that —based upon CEQA Guidelines Section 15061 (b) (3)— the Project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- J. 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 the City’s General Plan, zoning code and municipal ordinances.
- K. 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.

- L. The City agrees that Owner's land use entitlements for the Project shall vest for the term of this Agreement as described below.
- M. After conducting a duly noticed hearing on April 13, 2022, the Planning Commission of the City reviewed, considered and voted 5-0, passed a resolution recommending City Council approval of an Ordinance approving this Agreement.
- N. After conducting a duly noticed hearing on, May 17, 2022 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 Colusa and its residents.
- O. Production Fee. "Production Fee" shall mean any cannabis cultivation, processing, testing, distribution, and transportation of cannabis and cannabis products.

**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:

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. 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 Colusa 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 Developers will be deemed to be the agent of the other for any purpose whatsoever. City and Developers 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 Developers joint venturers or partners.

3. Term. Except as otherwise specified herein, the term of this Agreement (the "Term") is 10 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 Developers.

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 Developers.

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 Developers, 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 Cannabis Manufacturing, notwithstanding that the Cannabis Manufacturing 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, Developers shall have no right to engage in Cannabis Manufacturing 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 Developers on a form acceptable to the City's Director of Finance to report to the City of the Cannabis Manufacturing distribution and sales, as defined herein, in the Project during each Operational Quarter, as defined herein. Each Certified Report shall be certified as true and correct by a duly authorized officer of Owner.

4.2. Production Fee. "Production Fee" shall mean a quarterly fee remitted to the City by Owner based on the gross wholesale receipts of its operations, as defined below, in the amount of 3% of gross sales from operations to begin after 8 months of commencement of operation.

4.3. 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. Owner will also require all Tenant(s) to certify that Tenant(s) are not income tax exempt under State or Federal Law and will not file for such an exemption.

4.4. Land Use Regulations. "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:

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

4.4.2. 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;

4.4.3. The control and abatement of nuisances.

4.4.4. 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

4.4.5. The exercise of the power of eminent domain.

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

4.6. Operational Quarter. "Operational Quarter" shall mean any calendar quarter during which any gross revenue of the Project is produced.

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 Developers compliance with this Agreement, California medical marijuana 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. Quarterly payments of the Production Fee by Owner to the City as specified in Section 6 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 Manufacturing operations.

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

6.1. Remittance of Fees; Certified Reports. Within thirty (30) calendar days following the end of each quarterly 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 and Manufacturing, Cultivation and Distribution Fees for that Operational Period as identified in the Certified Report. Owner shall pay Fees to the City on a quarterly basis without exception. Any material misstatement or misrepresentation in the Certified

Report and any failure to pay Fees when due shall constitute events of default by Developers subject to the default provisions of this Agreement.

6.2. Maintenance of Records. Developers 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. Developers shall maintain such records in a form and location reasonably accessible to the City, following reasonable notice to Developers 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.

6.3. Audit. Within ninety (90) calendar days following the end of each Operational Quarter, the City may conduct an audit or arrange for a third-party independent audit, at Developers' expense, of Developers records regarding Certified Reports and the Fees. The City's Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Developers, and shall reasonably attempt to schedule the audit so as to reduce the impact on Tenants' operations as much as is feasible. Developers shall cooperate with the City in completing the audit. If the audit reveals that Owner has underpaid the Fees, 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 or Nursery Fees, City shall provide written notification to Owner and shall credit such amount against Owner's subsequent quarterly payment of Fees.

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

7.1. 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.

7.1.1. Developer shall comply with all applicable state regulations governing its manufacturing operations. If permanent regulations are not in place at the time operations commence, Developer shall comply with whatever temporary, interim, or urgency regulations that are in effect pending the State's consideration and adoption of permanent regulations.

7.2. 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, security fencing and landscaping improvements consistent with the policies in the City's General Plan.

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

7.4. 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 Developers, 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.

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

8.1. Expeditious Services. City shall process applications and address questions and concerns raised by Developers 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.

8.2 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 Manufacturing 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.

8.3 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 Developers 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).

8.4 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.

## 9. Effect of Agreement.

9.1 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 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.

9.2 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.

9.3 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.

9.3.1 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.

10. Specific Criteria Applicable to Development of the Project.

10.1 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.

10.2 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.

10.3 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.

11. Permitted Delays; Supersedure by Subsequent Laws.

11.1 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.

#### 11.2 Supersedure of Subsequent Laws or Judicial Action.

11.2.1 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.

12. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Developers. 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 Developers. To the extent allowable by law, the Developers 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 Developers 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 Developers, 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.

13. 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.

14. 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.

15. 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, distributees, 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 which consent will not be unreasonably withheld, provided the entity receiving the Assignment is qualified to conduct business under all City codes and ordinances, and obtains all required state and City permits. 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.

16. Review for Compliance.

16.1 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.

17. 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.

17.1 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.

17.2 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.

18. 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 Colusa  
425 Webster Street  
Colusa CA 95932  
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:** RHF Partnership, LLC.  
2881 Niagara Ave  
Colusa, CA 95932

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.

19. Breach and Remedies. Notwithstanding any provision of this Agreement to the contrary, Developers 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 Developers' 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.

20. 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.

21. 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.

22. 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.

23. 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.

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

25. 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 encumbrancer 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.

26. Encumbrances on Real Property.

26.1 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.

26.2 Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Developers may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Developers 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.

26.3 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.

26.4 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.

26.5 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.

27. 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.

28. 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 Colusa County, California.

29. 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.

30. 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.

31. 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.

32. 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.

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

34. 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.

35. 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.

36. Waiver. 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.

37. 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.

38. 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.

39. 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.

40. 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.

***Signatures on Next Page***

“CITY”

CITY OF COLUSA, CA  
a California Municipal Corporation

Date: \_\_\_\_\_, 2022

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

Mayor

Attest:

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

City Clerk

*Approved as to form:*

Jones & Mayer

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

Ryan R. Jones, Esq.  
City Attorney

“Authorized Agent”

Brad Ravin

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

Date: \_\_\_\_\_, 2022

Paul Hand

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

Approved as to form:

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

Attorney for Owner

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

**EXHIBIT “A”**  
**Legal Description**

pending

## EXHIBIT "B"

Item 12.

### Boundary Map



## RESOLUTION NO. 22-

### A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2881 NIAGARA AVE. IN COLUSA

Whereas, RHF Partners (the “Owner”) has applied to the City to develop and open a cannabis manufacturing facility at 2881 Niagara Ave, Colusa, CA consistent with California laws regulating cannabis manufacturing (the “Project”); and

Whereas, the Project will include cultivation, drying and processing and related cannabis manufacturing activities in compliance with state and local law, but would not include the dispensing or sale to individual qualified persons at the facility.

Whereas, the City of Colusa has adopted City Code Article 21-5, and added Section 33.03 to the City of Colusa Zoning Code, setting forth requirements for cannabis manufacturing regulations and a requirement to obtain a Cannabis Special Use Permit respectively; and

Whereas, the City of Colusa also added a new Chapter 12F to the City of Colusa Municipal Code setting forth requirements for a Cannabis Regulatory Permit; and

Whereas, the Owner must be granted both a Cannabis Special Use Permit and a Cannabis Regulatory Permit by the City of Colusa City Council.

Now therefore, the City Council of the City of Colusa does resolve as follows:

Section 1. The City Council finds that the establishment, maintenance and operation of the Project applied for is consistent with the City’s General Plan and zoning for the site.

Section 2. The City Council finds that the establishment, maintenance and operation of the Project applied for will not be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.

Section 3. 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. City Staff considers approval of this Development Agreement to be exempt from California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15332, because staff considers the development of the Project to be exempt as provided above since for the following reasons: It is consistent with the general



plan designation & policies as well as with applicable zoning designation and regulations; The Project Site, as previously developed, has no value, as habitat for endangered, rare or threatened species; The limited, 11,200-square-foot building with conditions would generate negligible traffic, noise, air quality, or water quality, impacts; and all utilities and public services are already at the Site.

Section 4. The City Council hereby approves a cannabis special use permit for the Project, to be valid through May 17, 2023, and subject to the following conditions:

1. A diagram and floor plan of the entire Premises, denoting all the use of areas proposed for Cannabis Operations, including, but necessarily limited to, cultivation, processing, manufacturing, testing, transportation, deliveries, and storage. The diagram and floor plan need not be prepared by a licensed design professional but must be drawn to a designated scale or drawn with marked dimensions of the interior of the Premises to an accuracy of plus or minus six (6) inches.
2. A Security and Safety Plan for ensuring the safety of persons and to protect the Premises from theft meeting all of the requirements of Article 21-5.06 subsections (q) and (r) to be reviewed and approved by the City of Colusa Police Chief.
3. Odor Control Plan. Cannabis Operations shall provide sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the Premises, outside the building housing the Cannabis Operations, or anywhere on adjacent property or public rights-of-way. As such, Cannabis Operations must install and maintain the following equipment or any other equipment which the City's Building Official determines has the same or better effectiveness:
  - a. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
  - b. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.
4. Hazardous Materials Safety Plan. Butane and other flammable materials are permitted to be used for extraction and processing provided the Operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. Submit a hazardous materials safety plan depicting the location and safety measures to be used for review and approval by the City of Colusa Fire Chief.
5. Proof of Insurance meeting the requirements of Colusa Municipal Code Article 21.5. Section 14.
6. A facility parking plan shall be submitted to, and approved by, the Planning Department prior to occupancy of the project site.

Section 5. The City Council hereby approves a cannabis manufacturing regulatory permit for the Project, to be valid through May 17, 2023.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of May 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
Shelly Kittle, City Clerk



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022

**TO:** Mayor Reische and member of the City Council

**FROM:** Bryan Stice, Community Development Manager through Jesse Cain, City Manager

#### AGENDA ITEM:

Subject: Public Hearing for a proposed Ordinance approving a development agreement, and a Resolution for a Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit in support of cannabis manufacturing uses at 2949 Niagara Avenue.

**Recommendation:** Council to Open the public hearing, and introduce, read by title only, and waive the full first reading of the proposed Ordinance:

AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND HUNNY POT FARMS RELATIVE TO THE OPERATION OF A CANNABIS MANUFACTURING FACILITY LOCATED AT 2949 NIAGARA AVENUE IN COLUSA

**Recommendation:** Council to adopt the following Resolution:

A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2949 NIAGARA AVE. IN COLUSA

#### BACKGROUND ANALYSIS:

The subject property (the "Site") is located on 5 acres within the southern portion of the Colusa Industrial Park (CIP) at 2881 Niagara Avenue and surrounded by existing industrial land uses to the north, west and south. Agricultural land and undeveloped industrial properties are located to the west of the Site.

Hunny Pot Farms (the "Owner") proposes to establish a cannabis cultivation facility on an approximate 5.94 acre site in the Colusa Industrial Park. As shown on the attached site plan, full build-out of the project would include up to eight 10,800-square-foot metal industrial buildings totaling 86,400 square feet and one - 6,000-square-foot metal building (Exhibit "B"). Actual construction of the project would occur in phases with the first phase involving cultivation in Building #1 and #2 totaling 21,600 square feet located at the southeast corner of the site; and dry storage in Building #9 totaling 6,000 square feet located at the northeast corner of the site.

The use of the buildings would involve the cultivation (planting and growing) of cannabis plants and the harvesting, drying, trimming, and storage of cannabis flowers. The hours of operation would be from 7:00 am to 6:00 pm daily with a total of 3 employees in the first phase and adding 2 additional employees per building for a total of approximately 15 employees on the site at build-out. Pursuant to State law, a separately licensed firm would be contracted with to test, package and transport the product to a another separately State licensed retail outlet. Truck traffic would be limited with an average of 2 to 3 trips on a daily basis at build-out.

Hunny Pot Farms requests development agreement (“DA”), Cannabis Business Regulatory Permit, and Cannabis Business Special Use Permit approval as required by City Code to operate their cannabis business.

#### Development Agreement

As drafted, the term of the DA would last ten years. The DA contains mutually agreeable terms and provisions defining the obligations and contributions applicable to the City and the Owner. The DA establishes performance requirements, reporting and audition procedures, monetary compensation to the City (in the form of Production Fees), regulations, “City Covenants,” and specific development criteria of the project.

#### Use Permits

The cultivation of cannabis products is considered "manufacturing," and one of many permitted uses, within the City’s cannabis regulations, following approval of a DA, special use permit, and regulatory permit by the City Council. The scope of the Owner’s Project is limited to how it is described above in compliance with State and City regulations including the Zoning Ordinance. Multiple conditions of any use permit approval would apply to the project (if approved) and are included within the draft resolution. These include requiring detailed plans for security and safety, odor control, premises layout, and parking.

Staff considers the proposed use of the site, DA, special use permit and regulatory permit to be consistent with the City Code, Zoning Ordinance and General Plan.

#### ENVIRONMENTAL REVIEW:

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 development of the Project Site (with agricultural cultivation, processing and manufacturing land uses) is considered an anticipated use that is consistent with the analysis of such uses that have already undergone extensive environmental documentation within the *County of Colusa 2030 General Plan Update Environmental Impact Report* certified by Colusa County in 2012.

#### PUBLIC COMMENT:

Staff received no comments on the proposed Project.

#### PLANNING COMMISSION ACTION:

During their meeting of April 13, 2022, the Planning Commission considered a Planning

Department staff report and public testimony in support of the Project. Following the public hearing, the Planning Commission voted 5-0 to pass a Resolution recommending City Council approval of the proposed DA. Under the City Code, the Planning Commission does not review cannabis-related use permits.

#### **BUDGET IMPACT:**

If adopted, this ordinance and DA may facilitate new sources of revenue (over a longer period of time) to the City of Colusa from future cannabis cultivation/manufacturing activities associated with this Project.

#### **STAFF RECOMMENDATION:**

Staff recommends that the City Council consider the analysis, project staff report, and public testimony. Should the City Council support such analysis and the proposed project, staff recommends that the City Council approve the following:

1. AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND HUNNY POT FARMS RELATIVE TO THE OPERATION OF A CANNABIS MANUFACTURING FACILITY LOCATED AT 2949 NIAGARA AVENUE IN COLUSA
2. A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2949 NIAGARA AVE. IN COLUSA

#### **ATTACHMENT:**

Ordinance No \_\_\_\_ approving Development Agreement

Resolution No \_\_\_\_ for Cannabis Business Regulatory Permit and a Cannabis Business Special Use Permit

## ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT  
AGREEMENT BETWEEN THE CITY OF COLUSA AND HUNNY POT FARMS RELATIVE  
TO THE OPERATION OF A CANNABIS MANUFACTURING FACILITY LOCATED AT  
2949 NIAGARA AVENUE IN COLUSA

The City Council of the City of Colusa does ordain as follows:

Section 1. The City Council of the City of Colusa finds and determines that:

A. 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 because the Project is exempt from further environmental review under CEQA. City of Colusa Planning Staff have concluded with certainty that the Project would have no significant effect on the environment, pursuant to Guidelines Section 15061 (b) (3), because there is no development associated with the proposed draft Ordinance.

B. The development agreement is consistent with and implements the policies of the City of Colusa's General Plan, including the Housing Element.

C. The development agreement is compatible with the land uses and development regulations prescribed by the zoning for the property located at 2949 Niagara Avenue (“Site”).

D. The development agreement will not be detrimental to the health, safety, and welfare of persons residing in the immediate area nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of residents of the city as a whole.

E. The development agreement will not adversely affect the orderly development of property or the preservation of property, on or off the project Site.

F. The agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

Section 2. The Planning Commission, during a duly noticed public hearing held on April 13, 2022, passed a resolution by a vote of 5-0 recommending City Council approval of this Ordinance for the Development Agreement.

Section 3. The City Council of the City of Colusa hereby approves the Ordinance for the Development Agreement, attached hereto and incorporated by reference herein, by and between the City of Colusa and Hunny Pot Farms relative to the manufacturing of cannabis products.

Section 4. The City Council of the City of Colusa hereby directs the Mayor to sign the Development Agreement by and between the City of Colusa and Hunny Pot Farms relative to cannabis manufacturing on behalf of the City of Colusa and directs the City Clerk to record said document with the Colusa County Recorder.

Section 5. Within fifteen days of passage of this ordinance, the City Clerk shall cause the full text of the ordinance, with the names of those City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City. In lieu of publishing the full text of the ordinance, the City Clerk, if so directed by the City Attorney and within fifteen days, shall cause a summary of the ordinance, prepared by the City Attorney and with the names of the City Council members voting for and against the ordinance, to be published in a newspaper of general circulation circulated in the City, and shall post in the office of the City Clerk a certified copy of the City Council members voting for and against the ordinance. The publication of a summary of the ordinance in lieu of the full text of the ordinance is authorized only where the requirements of Government Code section 36993 (c) (1) are met.

INTRODUCED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
SHELLY KITTLE, City Clerk

First Reading:

Second Reading:

Effective Date:

ATTACHED:

DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF COLUSA AND  
HUNNY POT FARMS

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of Colusa  
425 Webster Street  
Colusa, CA 95932

Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
Recording Fee Exempt per Government Code §6103

**DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the "Execution Date"), by and between the **CITY OF COLUSA, a California municipal corporation** ("City") and **Hunny Pot Farms, Inc.** ("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 intends to develop, in phases, multiple buildings totaling 92,400 square feet on 5.94 acres of a currently vacant industrial lot (APN: 017-130-028-000) for the purposes of cannabis cultivation. Owner may expand operations in future phases to include other cannabis uses. The site is more fully described in Exhibit A and shown on the map in Exhibit B.
- D. Owner intends to operate a Cannabis Manufacturing Facility as defined in the City of Colusa City Code. Such Cannabis Manufacturing Facilities shall operate in accordance with the California State cannabis laws, creating a unified regulatory structure for adult use and medical cannabis. Prior to operating a cannabis facility,



Tenants shall be required to obtain a special use permit and regulatory permit from City. Owner and Tenants (if any) shall collectively be referred to in this Agreement as Developers.

- E. Ultimately, Developer intends to obtain all necessary state licenses issued pursuant to MAUCRSA to operate the Cannabis Manufacturing Facility at the Site once such licenses are being issued.
- F. Developers presently intend to develop and open a Cannabis Manufacturing Facility on the Site (featuring up to 92 employees) consistent with the California Marijuana Laws and Project Approvals (known as the “Project” as further described below).
- G. On July 18, 2017, City adopted Ordinance 519 permitting Cannabis Manufacturing Facilities in strict compliance with the applicable California laws regulating cannabis cultivation, manufacturing, processing, and distribution under certain conditions and provisions. Currently, City is updating the City Code to comply with new State cannabis regulations that are in effect as of the date of this Agreement.
- H. 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 quarterly fees based on the gross revenue of the Cannabis Manufacturing operations as hereinafter defined, which fees shall abate if and when the City adopts a tax on Cannabis Manufacturing Facilities.
- I. The City of Colusa, as “Lead Agency,” has determined that —based upon CEQA Guidelines Section 15061 (b) (3)— the Project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- J. 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 the City’s General Plan, zoning code and municipal ordinances.
- K. 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.

- L. The City agrees that Owner's land use entitlements for the Project shall vest for the term of this Agreement as described below.
- M. After conducting a duly noticed hearing on April 13, 2022, the Planning Commission of the City reviewed, considered and voted 5-0, passed a resolution recommending City Council approval of an Ordinance approving this Agreement.
- N. After conducting a duly noticed hearing on, May 17, 2022 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 Colusa and its residents.
- O. Production Fee. "Production Fee" shall mean any cannabis cultivation, processing, testing, distribution, and transportation of cannabis and cannabis products.

**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:

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. 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 Colusa 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 Developers will be deemed to be the agent of the other for any purpose whatsoever. City and Developers 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 Developers joint venturers or partners.

3. Term. Except as otherwise specified herein, the term of this Agreement (the "Term") is 10 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 Developers.

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 Developers.

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 Developers, 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 Cannabis Manufacturing, notwithstanding that the Cannabis Manufacturing 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, Developers shall have no right to engage in Cannabis Manufacturing 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 Developers on a form acceptable to the City's Director of Finance to report to the City of the Cannabis Manufacturing distribution and sales, as defined herein, in the Project during each Operational Quarter, as defined herein. Each Certified Report shall be certified as true and correct by a duly authorized officer of Owner.

4.2. Production Fee. "Production Fee" shall mean a quarterly fee remitted to the City by Owner based on the gross wholesale receipts of its operations, as defined below, in the amount of 3% of gross sales from operations to begin after 8 months of commencement of operation.

4.3. 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. Owner will also require all Tenant(s) to certify that Tenant(s) are not income tax exempt under State or Federal Law and will not file for such an exemption.

4.4. Land Use Regulations. "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:

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

4.4.2. 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;

4.4.3. The control and abatement of nuisances.

4.4.4. 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

4.4.5. The exercise of the power of eminent domain.

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

4.6. Operational Quarter. "Operational Quarter" shall mean any calendar quarter during which any gross revenue of the Project is produced.

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 Developers compliance with this Agreement, California medical marijuana 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. Quarterly payments of the Production Fee by Owner to the City as specified in Section 6 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 Manufacturing operations.

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

6.1. Remittance of Fees; Certified Reports. Within thirty (30) calendar days following the end of each quarterly 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 and Manufacturing, Cultivation and Distribution Fees for that Operational Period as identified in the Certified Report. Owner shall pay Fees to the City on a quarterly basis without exception. Any material misstatement or misrepresentation in the Certified

Report and any failure to pay Fees when due shall constitute events of default by Developers subject to the default provisions of this Agreement.

6.2. Maintenance of Records. Developers 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. Developers shall maintain such records in a form and location reasonably accessible to the City, following reasonable notice to Developers 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.

6.3. Audit. Within ninety (90) calendar days following the end of each Operational Quarter, the City may conduct an audit or arrange for a third-party independent audit, at Developers' expense, of Developers records regarding Certified Reports and the Fees. The City's Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Developers, and shall reasonably attempt to schedule the audit so as to reduce the impact on Tenants' operations as much as is feasible. Developers shall cooperate with the City in completing the audit. If the audit reveals that Owner has underpaid the Fees, 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 or Nursery Fees, City shall provide written notification to Owner and shall credit such amount against Owner's subsequent quarterly payment of Fees.

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

7.1. 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.

7.1.1. Developer shall comply with all applicable state regulations governing its manufacturing operations. If permanent regulations are not in place at the time operations commence, Developer shall comply with whatever temporary, interim, or urgency regulations that are in effect pending the State's consideration and adoption of permanent regulations.

7.2. 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, security fencing and landscaping improvements consistent with the policies in the City's General Plan.

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

7.4. 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 Developers, 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.

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

8.1. Expeditious Services. City shall process applications and address questions and concerns raised by Developers 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.

8.2 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 Manufacturing 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.

8.3 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 Developers 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).

8.4 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.

## 9. Effect of Agreement.

9.1 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 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.

9.2 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.

9.3 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.

9.3.1 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.

10. Specific Criteria Applicable to Development of the Project.

10.1 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.

10.2 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.

10.3 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.

11. Permitted Delays; Supersedure by Subsequent Laws.

11.1 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.

11.2 Supersedure of Subsequent Laws or Judicial Action.

11.2.1 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.

12. Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Developers. 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 Developers. To the extent allowable by law, the Developers 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 Developers 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 Developers, 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.

13. 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.

14. 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.

15. 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, distributees, 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 which consent will not be unreasonably withheld, provided the entity receiving the Assignment is qualified to conduct business under all City codes and ordinances, and obtains all required state and City permits. 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.

16. Review for Compliance.

16.1 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.

17. 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.

17.1 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.

17.2 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.

18. 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 Colusa  
425 Webster Street  
Colusa CA 95932  
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:** Hunny Pot Farms, Inc.  
2949 Niagara Ave  
Colusa, CA 95932

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.

19. Breach and Remedies. Notwithstanding any provision of this Agreement to the contrary, Developers 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 Developers' 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.

20. 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.

21. 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.

22. 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.

23. 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.

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

25. 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 encumbrancer 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.

26. Encumbrances on Real Property.

26.1 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.

26.2 Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Developers may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Developers 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.

26.3 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.

26.4 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.

26.5 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.

27. 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.

28. 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 Colusa County, California.

29. 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.

30. 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.

31. 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.

32. 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.

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

34. 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.

35. 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.

36. Waiver. 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.

37. 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.

38. 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.

39. 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.

40. 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.

***Signatures on Next Page***

“CITY”

CITY OF COLUSA, CA  
a California Municipal Corporation

Date: \_\_\_\_\_, 2022

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

Mayor

Attest:

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

City Clerk

*Approved as to form:*

Jones & Mayer

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

Ryan R. Jones, Esq.  
City Attorney

“Authorized Agent”

Ray Davis

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

Date: \_\_\_\_\_, 2022

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

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

Approved as to form:

By: \_\_\_\_\_  
Attorney for Owner

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

### ACKNOWLEDGEMENT

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, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, 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 of Notary

## EXHIBIT “A”

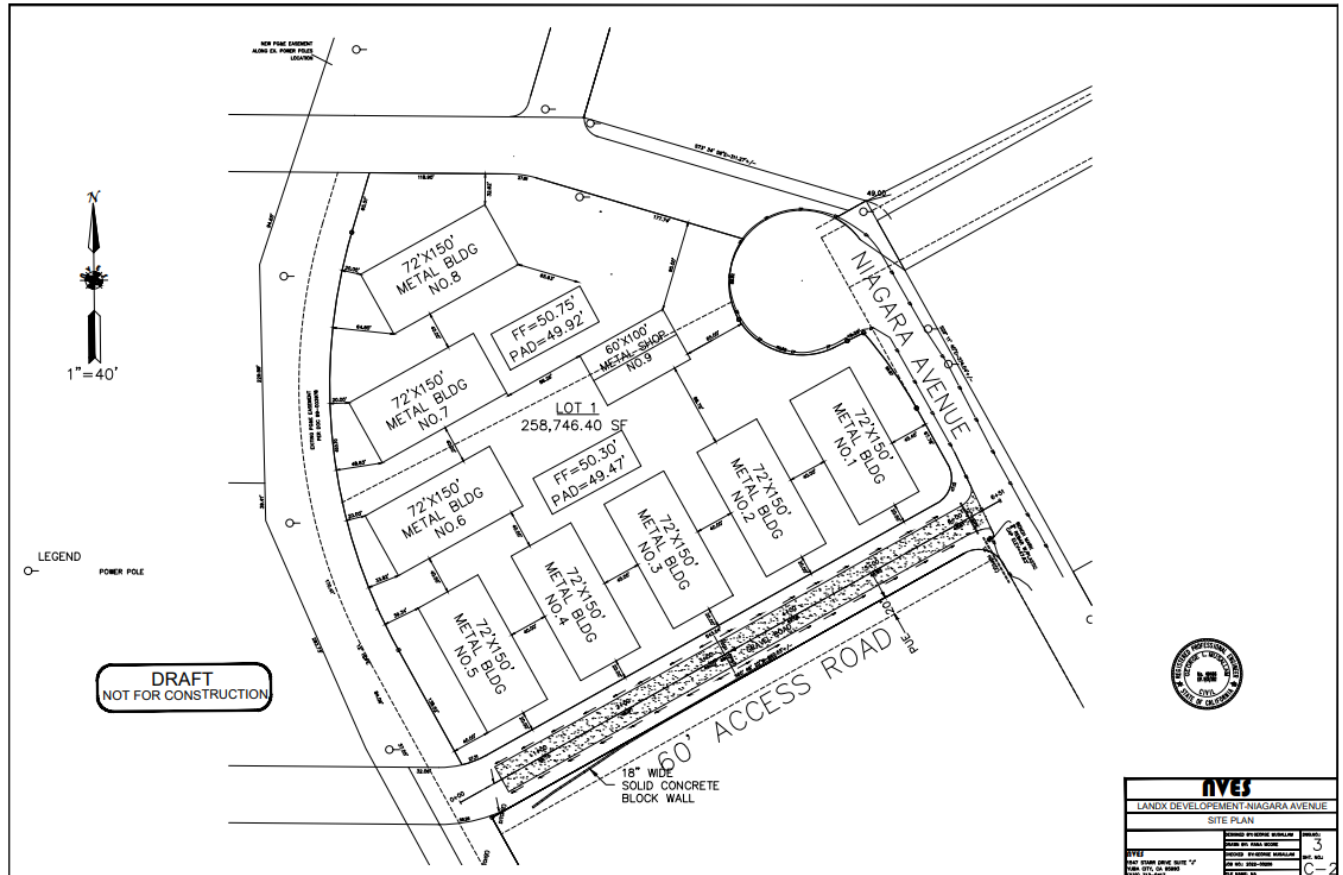
### Legal Description

pending

# EXHIBIT "B"

Item 13.

## Boundary Map



## RESOLUTION NO. 22-

### A RESOLUTION OF THE CITY COUNCIL APPROVING A SPECIAL USE PERMIT AND A REGULATORY USE PERMIT, RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2949 NIAGARA AVE. IN COLUSA

Whereas, Hunny Pot Farms (the “Owner”) has applied to the City to develop and open a cannabis manufacturing facility at 2949 Niagara Ave, Colusa, CA consistent with California laws regulating cannabis manufacturing (the “Project”); and

Whereas, the Project will include cultivation, drying and processing and related cannabis manufacturing activities, as further detailed within the Owner’s “Business Plan” attached hereto as “Exhibit A” and incorporated herein, and in compliance with state and local law, but would not include the dispensing or sale to individual qualified persons at the facility.

Whereas, the City of Colusa has adopted City Code Article 21-5, and added Section 33.03 to the City of Colusa Zoning Code, setting forth requirements for cannabis manufacturing regulations and a requirement to obtain a Cannabis Special Use Permit respectively; and

Whereas, the City of Colusa also added a new Chapter 12F to the City of Colusa Municipal Code setting forth requirements for a Cannabis Regulatory Permit; and

Whereas, the Owner must be granted both a Cannabis Special Use Permit and a Cannabis Regulatory Permit by the City of Colusa City Council.

Now therefore, the City Council of the City of Colusa does resolve as follows:

Section 1. The City Council finds that the establishment, maintenance and operation of the Project applied for is consistent with the City’s General Plan and zoning for the site.

Section 2. The City Council finds that the establishment, maintenance and operation of the Project applied for will not be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.

Section 3. 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 development of the Project Site with agricultural cultivation, processing and manufacturing land uses was anticipated within past and current Colusa County General Plans. As a result, the proposed



Project is considered an anticipated use that is consistent with the analysis of such uses that have already undergone extensive environmental documentation within the *County of Colusa 2030 General Plan Update Environmental Impact Report certified by Colusa County in 2012*.

Section 4. The City Council hereby approves a cannabis special use permit for the Project, to be valid through May 17, 2023, and subject to the following conditions:

1. A diagram and floor plan of the entire Premises, denoting all the use of areas proposed for Cannabis Operations, including, but necessarily limited to, cultivation, processing, manufacturing, testing, transportation, deliveries, and storage. The diagram and floor plan need not be prepared by a licensed design professional, but must be drawn to a designated scale or drawn with marked dimensions of the interior of the Premises to an accuracy of plus or minus six (6) inches.
2. A Security and Safety Plan for insuring the safety of persons and to protect the Premises from theft meeting all of the requirements of Article 21-5.06 subsections (q) and (r) to be reviewed and approved by the City of Colusa Police Chief.
3. Odor Control Plan. Cannabis Operations shall provide sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the Premises, outside the building housing the Cannabis Operations, or anywhere on adjacent property or public rights-of-way. As such, Cannabis Operations must install and maintain the following equipment or any other equipment which the City's Building Official determines has the same or better effectiveness:
  - a. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
  - b. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.
4. Hazardous Materials Safety Plan. Butane and other flammable materials are permitted to be used for extraction and processing provided the Operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. Submit a hazardous materials safety plan depicting the location and safety measures to be used for review and approval by the City of Colusa Fire Chief.
5. Proof of Insurance meeting the requirements of Colusa Municipal Code Article 21.5. Section 14.
6. A facility parking plan shall be submitted to, and approved by, the Planning Department prior to occupancy of the project site.

Section 5. The City Council hereby approves a cannabis manufacturing regulatory permit for the Project, to be valid through May 17, 2023.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of May 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

ATTEST:

\_\_\_\_\_  
Shelly Kittle, City Clerk

ATTACHEMENTS:

Exhibit A – Hunny Pot Farms Business Plan



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022  
**TO:** City of Colusa Mayor and Council Members  
**FROM:** Jesse Cain, City Manager

#### **AGENDA ITEM:**

Subject: City of Colusa Drought Response Plan.

**Recommendation:** Council to consider approving Resolution Approving the 2022 City of Colusa Drought Response plan.

#### **BACKGROUND ANALYSIS:**

In 2015 The City of Colusa adopted an emergency drought response plan, it was updated in 2017. With the State's current drought situation, I thought it would be a good time to look at our current plan and update it to meet our current needs.

The State of California in the next two to three years is planning on coming out with a lot of new water restrictions in California that we will have to adhere to overtime, so this is a great time to look at our plan. The City currently has a request for proposal (RFP) out to update the water master plan and address long-term droughts in the future. The plan will consider the condition of the wells' water production and the declining of the groundwater along with the City's current assets and make recommendations to the City.

One of the best things that the City has done in the past two years was to help the Roberts ditch company to have access to the river instead of pumping groundwater. They normally pump hundreds of acre-feet of groundwater a year for the irrigation season now that they have access to the river they are only planning on pumping about a third of the normal groundwater that they use. This is a great partnership in the sense that they helped create a rooftop launch and preserved water in our basin for future use.

The updated drought response plan now has 6 stages instead of four. Really nothing has changed from our original plan other than that two more stages were added. The drought response plan is designed for the City of Colusa and only looks at our current groundwater levels and what needs to happen when we start to see a decline in them.

Although our current groundwater level are good, I am recommending that the City moves directly into stage two of the drought response plan with the state's current water shortage and

the lack of snowpack and lake levels I feel that it would be best to be proactive and try and preserve as much groundwater right now as we can without being a burden on our citizens. I believe that if and when the groundwater starts to decline in our area it will happen fast and we need to be ready for that stage two is something that we should be doing anyway.

**BUDGET IMPACT:** Unknown at this time

**STAFF RECOMMENDATION:** Council to approve the Resolution approving the drought response plan.

**Attachment :** Resolution

## RESOLUTION NO. 22-

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING THE 2022 DROUGHT RESPONSE PLAN

**WHEREAS**, on May 17th, 2022, the City of Colusa City Council approves the City of Colusa 2022 Drought Response plan.

### **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:**

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 17<sup>th</sup> day of May, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
THOMAS REISCHE, MAYOR

\_\_\_\_\_  
Shelly Kittle, City Clerk



## City of Colusa California

### STAFF REPORT

**DATE:** May 17, 2022

**TO:** Mayor Reische and Members of the City Council

**FROM:** Bryan Stice, Community Development Manager through Jesse Cain, City Manager

#### AGENDA ITEM:

Subject: Public Hearing for an Ordinance to amend the City of Colusa City Code, including Appendix A (Zoning), to update cannabis regulations within the City

**Recommendation:** Conduct second reading of the amended draft Ordinance: An Ordinance of the City Council of the City of Colusa, California Amending Article 4, Article 21.5, and Article 33 of the City Zoning Code and repealing Section 32.11 of Article 32 of the City Zoning Code regarding Cannabis Business Uses and Regulatory Permits.

[This amended draft Ordinance reflects City Council's direction (following their May 3, 2022 public hearing) to allow cannabis dispensaries within the include the C-G General Commercial District in addition to the M-1 Light Industrial District.]

#### BACKGROUND ANALYSIS:

In 2017, the City Council adopted Ordinance 519, which established regulations applicable to the City's review and potential approval of cannabis business applications in Colusa. Since that time, State cannabis laws, market conditions, and City Council requests necessitate an update and potential adoption of new cannabis regulations.

Draft cannabis regulations were prepared by the City Attorney's office with three primary objectives:

1. To achieve consistency with State cannabis laws.
2. To update application procedures and requirements based to reflect local conditions.
3. To consider allowing cannabis storefront dispensaries.

The City Planning Commission began reviewing the draft cannabis ordinance during a public hearing on September 8, 2021. Several additional public hearings were held by the Planning Commission, where testimony was shared by both opponents and proponents of various cannabis regulations, and where individual code provisions were reviewed. At their public hearing on January 26, 2022, City Planning Commission concluded their review of the draft

ordinance and voted 3-0-2 (passing Resolution 2022-01) to recommend City Council approval of the attached, draft ordinance.

As originally drafted, the ordinance included “storefront” cannabis dispensaries as conditionally allowed uses within commercial (C-G and C-H) zoning districts. As recommended for approval by the Planning Commission, the ordinance reflects limiting “storefront” cannabis dispensaries to only the industrial (M-1, M-2, & M-L) zoning districts excluding those limited industrial districts that are within the City’s “Riverfront District” located downtown.

**BUDGET IMPACT:**

Revenues from cannabis related business are steadily increasing with each year since 2017. Revenues associated with potential “storefront” cannabis dispensaries would represent an additional source of cannabis revenues to the City not collected currently, if such uses were approved.

**STAFF RECOMMENDATION:**

Staff recommends that the City Council consider the draft ordinance as recommended by the Planning Commission, testimony from the public, and which (if any) ordinance sections should be modified and/or approved.

**ATTACHMENT:**

Draft Ordinance No. \_\_\_\_ (as amended following the May 3, 2022 public hearing)

Exhibit A – Zoning Code Article 21.5

Exhibit B – Zoning Code Article 33

September 27, 2021, letter from City merchants and business in opposition to marijuana dispensaries.

## ORDINANCE NO. \_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA, CALIFORNIA  
AMENDING ARTICLE 4, ARTICLE 21.5, AND ARTICLE 33 OF THE CITY ZONING  
CODE AND REPEALING SECTION 32.11 OF ARTICLE 32 OF THE CITY ZONING CODE  
REGARDING CANNABIS BUSINESS USES AND REGULATORY PERMITS.

**WHEREAS**, the electorate of the State of California voted and approved in November 2016 the Adult Use of Marijuana Act ("AUMA"). The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products. Adults, age 21 and older, will be allowed to possess marijuana and grow certain amounts at home for personal use.

**WHEREAS**, outdoor cultivation of marijuana plants can produce a strong odor, which can be detectable far beyond property boundaries; and,

**WHEREAS**, without regulation, the indoor cultivation and manufacturing of marijuana and subsequent testing, distribution, and transportation has potential adverse effects to the health and safety of the occupants; including structural damage to the building due to increased moisture and excessive mold growth which can occur and can pose a risk of fire and electrocution; additionally, the use of pesticides and fertilizers can lead to chemical contamination within the structure, and adequate security is necessary; and,

**WHEREAS**, the regulatory requirement imposed upon issuance or approval of special use permits and regulatory permits for cannabis cultivation, manufacturing, distribution, testing, and transportation facilities will combat any potential threat to public health, safety, or welfare; and

**WHEREAS**, the City previously adopted Municipal Code Chapter 12F Cannabis Manufacturing Facilities Regulatory Permit, establishing a regulatory permit scheme for cannabis cultivation, manufacturing, distribution, testing, and transportation facilities; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA,  
CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**SECTION 1. Incorporation of Recitals.**

The City Council hereby adopts the foregoing recitals as its findings in support of the following regulations and further finds that the following regulations are necessary and appropriate to protect the health, safety and welfare of the residents and businesses of Colusa from the identified adverse impacts of cannabis cultivation, processing, dispensing, delivery, and distribution within the City limits.



## **SECTION 2. CEQA.**

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

## **SECTION 3. Amendment to Article 4 of the Zoning Code of the City of Colusa.**

Article 4, Section 2.02 of the Zoning Code of the City of Colusa, Definitions, Part C, definitions “C” is hereby amended to modify the definition of Cannabis Manufacturing to read as follows:

“Manufacturing” or “manufacturing operation” means all aspects of the extraction process, infusion process, post-processing, remediation, and packaging and labeling processes, including processing, preparing, holding, and storing of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.

Article 4, Section 2.02 of the Zoning Code of the City of Colusa, Definitions, Part C, definitions “C” is hereby amended to modify the definition of Cannabis Manufacturing Special Use Permit to read as follows:

Cannabis Business Special Use Permit means a special use permit issued submitted directly to, and issued by, the City Council after a public hearing.

## **SECTION 4. Amendment to Article 21.5 of the Zoning Code of the City of Colusa.**

Article 21.5. - Cannabis Business Use Regulations. is hereby amended, as set forth in the attached **Exhibit A**, which is incorporated herein by this reference.

## **SECTION 5. Amendment to Article 32 of the Zoning Code of the City of Colusa.**

“Article 32, Section 32.11. – Medical marijuana dispensaries” is hereby repealed

~~Article 32, Section 32.11. – Medical marijuana dispensaries.~~

~~(a) Purpose and Intent. The section identifies that medical marijuana dispensaries are not permitted uses in any zone of the city, and therefore, such use will not be listed as an allowed use anywhere in the city.~~

~~(b) Medical Marijuana Dispensary as a Prohibited Use. A medical marijuana dispensary, as defined in section 4-100 is prohibited in all zones of the city. No permit or any other applicable license or entitlement for use, nor any business license, shall be approved or issued for the establishment, maintenance or operation of a medical marijuana dispensary.~~

**SECTION 6. Amendment to Article 33 of the Zoning Code of the City of Colusa.**

Article 33, Use Permits, of the Zoning Code of the City of Colusa is hereby amended, as set forth in the attached **Exhibit B**, which is incorporated herein by this reference.

INTRODUCED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_ 2022, by the following vote:

AYES: Councilmembers:  
 NOES: Councilmembers:  
 ABSENT: Councilmembers:  
 ABSTAIN: Councilmembers:

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on \_\_\_\_\_, 2022, by the following vote:

AYES: Councilmembers:  
 NOES: Councilmembers:  
 ABSENT: Councilmembers:  
 ABSTAIN: Councilmembers:

\_\_\_\_\_  
 TOM REISCHE, Mayor

ATTEST:

\_\_\_\_\_  
 SHELLY KITTLE, City Clerk

First Reading:  
 Second Reading:  
 Effective Date:

**EXHIBITS:**

Exhibit A: Article 21.5 - Cannabis Business Use Regulations

Exhibit B: Article 33 - Cannabis Business and Cannabis Dispensary Special Use Permit  
 Application and Fee

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

**Zoning Code**

**Article 21.5. - Cannabis Business Use Regulations.**

Sec. 21.5.01. - Allowable zones; regulations generally.

- (a) Cannabis business facilities are permitted, only upon the approval of a cannabis business special use permit issued by the city council, in the following zones:

Article 12. M-1 Light Industrial District

Article 13. M-2 General Industrial District

Article 14. M-L Limited Manufacturing District

- (b) Cannabis storefront dispensaries and microbusinesses are permitted, only upon the approval of a cannabis dispensary special use permit issued by the city council, in the following zones:

Article 10. C-G General Commercial District

Article 12. M-1 Light Industrial District

- (c) Upon application for a cannabis business special use permit, to be approved directly by the city council without need for a recommendation from the planning commission, the following regulations shall apply as to building type and construction, safety and security, required permits, and other relevant provisions necessary to protect the public health, safety and welfare. In any district where a cannabis business facility is permitted, the regulations of this article shall apply in addition to those hereinbefore specified for such district, provided that if a conflict in regulations occurs the regulations of this article shall govern.

Sec. 21.5.02. - Purpose and intent.

Cannabis business facilities shall be permitted, in accordance with the criteria and procedures set forth in this Code, upon application and approval of a cannabis business special use permit and a regulatory permit, pertaining to the location and operation of the facility. The regulations set forth in Chapter 12D and Chapter 12E shall not be applicable to any cannabis business facility subject to a valid cannabis business special use permit and a cannabis business regulatory permit, and the regulations set forth in this Article 21.5 and Chapter 12F of the Municipal Code shall control the location and operation of a cannabis business facility.

Sec. 21.5.03. - Cannabis business special use permit.

Prior to, or concurrently with, application for a regulatory permit, the applicant shall process and be issued a cannabis business special use permit as required by this article and Article 33, Section 33.03 of this Code. Information that may be duplicative in the two applications can be incorporated by reference. The cannabis business special use permit shall run with the regulatory permit and not the land.

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

**Sec. 21.5.04. - Cannabis business facilities.**

Cannabis business facilities permitted under this chapter include facilities where cannabis is manufactured into cannabis products, tested, and distributed, and may also include the associated activities of planting, growing, harvesting, trimming and grading, and transporting, that holds a valid cannabis business special use permit pursuant to this article, and a regulatory permit as required by this Code, subject to the provisions of the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code Sections 11362.7 through 11362.83), the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), and all statutes and regulations promulgated to implement the AMUA, and any other state laws pertaining to cultivating cannabis.

**Sec. 21.5.05. - Definitions**

"Applicant" means an owner that is applying for a City- and State-issued license.

"Business owner" means the owner(s) of the cannabis business operation. An owner of the commercial cannabis business includes all of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance. For purposes of this section, "aggregate" means the total ownership interest held by a single person through any combination of individually held ownership interests in a commercial cannabis business and ownership interests in an entity that has an ownership interest in the same commercial cannabis business. For example, a person who owns 10 percent of the stock in a commercial cannabis business as an individual shareholder and 100 percent of the stock in an entity that owns 10 percent of the stock in the same commercial cannabis business has a 20 percent aggregate ownership interest in the commercial cannabis business.

(2) An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

- (A) A member of the board of directors of a nonprofit.
- (B) A general partner of a commercial cannabis business that is organized as a partnership.
- (C) A non-member manager or managing member of a commercial cannabis business that is organized as a limited liability company.
- (D) The trustee(s) and all persons who have control of the trust and/or the commercial cannabis business that is held in trust.
- (E) The chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

"Cannabis" or "marijuana" means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code. Cannabis and marijuana may be used interchangeably but shall have the same meaning.

"Cannabis activity" includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis or a cannabis product, within the meaning of California Business and Professions Code 26000 et seq.

"Cannabis dispensary special use permit" means a use permit issued by the City of Colusa pursuant to this Section to a cannabis dispensary and is required before any cannabis dispensary activity may be conducted in the City.

"Cannabis business facility" or "cannabis operation(s)" means a cannabis business facility permitted under this chapter where cannabis activity occurs and cannabis is manufactured into cannabis products, tested, and distributed, and may also include the associated activities of planting, growing, harvesting, trimming and grading, and transporting, as further defined in Sec. 21.5.04 above, but does not include storefront dispensaries, delivery only dispensaries, or cannabis microbusinesses.

"Cannabis business regulatory permit" or "regulatory permit" means the permit required under this article and Chapter 12F of this Code to operate a cannabis business facility, or to undertake any subcomponent of cannabis business which is done within the cannabis business facility by a subcontractor or tenant of the holder of a cannabis business special use permit.

"Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

"City" means the City of Colusa.

"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

"Delivery" means the commercial transfer of cannabis or cannabis products from a dispensary, up to an amount determined to be authorized by the State of California, or any of its departments or divisions, to anyone for any purpose. "Delivery" also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the State of California under the MAUSCRA (as the same may be amended from time-to-time), that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.

"Delivery Only Cannabis Dispensary" means a Dispensary that does not have a storefront sales facility open to the public for retail sales.

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

"Dispensary" means a cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale.

"Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a dispensary.

"Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. The term "manufacture" includes the following processes:

- (A) Extraction;
- (B) Infusion;
- (C) Packaging or repackaging of cannabis products;
- (D) Labeling or relabeling the packages of cannabis products;
- (E) Post-processing refinement of cannabis extract ("post-processing"); and
- (F) Remediation of failed harvest batches or cannabis product batches, other than relabeling to correct cannabinoid content

The term "manufacture" does not include the processes and activities listed in California Code of Regulations, Title 17; Division 1; Chapter 13. Manufactured Cannabis Safety; SUBCHAPTER 1. General Provisions and Definitions; Article 1. Definitions; §40100. Definitions, subpart (dd) (2).

"Manufacturing" or "manufacturing operation" means all aspects of the extraction process, infusion process, post processing, remediation, and packaging and labeling processes, including processing, preparing, holding, and storing of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients

"MAUCRSA" means the provisions of the Medicinal and Adult Use of Cannabis Regulation and Safety Act as set forth in Sections 5 and 7 of Article XI of the California Constitution and the Cal Bus & Prof Code Section 26000 et seq.

"Microbusiness" means a location operating as a microbusiness as defined in the state regulations issued by the Bureau of Cannabis Control for cannabis microbusinesses.

"Non-commercial and recreational marijuana activity" means all uses not included within the definitions of cannabis business and cannabis dispensary, including the personal use, cultivation, or consumption of marijuana, whether medical or recreational.

"Nursery" means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

**EXHIBIT A****ARTICLE 21.5 DRAFT REVISIONS**

"Operator" means the business owner and any other person designated by the business owner as responsible for the day-to-day cannabis operations.

"Ordinance" means the ordinance adopting this article, and including the terms of this Article, which may be commonly referred to as the city's "Cannabis Business Ordinance".

"Police chief" means the police chief of the City of Colusa or his or her designee.

"Premises" or "site" means the designated structure(s) and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

"Premises owner" means the fee owner(s) of the premises where cannabis operations are occurring.

"Process," "Processing," and "Processes" mean all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products.

"Responsible party" shall mean the business owner, operator, manager(s), and any employee having significant control over the cannabis operations.

**Sec. 21.5.06. - Minimum operational requirements and restrictions.**

The following operational requirements and restrictions shall apply to all cannabis businesses and cannabis dispensaries, also referred to herein as cannabis operations:

- (a) The Act and Other State Laws. The cannabis operations shall at all times be in compliance with the MAUCRSA and the implementing regulations, as they may be amended from time to time, as well as all required state license(s) under the MAUCRSA, and any other applicable state law.
- (b) Marijuana and Cannabis Products Consumption. No marijuana or cannabis products shall be smoked, ingested or otherwise consumed on the premises. adequate signage of this prohibition shall be displayed throughout the facility.
- (c) Alcoholic Beverages. No cannabis operation shall hold or maintain a retail license from the state department of alcohol beverage control to sell alcoholic beverages or operate a business that sells alcoholic beverages. In addition, alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on the premises.
- (d) Transportation. Transportation shall only be conducted according to activity permitted by state law.
- (e) Non-Cannabis Business Activity. No non-commercial or recreational marijuana activity shall occur on the premises.
- (f) Retail Sales. "Storefront retail sales and non-storefront delivery only retail sales of any cannabis product are expressly prohibited without a valid City issued Cannabis Dispensary Regulatory Permit and Cannabis Dispensary Special Use Permit.
- (g) Minors. It shall be unlawful for any operator to employ any person who is not at least eighteen (18) years of age, or any older age if set by the state.

**EXHIBIT A****ARTICLE 21.5 DRAFT REVISIONS**

- (h) **Distance Separation from Schools.** Cannabis operations shall comply with the distance separation requirements from schools as required by state law. In addition, a cannabis business operation shall not be located within 1200 feet from any existing school or proposed school site as identified in the general plan. Measurements shall be from the property boundary to property boundary. For purposes of this article, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- (i) **Building and Related Codes.** The cannabis operation shall be subject to the following requirements:
  - 1. The premises in which the cannabis operations occur shall comply with all applicable local, state and federal laws, rules, and regulations including, but not limited to, building codes and the Americans with Disabilities Act, as certified by the building official of the city. The operator shall obtain all required building permits and comply with all applicable city standards.
  - 2. The responsible party shall ensure that the premises have sufficient electrical load for the cannabis operations.
  - 3. Butane and other flammable materials are permitted to be used for extraction and processing provided the operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. The Colusa Fire Department shall inspect and approve the premises for use of the products prior to city's issuance of a certificate of occupancy, or otherwise prior to opening for business, to ensure compliance with this requirement.
  - 4. The operator shall comply with all laws and regulations pertaining to use of commercial kitchen facilities for the cannabis operations.
  - 5. The operator shall comply with all environmental laws and regulations pertaining to the cannabis operations, including the use and disposal of water and pesticides, and shall otherwise use best practices in the handling and application of pesticides to avoid environmental harm.
- (j) **Odor Control.** Cannabis operations shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the premises, outside the building housing the cannabis operations, or anywhere on adjacent property or public rights-of-way. As such, cannabis operations must install and maintain the following equipment or any other equipment which the city's building official determines has the same or better effectiveness:
  - 1. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
  - 2. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.
- (k) **Consumable Products.** Cannabis operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the state department of public health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the state.



**EXHIBIT A****ARTICLE 21.5 DRAFT REVISIONS**

- (l) Secure Building. All cannabis operations shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. The building, including all walls, doors, and the roof, shall be of solid construction meeting the minimum building code requirements for industrial structures, and include material strong enough to prevent entry except through an open door. The precise building construction and material to be used shall be identified and provided to the city prior to construction and provided with the application.
- (m) Premises Security. The following security conditions shall apply:
1. Alarm system (both perimeter, fire and panic).
  2. Remote monitoring of alarm systems.
  3. Perimeter lighting systems (motion sensor) for after-hours security.
  4. Perimeter security and lighting as approved by the police chief and community development director.
  5. Use of drive gates with card key access or similar to access the facility.
  6. Entrance areas to be locked at all times, and under control of a designated responsible party.
  7. Use of access control systems to limit access to grow and processing areas.
  8. Exterior and interior camera systems approved by the police chief. The camera systems shall meet the minimum requirements of the Act, include interior monitoring of all access points of the site from the interior, and be of a minimum 5 mega pixels in resolution.
  9. All security systems at the site must be attached to an uninterruptible power supply that provides 24 hours of continuous power.
  10. Security patrols by a recognized security company licensed by the California Department of Consumer Affairs or otherwise acceptable to the police chief, in a time, place and manner to the satisfaction of the police chief. All current contact information regarding the security company shall be provided to the police chief.
  11. Accounting software systems need to be in place to provide audit trails of both product and cash, where applicable.
  12. Electronic track and trace systems for cannabis products as approved by the police chief.
  13. Premises may be inspected, and records of the business owner audited by the city for compliance on a quarterly basis.
  14. State of the art network security protocols and equipment need to be in place to protect computer information.
  15. The foregoing requirements shall be approved by the police chief prior to commencing operations. The police chief may supplement these security requirements once operations begin, subject to review by the city council if requested by the business owner.
- (n) The business owner, operator, and all responsible parties shall continually maintain the premises and its infrastructure so that it is visually attractive and not dangerous to

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

the health, safety, and general welfare of employees, patrons, surrounding properties, and the general public. The premises of the cannabis business shall not be maintained in a manner that causes a public or private nuisance.

- (o) Cannabis business operations permitted by this article shall only be allowed in the specific areas designated on the diagram and floor plan of the premises submitted with the application for the regulatory permit under Chapter 12D or Chapter 12F. The cannabis business shall not operate at any place other than the address of the cannabis operation stated in the regulatory permit.

Sec. 21.5.07. - Deliveries of supplies and transportation of cannabis products to cannabis businesses and dispensaries.

The following rules apply to deliveries and transportation:

- (a) Receiving of transported supplies to the premises of a cannabis business or dispensary shall only occur at the location shown on the diagram and floor plan on file with the city as part of the regulatory permit application. Delivery vehicles shall not have any markings indicating that deliveries are being made to a cannabis operation.
- (b) The transportation of cannabis samples and product to and from a cannabis business or dispensary shall be in unmarked vehicles with no indication that the vehicles are transporting cannabis samples and products. The responsible party shall stagger transportation times, vary routes from the facility, and take other security measures as requested by the police chief.

Sec. 21.5.08. - Additional operational requirements and restrictions for cannabis businesses.

- (a) Signage. There shall be no signage or markings on the premises, or off-site, which in any way evidences that cannabis operations are occurring on the property. Interior building signage is permissible provided the signage is not visible outside of the building.
- (b) Public Access. There shall be no general unescorted public access to the premises of a cannabis business.
- (c) Hours of Operation. Cannabis business shall be allowed to operate per the requirements of the underlying zone district and subject to the city's noise and nuisance ordinances.

**EXHIBIT A****ARTICLE 21.5 DRAFT REVISIONS**

Sec. 21.5.09. - Additional operational requirements and restrictions for cannabis dispensaries and microbusiness.

- (a) Hours of Operation. Storefront cannabis dispensaries or cannabis microbusinesses may be open for access to the public only between the hours of 8:00 A.M. and 8:00 P.M. Monday through Sunday. Delivery only cannabis dispensaries may operate only during the hours specified in the business's cannabis dispensary use permit if any. If no specific hours of operation are stated in the delivery only use permit or regulatory permit, the delivery only dispensary shall be allowed to operate per the requirements of the underlying zone district and subject to the city's noise and nuisance ordinances.
- (b) Signage shall be considered and approved with the cannabis business special use permit.
- (c) No person or entity shall operate a cannabis dispensary within the City of Colusa without first obtaining a cannabis dispensary regulatory permit from the city as set forth in Chapter 12D of the Municipal Code. The regulatory permit shall be site specific and shall specifically identify the cannabis dispensary activities that will be allowed at that site. No cannabis dispensary activities will be allowed unless specifically identified in the regulatory permit.
- (d) Cannabis dispensaries shall comply with all requirements and shall be subject to all of the regulations set forth in subsections 21.5.11 through 21.5.15 below.

Sec. 21.5.10. - Cannabis business regulatory permit.

No person or entity shall operate a cannabis business facility within the City of Colusa without first obtaining a cannabis business regulatory permit from the city as set forth in Chapter 12F of the Municipal Code. The regulatory permit shall be site specific and shall specifically identify the cannabis business activities that will be allowed at that site. No cannabis business activities will be allowed unless specifically identified in the regulatory permit. In addition, all persons or entities who undertake any subcomponent of the cannabis business operations or processes performed as a subcontractor or tenant of the holder of a cannabis business special use permit within the cannabis business facility shall first obtain a cannabis business regulatory permit from the city.

Sec. 21.5.11. - Fees and taxes.

All cannabis operations shall pay applicable fees and taxes, which may include one or more of the following:

- (a) City Business License Fee. The business owner shall at all times maintain a current and valid business certificate and pay all business taxes pertaining to business licensing.
- (b) Regulatory License Fee. The business owner shall pay an annual regulatory license fee ("regulatory fee") to cover the costs of anticipated enforcement relating to the cannabis operation. The amount of the fee shall be set by resolution of the city council and be supported by the estimated additional costs of enforcement and monitoring associated with the cannabis operation. The regulatory fee shall be due and payable prior to opening

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

for business and thereafter on or before the anniversary date. The regulatory fee may be amended from time to time based upon actual costs.

**Sec. 21.5.12. - Record keeping.**

- (a) The responsible party shall make and maintain complete, accurate and legible records of the permitted cannabis operations evidencing compliance with the requirements of this article. Accounting and transaction records shall be maintained for a minimum of five years. Security surveillance system records shall be kept for a minimum of one year.
- (b) On or before the 10<sup>th</sup> day of each month, the responsible party shall submit a production and sales report to the City Manager or designee disclosing all products manufactured, acquired, sold, and/or distributed by the permitted cannabis operations listed by type of product for the prior month of operations.

**Sec. 21.5.13. - Inspection.**

Cannabis business operations shall be open for inspection by any city law enforcement officer or city code enforcement officer at any time the cannabis business is operating, at any other time upon responding to a call for service related to the property where the cannabis operation is occurring, or otherwise upon reasonable notice. Recordings made by security cameras at any cannabis business shall be made immediately available to the police chief upon verbal request. No search warrant or subpoena shall be needed to view the recorded materials.

**Sec. 21.5.14. - Insurance.**

- (a) The business owner shall at all times carry a comprehensive general liability policy in the minimum amount of one million dollars (\$1,000,000) combined single limit policy, as shall protect the business owner and city from claims for such damages, and which policy shall be issued by an "A" rated insurance carrier. Such policy or policies shall be written on an occurrence form. The city manager, in consultation with city's risk manager, may allow the business owner to obtain lesser amounts of insurance where multiple business owners are operating on the premises, provided at all times the minimum insurance set forth herein is applicable to the cannabis operations.
- (b) The business owner shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the city setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the city and its respective officers, agents, employees, and volunteers, as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the city of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination.
- (c) Coverage provided hereunder by the business owner shall be primary insurance and not be contributing with any insurance maintained by the city, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the city.

**EXHIBIT A**  
**ARTICLE 21.5 DRAFT REVISIONS**

**Sec. 21.5.15. - Violations; enforcement.**

- (a) Any person that violates any provision of this article shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.
- (b) Any use or condition caused or permitted to exist in violation of any of the provisions of this article shall be and is hereby declared a public nuisance and may be summarily abated by the city pursuant to the City of Colusa Municipal Code.
- (c) Any person who violates, causes, or permits another person to violate any provision of this article commits a misdemeanor.
- (d) The violation of any provision of this article shall be, and is hereby declared to be, contrary to the public interest and shall, at the discretion of the city, create a cause of action for injunctive relief.
- (e) In addition to the civil remedies and criminal penalties set forth above, any person that violates the provisions of this article may be subject to an administrative fine of up to one thousand dollars (\$1,000) for each violation and for each day the violation continues to persist.

**Sec. 21.5.16. - Severability.**

The provisions of this article are hereby declared to be severable. If any provision, clause, word, sentence, or paragraph of this article or of the regulatory permit issued to implement this article, or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this article.

**EXHIBIT B**  
**ARTICLE 33 DRAFT REVISIONS**

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**Sec. 33.03 Cannabis business and cannabis dispensary special use permit application and fee.**

Cannabis business special use permits and cannabis dispensary special use permits, which may be revocable, conditional or valid for a term period, may be issued by the city council for any of the uses or purposes for which such permits are required or permitted by the City of Colusa Municipal Code. Guarantees to ensure compliance with terms and conditions may be required by the city council. For the purposes of this section, all references to cannabis business permits in the subsections of this Section 33.03 shall apply equally to cannabis dispensary special use permit applications, fees, issuance, and permits.

(a) Cannabis Business Special Use Permit Application and Fee.

1. Application for a cannabis business special use permit shall be made to the city planning department in writing on a form prescribed by the city and shall be accompanied by plans and elevations necessary to show details of the proposed use or building. Such application shall be accompanied by a fee in an amount as established from time to time by resolution of the city council and of which no part shall be returnable to the applicant. The application shall be presented directly to the city council for action.
2. The city council shall hold a public hearing within sixty days after filing of an application for a cannabis business special use permit. Notice of use shall be given by one publication in a newspaper of general circulation published in the City of Colusa and by mailing notice to the applicant and owners of all property within three hundred feet of any boundary of the lot or parcel for which the cannabis business special use permit has been filed, as such owners are shown on the last equalized assessment roll of the County of Colusa. Notice in each case to be given at least ten days prior to such hearing for categorically exempt applications under CEQA, and twenty-one days for applications under CEQA for negative declarations and/or environmental impact reports prior to such hearing.

(b) Action by the City Council.

1. The findings of the city council shall be that the establishment, maintenance or operation of the use or building applied for will or will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.
2. After making findings the city council shall either approve, with or without conditions, or deny said cannabis business special use permit.

(c) Revocation.

1. In any case where the conditions of the granting of a cannabis business special use permit have not been, or are not, complied with, the city council shall give notice to the permittee of intention to revoke such permit at least ten days prior to a hearing thereon. Following such hearing the city council may revoke such permit.
2. In any case where a cannabis business special use permit has not been used within one year after the date of granting thereof, then without further action by the city council the use permit granted shall be null and void.

(d) Decision of the City Council Final. The decision of the city council shall be a final decision and appeal from said action shall be by writ of mandate in superior court.

**EXHIBIT B****ARTICLE 33 DRAFT REVISIONS**

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- (e) Whenever a cannabis business special use permit is granted, the county assessor shall be so notified within thirty days of such action.
- (f) The cannabis business special use permit shall be issued to the business operator, be conditional upon issuance and holding of a valid cannabis business regulatory permit, and shall not run with the land.
- (g) No cannabis business special use permit shall be issued until the city council approves a development agreement and a regulatory permit for the site, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis cultivation in the city.
- (h) The cannabis business special use permit shall run with the regulatory permit and not the land.

September 27, 2021

City of Colusa Planning Commission  
City Council of Colusa  
425 Webster Street  
Colusa, CA 95932

We, the undersigned merchants and businesses in the City of Colusa want the City Planning Commission and the City Council to be aware that collectively we are very opposed to the idea of marijuana dispensaries be allowed anywhere in our city.

This is not the type of commerce that presents our city as a safe and family oriented community. If allowed, it is likely that crime would rise as it has in other cities that have allowed dispensaries. Federal law prohibits the sale of marijuana. It is classified as a Schedule 1 drug by the DEA. We absolutely do not want our community's children exposed to drugs being sold openly.

That the city would even be considering allowing drug sales for the sake of possible tax dollars is simply unacceptable.

Respectfully submitted by local businesses and citizens in the City of Colusa.

Valente Bailey - Colusa Floor Covering

Shelf Johnson - Johnson Printing

Russell Johnson - Johnson Printing

Tony Ann - Terry's Snow Shop

Carol - Sierra Flowers

Patricia - Sierra Flowers

Ignacio - Sierra

Kelley's Automotive

Effie's Time & Service

Nancy K. Newton - Colusa Legal Support Services

Adrienne Morris

RECEIVED  
OCT 05 2021  
OCT 25 2021

CITY OF COLUSA



Cindy Campbell All Star Realty

~~John St~~ Sierra Pacific Mgmt

Gerard O. Selamy 1647 Rosewood Way, Colusa

L Frank Davison DAVISON DRUG & STATIONERY

Michael West

Jackpot Food Mart // Colusa Candy Separated  
& schools

ADVANCE SERVICES INC.

Peter Lindquist - Law Office by Patti Angus

Del Hunter Colusa Floor Covering

Friends Around the Block Quilt Shop by Patti Angus

Yuri Steidlmaier

Steidlmaier Law

Faye Patel.

Colusa Motel.

REC

OCT 25 2021

CITY C

JOSE MERCED CORONA, DISTRICT I,  
CHAIR  
DAURICE K. SMITH, DISTRICT II  
KENT S. BOES, DISTRICT III,  
VICE-CHAIR  
GARY J. EVANS, DISTRICT IV  
DENISE J. CARTER, DISTRICT V



COUNTY OF COLUSA  
BOARD OF  
SUPERVISORS  
547 Market Street, Suite 102  
Colusa, CA 95932  
(530) 458-0508  
Fax (530) 458-0510  
[boardclerk@countyofcolusa.org](mailto:boardclerk@countyofcolusa.org)

May 2, 2022

✓ Colusa City Council  
425 Webster Street  
Colusa, CA 95932

Williams City Council  
PO Box 310  
Williams, CA 95987

RE: Emergency Medical Transport Funding

Honorable Council Members:

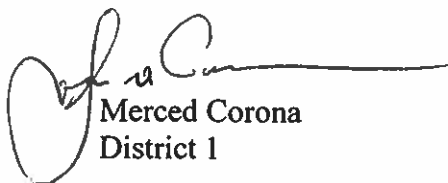
As you are aware, our county has been operating with only 1 Advanced Life Support (ALS) ambulance since November 2019. The one ALS unit is continuing to operate at a substantial loss due to call volume, payer mix, federal reimbursement rates (rates haven't increased in 25 years), along with rising fuel and wage costs. As the appointed Ad Hoc we are working to proactively retain a dedicated ALS Ambulance service within the county. With your assistance we would hope to issue an RFP for a 4 year contract, with the cost not to exceed \$850,000 per year. We propose the County would contribute 50% of the cost, and the two cities each contribute 25%. This would provide a stable funding source to secure medical ground transport for four years while we move forward with other funding mechanism solutions for an expanded countywide emergency ground transportation services.


To assist you in making your decision, we are enclosing the two studies completed by AP Triton concerning ambulance services, as well as costing information for ambulance services.

We have provided a letter of intent for your signature, should you agree to move forward as we are proposing. This letter would eventually be replaced by an agreement between the three agencies once the RFP is completed, and an exclusive operating area awarded.

Thank you for considering the Ad Hoc's request. We look forward to working together to resolve this issue.

Sincerely,

  
Merced Corona  
District 1

  
Daurice Kalfsbeek Smith  
District 2

Colusa County Board of Supervisors  
ATTN: Daurice Kalfsbeek Smith  
Merced Corona  
547 Market Street, Suite 102  
Colusa, CA 95932

RE: Letter of Intent for Emergency Medical Transport Funding

Dear Supervisor Smith and Supervisor Corona:

Thank you for contacting us with regard to the current ambulance situation. The City has considered the information you have provided and are providing you with this letter of intent, pending completion of an RFP and contract for an exclusive operating area for emergency medical transport for 1 Advanced Life Support (ALS) unit to be stationed in Colusa County, and a subsequent agreement between the Colusa and the Cities of Williams and Colusa.

The City agrees to provide 25% of the funding for a single ALS unit for the next four fiscal years. We understand this 25% will be calculated on a not to exceed cost of \$850,000 per year for the unit.

Sincerely,

# ***EMS System Valuation for Colusa County***

by  
**AP Triton Consulting, LLC**

July 29, 2020



**AP TRITON**  
VISION • INNOVATION • SOLUTIONS

## Executive Summary

The County of Colusa is a rural county located in Northern California. The county is bordered on all sides with similar rural counties. Within the County of Colusa are several smaller cities and large unincorporated areas that primarily focus on agriculture and recreation as the primary industries. The County lacks an "in county" trauma center and some specialty centers; however, they do enjoy a reasonably robust hospital system both within the county and their neighboring counties. This lower population density in Colusa and their neighboring counties and communities in turn creates higher per capita health care costs as there are fewer patients over which to spread the overall healthcare system costs. This is also true when discussing the emergency ambulance system. The County's ambulance system, and more specifically the transportation volume, is low when compared to the cost per transport/patient. In high performance systems, as are often found in urban or more metropolitan areas, a reasonable annual transport rate would be roughly 3,500 transports per unit; however, in Colusa County, the total transport volume is significantly less at nearly 1,014 including non-emergency and inter-facility transfers (IFT). From a transport to revenue perspective, the system is financially unsustainable at the current volume.

An even greater challenge is the issue of capacity. In a more urban system that has greater call volume, there are generally more units in a service area to cover for units that are assigned to incidents. There are times when an ambulance is on a call and another call comes into the dispatch center requiring an outside response into the system. There are also incidents which may have more than one patient that requires transport to an alternate emergency facility, such as a trauma center. This capacity issue is among the most complicated aspect of the Colusa ambulance delivery model. In review of the last several years of data provided by Enloe, the low call volume results in a lower overall transport revenue that is challenged to support a single unit, much less the multiple units needed to service the area and provide a more robust system. Over the last several years, the ambulance provider maintained 1.5 units in the system with a single full-time 24-hour unit and a second unit operating during peak hours of the day. As costs increased and revenue decreased, the operator was forced to reduce the total daily coverage to a single 24-hour unit. While this was a necessity from a financial standpoint, it has

created what this consultant would describe as a dangerous scenario for the community at large. As emergency services providers, regardless of being public or private, the issue is not the emergency at hand but the emergency that develops prior to the completion of the first incident. The loss of the second peak unit has eliminated (at the most), or severely diminished (at the least), the ability to provide rapid ambulance response during times of multiple incidents at the same time. In turn, this also impacts the surrounding counties as automatic or mutual aid is needed to manage these multiple incidents as they occur and is one of the primary reasons for this study.

Revenue is the life blood of any Fee For Service (FFS) emergency ambulance system. The intent of a traditional FFS system is to match volume, cost, and capacity against revenue to create a non-subsidized system. The larger the system, the greater the opportunities to maximize efficiencies, lower cost, and improve the margin to sustain and maintain the overall health of the system. Because the call volume is not likely to increase significantly, there are very few methods to increase revenue and those few are typically confined to either raising the service rates or lowering the cost of the system. Raising rates can provide additional revenue, but on a limited basis, as the majority of patient contacts are within the Medicare and Medi-Cal population. This population group, and the coverage they enjoy, has a cap on the benefit that does not cover the actual cost of the system. The raising of rates, therefore, must be cost shifted to the commercially insured population. As this demographic of the transport volume is generally smaller, the impact to the system revenue is not a dollar for dollar equation. In other words, a 10% increase in rates does not generate a 10% increase in revenue.

Sustainability in the long term for Colusa County will likely be found in a combination of many factors. These include modifications to the system rates, aggressive billing and collection practices, and a system redesign that will help provide for increased federal reimbursements, and ultimately greater capacity and delivered services. It is the opinion of this consulting firm that the potential for a FFS-based emergency ambulance provider to meet the demands of the system, along with generating a profit, will be a significant challenge. Thus, the overall goal may be better focused on meeting costs with the end result of breaking even as the new baseline. This may be best achieved through innovative approaches such as more cost effective deployment models, greater community involvement, alternate funding solutions, public

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**Colusa County EMS System Valuation**

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Item 16.

education, and cost sharing on a multi-county regional approach that brings a greater economy of scale. The positive aspects of this approach will be that Colusa will be able to create a more stable system, but in the long term may be better positioned to deal with the future changes in health care and transitional financial changes that take place, such as the current COVID-19 crisis.

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## Understanding Health Care Financing

Understanding health care financing and the principles that go along with it can be a very daunting task. With the mixture of Medicare, Medicaid/Cal, private commercial insurance, second and third party payers, workers' compensation, private payers, auto insurance, travelers insurance, ACA, Covered California, co-pays, deductibles, and the \$100 dollar Tylenol, it stands to reason that the average local government administrator may feel out of his or her comfort zone. Although the overall industry is very complex, the actual processes for functioning within this system are not as complex as one may think. Remember, health care is the largest civilian industry in the United States. Every day, millions of dollars are billed and collected within the health care finance industry. A majority of the transactions taking place are from the small doctor offices and medical groups that serve the vast majority of Americans' needs. Most of America's health care billing and collections are done "in-house" through these small offices and medical groups. Although smaller and often narrower in the billing categories compared to the larger medical groups or hospitals, these smaller health care providers use the same 70,000+ billing codes to complete the day-to-day billing process as do the larger health care organizations.

When billing for ambulance services, either by a public provider or private provider, there are typically very few billing codes compared to general health care billing. This amounts to less than ten with four to five being most common, with the most common being "emergency advanced life support (ALS) and basic life support (BLS) transports," "non-emergency ALS and BLS transports," "mileage," and "oxygen." Because of the relatively small number of coded items for ambulance services, the Centers for Medicare and Medicaid Services (CMS) has requested and prefers a "bundled billing" approach. In simple terms, this means that while an itemized bill for services was the norm in the past, CMS understands that in most cases the basic line items listed above result in maximum benefits being paid out. Therefore, to streamline the process and reduce costs in coding, CMS has requested that bills be submitted in a "bundled" invoice. This approach also saves time and cost by not requiring billing agents to prepare more detailed billing claims. This same approach also applies to those who have commercial insurance as most, if not all, commercial insurance plans also prefer a simple bundled billing approach to transport claims.

With a more streamlined approach to billing and collections, a common question asked is “if there is really no difference or secrets in the billing process, why is there a difference in the collection rate?” This is one of the most misunderstood parts of the billing and collection process. The simple answer is “policy.” To the greatest degree, the provider’s billing and collection policy determines the reimbursement rate. As an example, two ambulance providers respond to the same patient and provide the same treatment and services. Both charge a common rate of \$1,600. Ambulance Provider A waives the co-pay and deductible of \$200 and collects the insurance payment of \$1,400 as payment in full. Ambulance Provider B accepts a compromise offer of \$100 for the co-pay and deductible and collects the \$1,400 insurance payment. Provider A has a collection rate of 87% of the billable amount while Provider B has a collection rate of 94%. Without knowing the billing policy, one could be led to believe Provider B has the better billing company because of the higher collection rate. In reality, both providers have the same billing company but different collection policies.

## **Determining the Value of the System**

There are numerous factors that impact the value of an Emergency Medical Services (EMS) system. The monetary value of the system essentially refers to how much money, in terms of revenue, can be garnered from the system. There are no special or secret methods for collecting revenue from an EMS system. There is a fixed amount of money available to all providers regardless of their public or private status; this is often referred to as the cap. The reason there is disparity in the revenue collected amongst various providers is attributable to two main areas, billing and collections. Some agencies are better at procuring monies in these areas than others. Often times an agency bases its success on its collection rate, but this is not an accurate representation of their effectiveness. Collection rates are just one aspect of the successful management of a system. The key factors affecting the success of billing and collections are billing policy, collection policy, transport rates, documentation, billing contractor’s level of effort, and understanding the payer mix.

### **Billing Policy**

Establishing a billing policy is one of the primary steps a provider needs to accomplish in

order to get the most monetary value from the system. When a service is provided, there is an assumption that there will be a charge for that service. There are numerous factors that will determine what is included in the patient billing policy. The more aggressive the billing policy, the more potential there is to collect. There are, however, areas that do have a fixed rate attached and this alone will create a fixed cap on the maximum potential collections that are available within the system. There will also be a set number of calls for service in a given time period; therefore, adding additional ambulances in the system does not equate to being able to run more calls and transport more patients. The expectation is that all the patients who request to be transported, or whose medical condition requires it, will be transported. There will be fluctuations in the call volume, but significant or seasonal changes in call volume are fairly predictable. Based upon the last four years of transport data from the current provider, the transport rates have remained relatively consistent. Unless there are significant changes in the County's demographics, this trend should continue. This consistent incident volume will help in a system redesign if the County goes in that direction.

#### **Collection Policy**

The collection policy is the most significant aspect of the collection process affecting the revenue stream. Federal regulations which control billing require that every patient receive a bill for services rendered in order to prevent what is known as "cherry picking," where only specific groups of patients are billed. How aggressive a provider is with the collection of those bills is a matter of business philosophy. Many private ambulance companies, and hospitals for that matter, have very aggressive collection policies, while many public ambulance providers tend to have lesser aggressive policies. The reason for this disparity is simple: private ambulance companies can only remain solvent when the cost and reimbursement are in alignment. Conversely, many public agencies, primarily fire departments, provide ambulance transport as an "added value" to their suppression services. Because many of these public agencies have other sources of revenue, they typically end up subsidizing the transport from the general fund. In this scenario, many public providers actually attain lower collections than their private counterparts. This is due to the political considerations and public relations concerns, as the vast majority of patients will also be taxpayers.

### **Transport Rates**

It has already been discussed that there is a fixed number of transports that will occur in each period of time, but there is a subsection of patients whose medical condition will not require immediate transport. Obviously, the percentage of transports has a direct impact on the revenue received. Fewer transports results in less revenue. When a patient is not transported, there is a loss of revenue that results from these actions. As an example, if two Medicare patients per week were not transported for various reasons, this equates to roughly \$50,000 per year in lost income to the provider. There will always be a percentage of calls that will not result in a transport due to circumstances. This is to be expected and can be projected as a percentage of the overall call volume. However, it is important to monitor transport volume to establish peaks and valleys through the course of the year.

### **Documentation**

Documentation provided by a paramedic on the patient care report (PCR) also plays a significant role in the collection rate achieved by the provider. One area that is often overlooked is proper training of field units in the documentation process that accurately reflects the actual assessment and treatment provided on scene. These actions will then capture the correct reimbursement rate. Reimbursement, particularly through Medicare and Medicaid/Cal, is based upon the patient's needs and not reimbursed simply because they called for transport. Simply stated, many calls that should be billed and paid at an ALS rate are often reimbursed at the BLS rate, while some that should have been collected at either the ALS or BLS rates are not found to meet any reimbursement criteria and are left unpaid. Accurate documentation can result in a substantial increase in revenue in an area where the service is already being provided.

### **Billing Contractor's Level of Effort**

The billing contractor or billing office also plays a major role in the collection rate. The level of effort demonstrated by the billing provider displays a direct correlation to the collections received. There are two common ways providers conduct billing for ambulance services. The first is to use an outside third-party billing company that conducts all billing on behalf of the

provider. Their ability to collect depends on several factors, the most significant being the billing and collection policy as previously discussed. A relaxed or vague billing and collection policy will result in less collection of revenue. Most billing companies base their fees on a percentage of the amount they collect. If the provider has a billing and collection policy that allows a reduced amount to be collected, then the biller will likely charge a higher percentage rate in order to meet their profit margin.

Another method of billing and collections is to conduct all billing in-house. There are the same challenges with doing billing in-house as with using third party billers. The single largest consideration in establishing in-house billing services versus using an outside billing company is measuring the cost effectiveness between the two methods. In smaller systems with lower billing volume, it may be more cost effective to use an outside company as opposed to the costs of personnel and benefits in doing billing in-house.

It should be understood that even though there is a fixed and finite amount of money that is available in the service area, there are numerous variables that influence a provider's ability to collect that revenue. Establishing policies, training of personnel, and close monitoring of the delivery system will pay forward in the collection of revenue. The advertised percentage of collections by billing companies is nearly irrelevant because it does not address all the facets of successful billing.

## **Understanding the Payer Mix**

Reimbursement is based upon providing a service and billing the appropriate party responsible for the service provided. Within the health care industry, there are primarily four categories, or cost centers, for reimbursement: 1) Medicare, which is the primary health care coverage for persons over the age of 65; 2) Medicaid (also known as Medi-Cal in California), which is a component of the federal Medicaid program and is provided for certain qualified individuals and families (primarily low income at 138% of the federal poverty level); 3) commercial insurance, most commonly associated with benefits provided by employers to their employees, but also may be purchased independently; and 4) private pay, which is the term generally applied to those without insurance. Within these categories are numerous sub-

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categories that are available and used for reimbursement but will not be discussed in this report. Sub-categories are predominantly workers' compensation, liability, and auto insurances.

Each community will see differences in how the payer mix influences health care financing and reimbursements. As we are discussing ambulance revenue in this document, we must also understand that Colusa County has many different economic and population subsets. In order to begin to create a possible reimbursement scenario, it is necessary to understand the different ratios of the payer mix demographic.

In reviewing the data provided by Sierra Sacramento Valley EMS (SSV), we have a solid payer mix from the current provider. In order to create an estimate for the value of the EMS transport system, we will consider all transports including the emergency 9-1-1, interfacility, and non-emergency transport numbers.

**Colusa County Payer Mix**

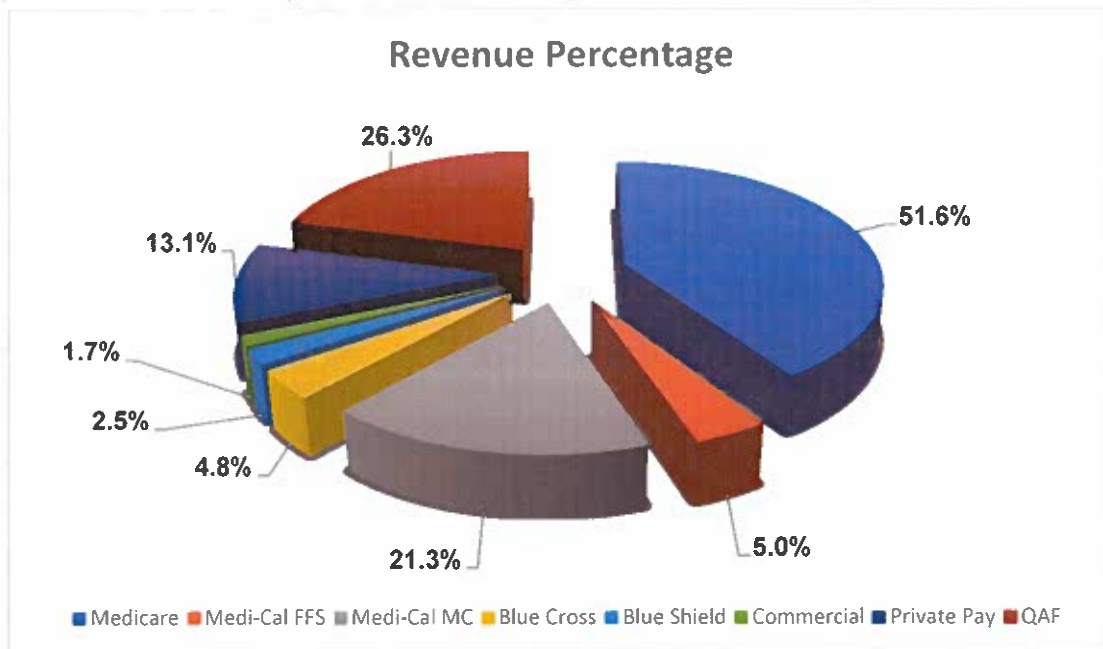
<b>Cost Center</b>	<b>Percentage %</b>	<b>Transports</b>	<b>Reimbursement</b>	<b>Revenue</b>
Medicare	51.6%	523	\$589	\$308,047
Medi-Cal FFS	5.0%	51	\$159	\$8,109
Medi-Cal MC	21.3%	216	\$174	\$37,584
Blue Cross	4.8%	49	\$3,152	\$154,448
Blue Shield	2.5%	25	\$4,112	\$102,800
Commercial Insurance	1.7%	17	\$2,740	\$46,580
Private Pay	13.1%	133	3.5% of \$648,508	\$23,923
QAF*	26.3%		\$220.35 "add-on"	\$31,374
<b>Totals</b>	<b>100%</b>	<b>1,014</b>		<b>\$712,865</b>

\* QAF was not included in the overall calculations for Medi-Cal and separated out for clarity, as there is a tax that must be backed out of the supplemental revenue that is reported. The QAF program requires that a tax is applied to all transports. These tax monies are then used to leverage federal matching funds by the state. So while the total amount of the "add-on" supplemental revenue is roughly \$58,833, the taxed amount of \$27,459 must be backed out to determine the actual net amount of the QAF program at \$31,374.



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Because SSV provided the reported payer mix for 9-1-1 transports, we are in a position of validating the numbers as opposed to creating a potential valuation of the system. Regardless, the system payer mix and lower call volume are consistent with an unsustainable transport system.

The single biggest issue is the overall percentage of the Medicare and Medi-Cal cost centers. In both cases, Medicare and Medi-Cal have fixed revenue for transport. In the case of Medicare, the reimbursement is based on 80% of the covered benefit and the patient is responsible for the remaining 20%. Often, the patient's 20% is either waived or reduced based on the patient's ability to pay. In the case of Medi-Cal, the payment is astronomically low compared to their federal counterpart. Unlike Medicare, Medi-Cal does not allow balance billing of the unpaid bill. As a result, these two cost centers combined make up 78% of the total transport volume with average collections coming in at only 9% of the billed amount. When combined with the private pay cost center, the total transport volume of the three categories makes up 91% of total transports and collects only 8% of the billed amount with little to no option to collect more from these payers.

What has not been discussed is the balance of the 1,014 transports in the system. These other transports are the inter-facility and non-emergency transports. These transports are typically defined as transports from one facility to another, such as the patient who needs to be transported from the hospital's emergency department to one of the specialty or trauma centers out of the area, as mentioned above. Another is the patient who is non-ambulatory and needs to be transported back to a skilled nursing center. These transports, while not as critical as the emergency transports, are not only important to managing the county's overall patient movement, but also to providing additional revenue to keep the emergency fee for service system funded and operating.

Both Medicare and Medi-Cal have non-emergency rates established for these non-emergency IFTs. Commercial insurance rates can and do vary and are most often negotiated between the ambulance provider and the insurance company. The challenge in determining the revenue associated with IFT business is the diversity of the types of transport. Unlike emergency response and transport, IFTs can take on many different configurations. Examples would be BLS, ALS, and Critical Care Transport (CCT), which requires a higher level of care often provided by a nurse, neo-natal, gurney, and/or wheelchair van to name a few. Because each of these transports has a different reimbursement rate and cost associated with it, it is difficult to calculate the exact revenue without a detailed breakdown of the type of transport and the destination of the transport. Therefore, we will use a 25% reduction of the emergency transport revenue in order to arrive at a reasonable estimate of the total transport system. This would provide for total compensation of the transport system at \$1,247,564. It is important to remember that this calculation could result in either greater or lesser revenue depending on the actual demographics of this component of the transportation system.

## **Cost Shifting**

A standard practice in health care financing is to apply cost shifting to balance the lower payers with the higher payers. This practice is the standard in American health care. Simply stated, if a system has only four payers, one in each category, and the cost of transport is \$500 per transport, total provider cost for all four transports would be \$2,000. Assuming that Medi-Cal pays \$100, Medicare pays \$250, and private pay pays \$50, the cap for those three are \$400



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combined. In order for the provider to break even, they need to charge each cost center \$1,600 per transport.

**Cost Shifting Table**

<b>Cost Center</b>	<b>Cost of Transport</b>	<b>Charges</b>	<b>Reimbursement</b>	<b>Collection %</b>
Medicare	\$500	\$1,600	\$250	16.6%
Medi-Cal	\$500	\$1,600	\$100	6.25%
Commercial Insurance	\$500	\$1,600	\$1,600	100%
Private Pay	<u>\$500</u>	<u>\$1,600</u>	<u>\$50</u>	<u>3.125%</u>
Totals	\$2,000	\$6,400	\$2,000	31.5%

The ability to cost shift is based on the percentages of the various payer mixes. As Medicare and Medi-Cal are fixed, and the ability to extract revenue from the private pay is minimal to nonexistent, all cost shifting takes place in the commercial insurance category. The greater the percentage of commercial insurance, the greater potential an increase in rates will result in more revenue. In the case of Colusa County, the current provider is at a rate that is approaching a maximum return. As we can see from the current provider's financials, there is a \$528,635 shortfall between cost and reimbursement on the 9-1-1 side of the system (\$1,237,631 - \$712,865 = \$524,996). Closing the gap would require cost shifting the amount to the commercial insurance categories, which account for only 9% of the transports, or 91, in total. To bridge this gap, we need to increase the new rate by an amount that takes into account not just the rate, but the insurance company's percentage of payment. As found in the provider's financials, the three insurance providers have an average reimbursement percentage of 51% of the amount billed. While not likely, we will assume that an increase in rates will still result in a 51% collection for illustration purposes.

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<b>Cost Center</b>	<b>Percentage %</b>	<b>Transports</b>	<b>Reimbursement</b>	<b>Revenue</b>
Medicare	51.6%	523	\$589	\$308,047
Medi-Cal FFS	5.0%	51	\$159	\$8,109
Medi-Cal MC	21.3%	216	\$174	\$37,584
Blue Cross	4.8%	49	\$9,148	\$448,252
Blue Shield	2.5%	25	\$9,148	\$228,700
Commercial Insurance	1.7%	17	\$9,148	\$155,517
Private Pay	13.1%	133	3.5% of \$648,508	\$23,923
QAF*	<u>26.3%</u>	<u>267</u>	\$220.35 "add-on"	<u>\$27,505</u>
<b>Totals</b>	<b>100%</b>	<b>1,014</b>		<b>\$1,237,637</b>
Providers' Costs				\$1,237,631
Net revenue				<b>\$6</b>

While the above scenario does show a breakeven business model, the reality is that this is still not a viable system for several reasons. First, to obtain a \$9,148 insurance reimbursement would require a rate well above \$15,000 per transport. This in itself is a non-starter. Next, the net income of \$6 per year provides no hedge against the risk of providing the services. A good business practice would be to strive for a 10% margin and build a reserve fund for unexpected expenditures. And last, the system is still challenged with meeting demand via response time compliance.

It is important to remember that while we are attempting to create a sustainable system to ensure the timely response of an ambulance for emergency incidents, the IFT business is both an asset and a detriment from the perspective that placing an additional unit into the system adds additional capacity but at an additional cost that cannot be recovered under the current operations.

## **Federal Supplemental Reimbursement Programs - GEMT / QAF / AB 1705**

### **Ground Emergency Medical Transport (GEMT)**

In 2010, California began development of a federal reimbursement program known as Ground Emergency Medical Transport (GEMT). This program and similar programs are operating in several states and are in development in several more. These programs provide a substantial amount of money into government-based ambulance operations that are not available to the private sector. Although these types of programs have been in existence and operating across the country for more than 30 years, it has only been recently that these programs have been utilized by the governmental ambulance providers. There was much discussion on the future of these programs with many rumors projecting they would be gone by 2017; the reality is CMS is actively starting new programs across the country for ambulance providers. As health care is undergoing constant changes, any discussions concerning the future of ambulance reimbursement should be viewed as mere speculation at this point. Although these programs are an entitlement through the Social Security Act Title XIX, we strongly recommend that projected revenue from GEMT, inter-governmental transfer program (IGT), and Quality Assurance Fees (QAF) not be considered as part of the revenue stream for a stable system. We believe the best and logical direction for providing ambulance services should be in creating a stable Fee for Service (FFS) delivery system without supplemental or subsidized payments to the providers; however, due to the discussion above, it is paramount that providers in Colusa County take advantage of any and all supplemental programs to defray costs incurred in the system.

### **Quality Assurance Fee (QAF)**

In 2017, SB523 was signed into law by the Governor. This bill created a Quality Assurance Fee (QAF), also known as a Provider Tax. It is applied to all ambulance providers in the State and charges a 5.5% tax on all transports. This tax is then used by the State to leverage federal matching funds from CMS and is redistributed back to the provider as an "add on" to the base rate for all Medi-Cal transports. The supplemental reimbursement is \$220 per transport. This supplemental reimbursement was not shown in the current provider's revenue but included in the table above.

### **Public Provider IGT (AB1705 Bonta)**

AB1705 (Bonta) was signed by the Governor and is now law. This program creates a public provider inter-governmental transfer (PPIGT) program that develops a single statewide rate for public providers that draws down supplemental reimbursement in the same manner as the QAF program. However, while QAF is a capped program with regard to the amount that can be transferred to CMS for matching funds, the PPIGT program has no limits other than the actual cost of providing the services by the public providers. Because this rate is based on the average cost of all public providers, the reimbursement rate is much higher. Estimated at \$800 per Medi-Cal transport in addition to the base rate, the impact to the Colusa County revenue is tenfold to the QAF revenue at \$213,600 compared to the estimated \$31,374 of QAF. However, this supplemental revenue is not available in the current deployment model using a private provider.

### **Summary of Findings**

The Colusa County operating area is listed as a “non-exclusive” county by the State EMSA identifying the system as open to any provider that desires to provide services. While this is an open invitation for business opportunity, the County’s rural demographics, low call volume, and challenged payer mix makes the County a less than desirable location to operate a fee for service based ambulance business. The current provider has what appears to be a strong commitment to the community and continues to operate at a loss to the benefit of the County. The provider operates at an extremely low cost compared to the larger ambulance companies around the state whose costs are exceeding \$1 million per 24-hour unit.

Upon evaluation of the data provided, we arrived at nearly the same value to the system as what is being reported by the current provider with a few small differences, such as the supplemental revenue they are receiving through the QAF program and potential revenue from treat no transport fees, understanding this provides minimal increase in overall revenue. Even a 10% difference between valuations would not remarkably change the financial challenges faced by the County. Regardless of the small differences, the value of the system is less than \$1 million. As stated, there does exist a significant number of non-transport patient contacts that could yield additional revenue if these patients were transported. Transporting those patients would also add additional unit hour demand on the system that would logically require additional unit hours at an additional cost, resulting in what would more than likely be a greater loss

financially.

The County's current ambulance rates are on the higher side of many systems but not overly high for a rural system. Due to the low call volume and less than 100 insured transports per year, it is not feasible to increase rates to a level that will bring the system to a breakeven point for the provider. The provider's compliance times are below the desired level, but it must be understood that response times are directly related to the number of units in the system. With the low incident volume and reimbursement, the expectation of response time compliance in this type of system is realistically not possible across the entire county without driving up costs significantly.

The County's role in this system is clearly founded in state law (Lomita vs. the County of Los Angeles) and basically requires the County to provide or ensure that services are provided to the community. This places the burden on Colusa County should the system become unsustainable. When correcting a system that is out of alignment there are typically three options to bring the system back into position. 1) Decrease costs which usually involves reduction in unit hours. However, the current system is running on the thinnest of unit hours at this time and this is not a realistic option. 2) Increase rates. This has been discussed and due to the limited number of commercial insurance providers the increases needed to bring the system to a breakeven point is not realistic. 3) Increase revenue. Expanding services, as is currently being done through the IFT business, is not expected to bring in enough revenue to make the County solvent. It will, however, reduce the need for a subsidy. Should the system become unsustainable due to losses incurred by the current provider, the County should take advantage of every opportunity to capture maximum revenue, not just through a Fee For Service delivery model, but also by taking advantage of supplemental reimbursements that are afforded to public providers. This can be done through various methods, including using the current or new private provider under contract with a public entity to capture the federal reimbursement.

As health care changes, the costs of services will likely not be going down in the immediate future. This means the sooner the County can address the issues and develop a plan, the less chance there will be of an interruption of services and, more importantly, it will reduce the need for the County to subsidize the system. We would suggest the following recommendations be taken into consideration.

## Recommendations

- The County should conduct a complete comprehensive system redesign study as quickly as possible. This should be the number one priority and include the bullet items listed below.
- The County should strongly consider the options for ambulance services and contract with a public provider to capture the PPIGT revenue of a quarter million dollars annually. This will reduce the potential (and possibly the amount) of the County needing to subsidize the system and will help stabilize the provider.
- Create a system that is driven by positive patient outcomes and not response times.
- Consider a tiered response to incidents to create capacity in the system without increasing system unit hours. This could include first responder response prior to ambulance dispatch, lower response code (Code 2 versus Code 3) to lower acuity calls with immediate redirect of the ambulance to higher acuity calls.
- Consider the use of BLS units when appropriate, reducing the need for paramedics which are in short supply currently (not intended to replace ALS capabilities).
- Engage the fire departments and consider using standby ambulances located throughout the County as surge for the primary units.
- To increase capacity, consider placing a “Low Acuity Assessment Unit” to respond in place of the initial ambulance dispatch to triage the patient.

In conclusion, there are no easy remedies to the challenges facing Colusa County and their EMS system. The County is responsible for all ambulance services within their borders and a non-sustainable system is not an option moving forward. The ability to provide a sustainable FFS system will require an innovative approach along with stakeholder and community involvement. AP Triton is standing by to assist the County with these challenges should the County like to consider options and a system wide redesign.





# Colusa County California

## Ambulance Feasibility Study

January 10, 2022



**AP TRITON**  
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## Executive Summary

Colusa County is a rural county located approximately 65 miles north of Sacramento encompassing a total area of 1,156 square miles, of which 1,151 square miles is land and 5.6 square miles (0.5%) is water. A large number of streams are located within the county, including Elk Creek, Salt Creek Stony Creek, and Bear Creek with the County's eastern boundary defined, in part, by the Sacramento River. The County is primarily agriculture with 49% dedicated to agriculture. With a population of just over 21,500, the density is roughly 18.5 people per square mile.

The County has had many challenges over the years with the delivery of ambulance services. The current provider, Enloe Ambulance, previously provided two full-time ambulances but later reduced this to a single 24-hour ambulance with a half-time ambulance. Enloe was again forced to reduce the number of dedicated units to a single 24-hour ambulance due to the inability of the system to financially support two emergency ambulance units even with the second being parttime. In 2020, AP Triton LLC (Triton) conducted an assessment of the County's emergency ambulance system and concluded there were many factors that contribute to the challenges in providing a countywide emergency ambulance system; the primary factor is low call volume and a low percentage of commercial insurance payers. As a result, Triton confirmed that the claims made by Enloe were real, as well as accurate, in their description of the ambulance services in Colusa County.

In response to the Triton Study, the County again contracted with Triton to revisit the economics and create a deployment plan that would improve the County's emergency response plan to emergency medical incidents. Triton has concluded that there are no "quick fixes" to the issues at hand and that the County should consider both a short-term plan as a stop gap and a long-term plan for continued sustainability to a Countywide system.

Triton believes that while a short-term plan could be implemented in the 2021 calendar year, a long-term plan may require several years to implement. Triton further believes that a sustainable long-term plan not only involves the County's first responders and ambulance providers but demands input and understanding of the community and flexibility of the area hospitals.

This document should be viewed as a companion to the 2020 study completed by AP Triton. The 2020 study provided an in-depth look at the value of the system in supporting a robust deployment. The study covers health care financing and the impact that the system payer mix has on reimbursement. It discusses in detail the influence call volume and transport volume have on that payer mix reimbursement and the possibilities of increasing revenue to support a complete self-sustaining EMS system. This study picks up where the previous study left off at system design.

## Understanding the California EMS / Ambulance System

Although California has a State EMS Authority, California's EMS system is designed to be operated and managed by each individual county. This is because each county is financially responsible and legally obligated to provide for the indigent services and EMS is no exception. Each county must either provide for or contract with a Local Emergency Medical Services Agency (LEMSA). In the case of Colusa, the County contracts with Sierra Sacramento Valley EMS Agency (SSV). SSV is responsible for, among other things, the planning, implementation, monitoring, and oversight for the ambulance system. Another key component is the medical oversight and control of the system which SSV provides. This medical control is vital to a healthy EMS system as medical control establishes the policies and protocols for directing system operations. While the County has chosen to contract for LEMSAs services, as opposed to directly providing them as part of the County government system, SSV is subordinate to the County Board of Supervisors in carrying out the County's EMS obligations under the Health and Safety Code. SSV is well-suited for providing these services as they primarily operate in rural communities and are contracted by ten counties to administer their EMS systems. It should go without saying that SSV's extensive background in rural California should be considered an asset in helping Colusa County deal with the system challenges.

Other key stakeholders within the EMS system include the ambulance companies and the County's first responders. Often referred to and used interchangeably, private ambulance providers and public first responders operate in vastly different ways with different objectives, neither being less important than the other. Private ambulance providers, regardless of being non-profit or for profit, must operate in a financially sustainable manner while providing a single service model - in this case, emergency ambulance transport services. Public first responders,

primarily Fire Districts and Departments, also must operate in a financially sustainable manner while delivering many different services such as fire and rescue, hazardous materials, technical rescue, inspections, public assistance, and response to many other types of incidents that may occur.

Supporting these services are the dispatch centers that take the emergency calls for service. These centers are known as Public Safety Answering Points (PSAPs). In many cases, there are also secondary PSAPs that provide additional dispatching support. It is not uncommon for law enforcement dispatch to answer an initial 9-1-1 call and then transfer it to a fire department or ambulance dispatch center. Colusa dispatch services can be accessed via the 9-1-1 system and seven-digit phone numbers. Colusa County has a single primary Dispatch through the Colusa County Sheriff. There are no secondary PSAPs located in Colusa County.

Hospitals also play an important role in the EMS system. California, like many states, has developed a series of designations for emergency hospital services from basic emergency rooms to specialty centers such as trauma centers, cardiac centers, stroke centers, burn centers, as well as pediatric centers. Unlike large urban or metropolitan cities, the more rural the environment the less likely the access is to these higher levels of services.

Often overlooked are probably the most significant stakeholders in the system - the taxpayers who live in these communities. Ultimately, while the County Board of Supervisors has both the authority and responsibility to determine the level and types of services that are deployed throughout the County, they must live within their budgetary constraints, just like the ambulance providers. Ultimately, it is the taxpayers that decide how important their EMS delivery system is to them and how much they are willing to pay for services.



## Challenges of the EMS System

As discussed in the previous Triton Study, there are numerous factors that play into an overall sustainable system. Conversely, there are numerous factors that contribute to an unsustainable system. The Colusa County ambulance system suffers from multiple issues that impact sustainability. The first is low call volume. The County typically sees less than a thousand transports per year. In larger metropolitan systems such as Sacramento, only 65 miles to the south of Colusa County, it is common to see a single ambulance transport as many as 3,000 patients per year. At slightly less than ten transports per day per unit, this is manageable in an urban environment due to the proximity of hospitals and multiple ambulances in the system. Further, 3,000 transports not only covers the cost of the ambulance, but likely generates enough revenue to offset lower volume ambulances in the system. Therefore, in higher volume systems busy ambulances generate a greater margin of cost recovery over slower ambulances. Conversely, the slower ambulances that generate less cost recovery provide for greater capacity in the system so there will be enough units to manage the system's call volume. In this scenario, a system with six ambulances may see three units running the majority of the transports at a higher margin of cost recovery while the remaining three units transport at a volume that is less than their cost of service. However, when combined the system's six units meet the system's transport demands at a reasonable cost recovery margin.

In Colusa, however, the current system relies on a single dedicated ambulance from Enloe. With transport volume often below 1,000 transports per year, this does not generate enough revenue to support the cost of the single Enloe ambulance. Currently, Enloe is operating at nearly a \$200,000 deficit on an ongoing basis. It should be noted that when compared to other private ambulance providers, both for profit and non-profit, Enloe is at one of the lowest cost

levels this consultant has seen. It is difficult to determine how long this arrangement can continue.

The second issue challenging the County's system is the reimbursement payer mix for those patients who are transported. The payer mix is based on four primary payers in the system. Medicare and Medi-Cal are primarily fixed reimbursement models with each paying a predetermined rate for services. Medicare has a cap of roughly \$600 for an emergency transport and typically pays \$460 as the covered benefit per transport. The balance becomes the responsibility of the patient; however, as most Medicare beneficiaries are retired and on a fixed income, it is common for the provider to write off the patient's portion of the bill. Likewise, the Medi-Cal program, both Fee for Service and Managed Care systems, pay even less than Medicare at roughly \$155 per transport. While there is currently a supplemental program known as the Quality Assurance Fee (QAF), this program increases the total reimbursement to \$339 per transport with one caveat being there is a tax that must be subtracted from the total reimbursement. Therefore, the actual reimbursement is greater than what was previously paid by Medi-Cal but still falls short of the full \$339 per transport.

The third concern is the need to pull resources from outside the County when multiple calls are occurring within the County. Because there is only a single dedicated unit to Colusa, there are times when a second, or in some cases even a third, incident requires additional units to be called. This could also be a situation where one incident has created multiple patients who need emergency transport. As previously stated, the issue is not the management of the single EMS incident, but the system's inability to efficiently manage multiple incidents or multiple patients. There are times when an incident occurs that may not be life threatening but does require transport via ambulance. This is often the case and in a well sustainable system is not a problem; however, in a stressed system like Colusa it is a critical point. Systems should be



designed to handle a single incident with capacity to manage multiple incidents at the same time. In these types of systems, the system needs only to focus on the incident at hand, even those incidents of a minor nature. Should a second incident occur of a more critical nature, crews can maintain control of the first incident while other first responders and ambulance units respond to the second call for service in a timely manner and without interruption to those crews working the first call for service. While not occurring multiple times per day on a regular basis, it does occur enough that the system is stretched to its limits. When these multiple incidents occur, it is common to request services from outside the County, such as Butte, Yolo, and, in some cases, Lake County. This creates long response times that, depending on the nature and severity of the patient's needs, can create a life-threatening scenario for the patient. As a side note to this, the impact to the first responders is that for every minute fire departments remain on scene waiting for an ambulance to arrive, they are not available to respond to other emergencies. Response to fires, accidents, and rescues are all time sensitive emergencies where response times often mean the difference between life and death to those involved.

The fourth obstacle is the inability to triage or prioritize the calls as they come into the dispatch center. There are multiple programs that allow a dispatcher to ask a series of questions to determine the nature of the incident and then prioritize the incident and send the most appropriate resource to the call. This triage system allows delaying a response to lower acuity calls and rapid response to higher acuity calls. This in itself builds capacity in the system.

Colusa County has a single primary PSAP that has served the County well for many years. Ideally, the dispatch center would hire additional call takers and dispatchers to provide call triage and prearrival instructions for medical incidents. This would significantly enhance

officer safety as well as provide greater accountability for fireground operations. With this said, the County struggles to staff the 10 dispatch positions they currently have. There are only so many dollars available, which compounds this issue, and our elected officials and those who are responsible and accountable for the tax dollars have to make the hard decisions where those dollars are spent. While enhanced dispatch services would be optimal, it is not practical at this time.

These four issues are some of the higher priority items that impact a well-developed deployment of resources in an EMS system. The next step is to take a deep dive into developing a system of long-range plans to create a more robust EMS system.

## Focused Discussion of Challenges

With a basic understanding of the current system, we will breakdown each component and its impact to services.

### Dispatch

Most high-performance systems rely on a well-integrated system encompassing all the major components from call initiation to completion of the call. This may be transport to an emergency facility or simply mitigating the emergency on scene. Most all incidents start with the call initiation as it comes into the dispatch center. In most cases when an emergency incident is recognized, a call is placed into the emergency services system via 9-1-1. A dispatcher answers the call and confirms the location of the emergency and the nature of the emergency. If the call is a fire, the dispatcher determines what is burning and sends the appropriate resources. If the emergency is medical in nature, the dispatcher can begin a series of questions to gain a better understanding of the medical situation. Based on the answers to the questions, the dispatcher can provide instructions to the caller to help the patient prior to the arrival of first responders and ambulance crews. These questions and subsequent instructions serve several purposes. The first is to help stabilize the emergency, such as instructing how to do CPR, clear an obstructed airway, stop bleeding, giving aspirin for chest pain, or just providing support to a child whose parent is ill. The second benefit is providing updates to first responders on the nature of the emergency, whether the patient is responding to the prearrival instructions, etc. A third benefit is it allows the dispatchers to prioritize the response of emergency units. There is no need to dispatch a fire engine and ambulance with lights and sirens to a person who has had leg pain for several days. An emergency response with lights and sirens is a dangerous activity. The National Transportation Safety Board (NTSB) has found there are an average of 30-50 people

killed each year from collisions with ambulances. This does not include fire engines or law enforcement vehicles. However, there is a time and place where an emergency response is necessary and worth the risk. Another aspect to priority dispatching is the ability to start a response to an incident that has been determined to be a low acuity emergency. If a second incident is called into the PSAP and the dispatcher determines the second emergency has a greater need due to the nature of the incident, the dispatcher can now reroute the ambulance and first responders to the incident with a greater need, recontact the first caller, notify them of a longer response, and reassure the caller that help is on the way. This triage system is known as Emergency Medical Dispatching (EMD) is internationally recognized and is the standard across the country. The significant take-away from this is unless there is an approved EMD program, the PSAP is required to respond all units to the incident location in the same manner "Code 2" or "Code 3." Absent an approved program, any changes in response prior to arrival of first responders that results in a negative outcome to the patient lacks significant defense to a legal action.

## Coordination of Dispatch Services

Best practices for dispatching of EMS services are detailed in National Fire Protection Agency (NFPA) 1221, which lays out parameters for dispatching EMS services. To illustrate the anatomy of the dispatch chain, a call is received via a 9-1-1 call either from a cell or landline phone. The call is received at the primary PSAP where the nature of the call is determined. The call can be transferred to a secondary PSAP or retained at the primary PSAP. A certified Emergency Medical Dispatcher begins interrogation of the caller, determining the location and nature of the emergency. Units are dispatched to the location while instructions are provided to the caller. Updates are received from the caller and passed on to responders. If the emergency

is stabilized or another call comes into the PSAP, the EMD dispatcher can terminate the call to manage the second incident. This entire process typically takes less than two minutes.

Currently in Colusa County, there are multiple access points into the emergency system. The Colusa Sheriff's office is the County's primary PSAP. This dispatch center is often staffed with only a single dispatcher. In addition to the dispatching duties, they are also responsible for assisting with the jail's security and coordinating some, but not all, access points to the jail. They are responsible for all EMS and fire related incidents, as well as law enforcement dispatching. With a single person working all four tasks, there is little room to ensure officer safety, fire scene communications, and call taking. While this system has worked, it is clearly not optimal from a safety perspective.

During the 2019-20 legislative season, the Governor signed into law SB 438, "Emergency Medical Services: Dispatch." This bill was in response to varying levels and fragmentation of the dispatching of emergency services across the state. In 1973, the Warren 911 Act was designed to create a single three-digit statewide number to streamline the processing of requests for emergency services. Over time, private ambulance companies began dispatching ambulance and first responders to emergencies. This led, in some cases, to a reduction or complete elimination of the dispatching of first responders in favor of the private providers. SB 438 is designed to restore public safety dispatching to public safety dispatch centers in an attempt to better control the processing and management of emergency response. The bill requires that when a primary PSAP receives a call, that call can be transferred to a secondary PSAP for call processing and, when indicated, call triaging and prearrival instructions be provided to the caller. SB 438 states that the transfer of the call must be made to a public safety answering point to maintain integrity of the call processing. The only exemption to this is if an agency contracted

with a private dispatch center prior to January 2019. If so, they may continue to utilize the private dispatch center. SB 438 does not prevent an agency to contract with another PSAP or secondary PSAP to provide the call processing and dispatching of units. When ambulance services are needed in Colusa County, the County Sheriff PSAP requests Enloe Dispatch Center to facilitate the dispatching of the ambulance unit. Despite the fact that Enloe is capable and competent to provide complete EMD, they cannot be utilized to provide those services because the County did not have a contract with Enloe prior to January 2019.

The Arbuckle College City Fire Protection District has a bifurcated system that, depending on whether the caller uses a seven-digit number or the 9-1-1 system, the call is received by either the Yolo County dispatch center or the Colusa County Sheriff's PSAP. Arbuckle has chosen to pay for the services provided by the Yolo Dispatch Center which include full EMD services. However, there does exist a disparate level of service to the residents of Arbuckle as some will receive EMD services while others will simply receive a response based upon the number they dialed. As a result, those residents outside of Arbuckle also receive a disparate level of service compared to those who live in Arbuckle.

Please be aware that this discussion point is not to draw attention that Arbuckle College City operates differently than the remainder of the County, as they choose to pay for these services. The discussion point is that best practices suggest the well-coordinated system includes a well-planned and executed central point of contact countywide and a consistent deployment of resources. This concept is known as "pathway management" and promotes quicker and consistent distribution of resources to all County residents and visitors to Colusa County.

## Ambulance Resources

As discussed in the 2020 study, the economics of healthcare financing are the same regardless of the healthcare service provided, meaning that healthcare is a consumer-based business. Emergency ambulance service is no exception. The expectation is that there is enough business within the system to fund the services. In most cases this is true, with many EMS systems open to competitive bidding as these contracts are extremely lucrative. However, like many rural counties throughout the country, the system itself does not support the cost of providing the services. A recent article in the Wall Street Journal profiled several states where rural ambulance providers have left areas completely unserved due to lack of funding. Enloe Ambulance has committed to providing a single 24-hour ambulance to Colusa County; however, when that unit is dispatched, it is no longer considered available in the system. This creates a dilemma to the system and neighboring counties. Until a unit arrives at the scene of the incident or without EMD triage of calls, any agency that cancels or changes the response to the incident assumes a huge liability. EMD provides a defense to the liability incurred with an emergency response. Therefore, when the second incident occurs outside of EMD, best practices would be to continue the first incident's response and start the second unit to the second incident to limit exposure to any agency.

## Reliance on Outside Agencies

Current practice in the County is to rely on outside resources to support the lack of resources within Colusa County. Because the County has large unpopulated areas between populated areas, response times can be lengthy. In the case of Arbuckle, for example, a call generated in their jurisdictional area may have a quicker response time from an ambulance in neighboring Yolo County. In most cases, Yolo has no issue with sending a unit to the Arbuckle area; however, the units responding from Yolo are contractually obligated to meet certain



response time standards. When those units are available to respond, they not only transport the patient but also collect the revenue from the transport. When those units are unable to respond, it provides no benefit to the Colusa system. In addition to the obligation to Yolo County, the ambulance provider is held financially responsible for non-compliance to the Yolo County contract. Simply stated, ambulances will respond out of Yolo County into Colusa County only when there is little chance of compromising their compliance to the contract. The same holds true for the surrounding counties of Butte and Lake.

### Impacts to First Responders

The backbone of every EMS system is first response. In most cases, the fire agencies which are dispatched along with the ambulance providers arrive prior to the ambulances. This is mainly due to the larger number of first responder units available in the system. This is the safety net to the public. Because they arrive prior to the ambulances, those first responders often can reduce the ambulance from a lights and sirens response to a slower response without lights and sirens, providing a safer response to the public and the ambulance crews. This, however, increases the response times of the ambulance units and also allows those fire agencies to divert the ambulances to a higher acuity call for service. This is a good practice and should be encouraged, but due to the lack of ambulance units and the need to rely on outside providers, this requires first responders to remain on scene longer which, in turn, reduces capacity in the system. As Colusa County relies heavily on volunteer fire districts with reduced staffing during the day, any delays in ambulance response decreases resources to respond to other emergencies of various natures throughout the County. The goal should be to send the appropriate resources to the incident in the appropriate response mode, and address and mitigate the incident as quickly as possible to make the resources available for the next incident with the least amount of impact to the surrounding county providers. The lack of ambulance



resources reduces the ability of first responders to clear the incidents and return to a state of readiness for the next incident in the most timely manner.

## Hospitals and Receiving Facilities

Hospitals play an important role in the overall system performance and capacity for emergency services deployment. SSV is responsible for not just the policies that govern the system's first responders and ambulance providers, but the hospitals as well. SSV's Policy #505 provides direction for transport and the process for considerations of patient destination. Policy 505 states, among other things, the following:

### Policy 505

*A. In the absence of decisive factors to the contrary, EMS personnel shall transport emergency patients to the most accessible medical facility equipped, staffed, and prepared to receive emergency cases and administer emergency care appropriate to the needs of the patients. In determining the most accessible facility, EMS personnel shall take into consideration traffic obstructions, weather conditions, or similar factors which clearly affect transport time.*

### Procedure 505

*A. The most accessible medical facility shall ordinarily be the nearest licensed healthcare facility which maintains and operates a basic emergency department, except for the following circumstances:*

- 1. The base/modified base hospital may direct a patient be transported to a further acute care hospital equipped, staffed, and prepared to receive emergency cases, which in the judgment of the base/modified base hospital physician or MICN, is more appropriate to the medical needs of the patient. Such direction shall take into consideration the prehospital provider's time and/or travel limitations.*

*B. (not pertinent)*

*C. When a patient, or their legally authorized representative, requests transportation to a hospital other than the most accessible, the request should be honored when prehospital EMS personnel and/or the base/modified base hospital determines that the condition of the patient permits such transport; **except when prehospital EMS personnel determine that such transport would unreasonably remove the transport unit from the area. In such cases:***

- 1. Arrangements should be made for alternative transport if possible.*
- 2. If such transport cannot be obtained without unacceptable delay, the patient may be transported to the nearest hospital capable of providing appropriate treatment.*

While the above references are not all inclusive, they do provide the foundation for a modified prehospital deployment plan to build capacity in the system. This deployment will be discussed in detail later in this document. The term "prehospital EMS" describes the services prior to arrival at the emergency department. As we can plainly see, the hospitals are very much a part of the overall system and thus need to consider all aspects of the "system." It is a collaboration mandated by policy between the hospitals, first responders, and ambulance providers as to the final disposition of the patient.

## Community Awareness

While Colusa County is unique in many aspects, it is typical of most cities and counties across the country regardless of size in that the general public's understanding of the emergency services and 9-1-1 systems is derived from numerous television shows and movies. Since the

inception of the 9-1-1 Warren Act, children have been taught to “call 9-1-1” when there is an emergency. Our television entertainment depicts a never- ending supply of first responders, paramedics, and ambulances to handle even the most complex incidents without delay. Nothing could be further from the truth, as system demand often exceeds system supply. Many cities, both rural and urban, have mechanisms in place to address high demand requests. Call triaging is the quickest and easiest method to address and prioritize lower acuity calls, but this is not possible without an approved EMD program at the dispatch center. Another way is through public education. This is often undertaken at the school level without first responders and ambulance crews. As we would never discourage the importance of school-based public education, the majority of callers activating the emergency services system are adults. Unlike children who are a captive audience, adults are not. Therefore, the opportunity to educate that particular population demographic is not realistic to a degree to have an impact on the system’s volume.

## Summarizing System Challenges

Following the anatomy of an EMS incident can illustrate the challenges faced in the County.

- An emergency call for service is initiated by the public
- Call is received by any one of the access points (primary PSAP, Yolo, or Enloe)
- EMD may or may not be used and the caller may or may not receive pre-arrival instructions
- Tiered response by priority is not available
- First responders and ambulance are dispatched to the scene in the same manner regardless of the severity or nature of the illness or injury
- Until arrival of the first unit, the ambulance is committed to the call
- First responders are committed to the scene until released by the ambulance crew or the patient refuses service (leaving the scene prior to ambulance arrival is potentially patient abandonment)
- Transport is initiated by the ambulance in accordance with SSV policy
- First responders return to quarters for the next emergency
- Patient is delivered to the receiving Emergency Department
- Ambulance crew returns to quarters for the next call for service

This process works relatively well until there are multiple requests for service. This is where the system becomes challenged to meet demand. With only a single unit committed to the County, when a second call for service is received, unless there happens to an ambulance at an area hospital or returning to a base outside of the County such as Butte, it's the second call for service that triggers the dispatch of a unit into Colusa. This in itself is a delay in the system.

As 49% of the County is designated as agriculture, transportation throughout the County is often not a direct path, which adds to what is most likely an already extended response time. This delay contributes to the system overload through depletion as it now requires first responders to wait on scene longer for ambulance arrival. This reduces the number of units available to respond to other emergencies in the County and requires units from other jurisdictions to leave their normal response zones to provide services elsewhere, further depleting the County's normal response pattern and creating additional gaps in the system. Hospitals sometimes contribute to this by diverting ambulances to further destinations based on patient condition, which should always be based on the patient's best interest. This also contributes to system depletion by taking the ambulance further from the core in the County. While the SSV protocols allow and support that to occur in the interests of patient care, the policy also recognizes that when the system is depleted, that can override final patient destination. As there is only a single ambulance deployed in Colusa County, the simple dispatch of the only ambulance has created the very issue that Policy 505 has provisions to resolve. This in no way suggests that the hospitals are intentionally contributing to the delivery challenges, but more as a matter of usual practices by hospitals throughout the state.

## Recommendations

Recommendations should be taken as best practices and not absolutes. Many of the recommendations will never be practical to implement and most should be categorized as short-term and long-term goals with the ultimate objective to create a sustainable system that can enhance the overall EMS system and provide for a safer community.

### Dispatch

Best practices suggest that a single point of access is best for several reasons, paramount being constancy and continuity. The dispatch center would be best served to employ multiple personnel that can take the initial request for service, determine the nature of the emergency (law, fire, and medical), and via EMD provide pre-arrival instructions to the caller while another dispatcher can dispatch the incident and provide updates to responding crews. In addition to the benefits for EMS, having a minimum of two dispatchers provides for both fireground safety, as well as officer safety, by allowing the second dispatcher to focus on the needs of field units during critical incidents. Due to the need to hire additional personnel, training, and funding, this is a long-term goal.

- Cost based on staffing, training, and equipment upgrades: \$500,000+/-
- Long-term goal

### First Responders

First responders, primarily the various fire agencies, are impacted when on scene for long periods of time waiting on the ambulance response. Often, the dedicated ambulance to the County has long response times just because of the geography. When the ambulance is committed, the wait can be longer. Fire agencies within the County should consider participating in a "surge plan" that can be implemented when there are no services available in the County.

Using data from SSV and Enloe Ambulance, it is estimated that this surge would be needed to facilitate less than 100 transports per year. Assuming the availability of ambulances has been resolved, this is a short-term goal.

- Cost based on fuel, maintenance, insurance, and existing on duty-staffing: <\$50,000
- Short-term goal

## Dedicated Ambulances

During meetings with the Sheriff Dispatch Supervisor, Enloe Ambulance, and the County's Fire Chiefs, a general consensus was found among the group that when Enloe was financially able to provide two full-time units to the system, there were little if any issues surrounding a delay or lack of services. As was found in the 2020 study, the call volume and payer mix of the patients being transported does not generate sufficient revenue to support two ambulances. Furthermore, with changes in healthcare coverage Enloe Ambulance currently subsidizes the single dedicated ambulance by nearly \$200,000 per year. It goes without saying that the economics of healthcare financing cannot resolve this problem by simply raising the rates for transport services. To achieve a long-term financial solution, it is imperative that the community become engaged and participate in finding a solution to the economic sustainability of two dedicated ambulances. Using the current costing structure, it is estimated that an additional \$911,707 is needed in addition to the revenue currently being collected for transport services to support two full-time units. Thus, this is a long-term goal.

- Cost for two full-time units: \$1,000,000 +/-
- Long-term goal

## Hospitals

Area hospitals should recognize that once an ambulance has been dispatched in Colusa County there are no automatic move-ups being initiated. Therefore, the dispatching of the single unit creates a quasi-emergency due to the lack of units within the County. Known as Status Zero (0), there is no ambulance in the system. It would be prudent for the hospitals to take into consideration the exposure to negative outcomes for patients with long arrival and transport delays. Working closer with the ambulance crews would increase system capacity by reducing the time commitment for each patient transport. This would be a short-term goal.

- No cost
- Short-term goal

## Public Awareness / Education

Education is rarely considered a bad thing. Outreach programs that help community members know when to use the 9-1-1 system and options for when not to activate the EMS system will help reduce unnecessary response by first responders. This builds capacity in the system. If this educational outreach results in fewer transports, there will be a corresponding reduction in reimbursement which then will drive up the cost needed to subsidize the system.

The “awareness” aspect should focus on educating the community to how fragile the County’s EMS system is and the potential danger to public safety it brings. The intent of a public awareness program will allow the taxpayers in the County to help direct the elected officials to address community concerns.



## First Responder “Surge Plan”

Two meetings took place with the County’s Fire Chiefs and the Assistant Sheriff and round table discussions revealed commonality with concerns of the overall system. All parties agreed that there were options that can be implemented to reduce wait time for ambulances and to provide a more rapid transport for patients. There are three primary providers that have stepped up to assist in supporting ambulance transport in Colusa County.

Maxwell Fire is a variably staffed fire department with limited resources. However, their commitment to the County was their ability to respond an ambulance when called upon without a commitment to times or days, due to their limited staffing during daytime hours. Therefore, their response is based on needs and requests. This unit should be considered a secondary use ambulance.

Colusa Fire is a 24-hour staffed department and has the ability to staff a unit with two people when called upon to provide services within their jurisdictional boundaries. If called upon to respond outside of the City of Colusa, the Chief has committed to responding their ambulance in a 15-mile radius from the center of their station. Based on a simple 15-mile radius, this new response zone would encompass roughly the Sutter County line to Grimes, portions of Arbuckle College City at Tule Road and I-5, Williams west to Camp/Schaad Road along Hwy 20, Maxwell west to Danley Road, I-5 to Delevan and north to Princeton, and is provided as a reference to the areas they could respond. The caveat to the out of Colusa City response is the Chief will respond a single person and the responding fire agency will be required to provide the EMT to attend to the patient.

Stonyford has agreed they will support the system with an alternate transport vehicle to facilitate patient movement to a landing zone for helicopter extractions and will also, when

needed, use this vehicle to meet a responding ambulance that may not be able to reach a patient in a remote location. They will not transport a patient to the hospital.

Stonyford is unique in that due to their remoteness, they rely heavily on helicopter transport. It is common that an ambulance and helicopter are dispatched simultaneously and allowed to respond until one or the other has arrived. This takes the ambulance out of the system for long periods of time. The County should adopt a policy that states that upon confirmation that the helicopter has launched, the ambulance should be released to return to provide coverage for the County. This will reduce the delay in returning coverage.

## Dispatch Protocols

Early discussions brought up the concept of automatic dispatch criteria for when and how the surge plan could be automated and activated in a consistent manner. This would, in our opinion, be the optimum manner to reduce confusion and response times. The Chiefs, however, ultimately decided they would not commit to a standard but manage response on a day-by-day and incident-by-incident need.

## Summary

Colusa County is challenged by a low call volume and a payer mix that cannot, in any manner, support more than a single ambulance. The unit provided by Enloe Ambulance and the revenue received from transports falls short of covering Enloe's cost of service and finds Enloe has subsidized this unit by nearly \$200,000 per year. The 9-1-1 dispatch system is bifurcated in the County and provides for a disparate level of services depending on where the call comes from. The hospitals often direct transport to destinations that, while better for overall patient care, contribute to delays and coverage issues at times. The fire agencies can provide some stop gap measures to reduce the impact of the lack of ambulances in the County but are not capable of resolving the issues in its entirety. The LEMSA (SSV) has demonstrated their desire to assist in any way to help the overall situation to the extent they have approved alternate transport vehicles as well as even going so far as to allow non-EMT staff to assist in reducing the impact with transport. As stated throughout the document, a system with a single point of contact, EMD services, and multiple ambulances in the system with a robust surge plan would take the County to a modern level of services and provide a greater safety net for the residents and visitors. However, the system does not provide the revenue to support this level of modernization. The only realistic options to implement any or all of these changes relies on revenue over and above what the system can support. As such, we would recommend that County consider a series of public workshops to educate and inform the community of the current system and the risks it possesses, and receive input from the community as to the level of services they desire along with their tolerance to pay for these enhanced services in the form of a benefit assessment, sales tax, property/parcel tax, etc.

Colusa County provides not only an opportunity for people to live and enjoy a life style of rural living that many envy, but also provides an agricultural industry that extends far beyond

the county lines. However, the benefits of rural living also come with risks and challenges. In the case of emergency ambulance services, it is imperative that the communities and residents understand the capabilities, as well as the limitations, of their system.

## Addendum

This addendum provides distinct options for providing continued and funded ambulance services to the County of Colusa. On November 22, 2021, the County Fire Chiefs, Enloe Ambulance, Sierra Sacramento Valley EMS, Colusa County Sheriff, and two Supervisors met for five hours to finalize a pathway forward. All parties in attendance worked cooperatively to reach a common goal, which was identified as providing a higher and consistent level of ambulance services.

As identified in the previous studies and reports, the current system relies on a single dedicated ambulance from Enloe Health. This ambulance operates at a deficit and is not bound under any contract or agreement with the County. The lack of a contract or agreement, along with revenue which is less than operating costs, exposes the County to interruptions in services from Enloe.

Below is a breakdown of the immediate actions the County Chiefs have agreed to implement to provide ambulance transport services when the system is unable to obtain immediate ambulance coverage. This is followed by four deployment models with corresponding costs. Options for increased dispatch services for both Sheriff and EMS activities are included.

### Immediate Actions for Continued Services

In the previous reports it was identified that the current coverage for ambulances is a single unit provided by Enloe Health. When this unit is dispatched, there is no additional ambulance coverage in the County. Upon notification of another incident, a second ambulance is then located to respond. In some cases this is seamless, while at other times it requires a search to locate a unit to take the second EMS incident. This is a reactionary response mode that leaves gaps in the system and places the public at risk. This process will continue as

described with the exception that the County Chiefs will respond a transport unit when there are no units available or potential significant delays are found in the response.

When this occurs, the County Chiefs have agreed that the City of Colusa will respond their Alternate Transport Vehicle (ATV) with a single person to within a fifteen-mile radius of the agency where the call is located. The responding agency who has jurisdiction for the incident will provide a second EMT or EMR to facilitate the transport of the patient to the nearest hospital or rendezvous point where paramedics or a helicopter will accept the transfer of the patient for the final destination of the receiving facility. While this approach is not optimal, it does codify the response agreement between agencies and provides a more consistent level of service to the County. The cost of this stop gap measure is minimal and is primarily fuel, maintenance, and supplies.

## Deployment Options

There are four deployment options that address the issues and concerns for Colusa County. The objectives in this approach were to provide two ALS ambulances twenty-four hours per day 365 days per year, as well as alternatives such as combinations of BLS and ALS.

### *Option #1: Contracting with a Private Provider*

Under this deployment, the County would contract with a private ambulance provider to supply two 24-hour ALS ambulances to the County. The provider would be responsible for all staffing, vehicles, insurance, maintenance, and patient records to meet the requirements of the County and LEMSA. Due to the cost of this deployment model, it is likely that the County would need to draft an RFP and solicit bids from prospective providers. While the final cost will be determined by the content of the RFP, we can use the current provider costs (Enloe) to determine a reasonable fiscal impact to the County. Currently, Enloe provides a single unit at a

cost of \$763,680. Multiplied by a second unit, it is safe to assume that the current two-unit cost would be \$1,527,360. However, a deployment of two units would likely require some additional overhead and management costs due to the logistics of introducing an additional unit into a multi-county operation as Enloe has. It is anticipated that while some additional costs may be needed to support the second unit, it is not likely to be a major cost to the County. The actual and true costs of these services are unknown and can only be calculated once an RFP for services has been posted and a contract awarded. With this said, a two-unit system deploys a total of 17,520 annual unit hours with a corresponding unit hour cost of \$87.18 per unit hour. This would be among the lowest commercial ambulance rates in the state. This appears to be directly related to the lower hourly rates paid to employees when compared to the remainder of the state, in addition to the fact that Enloe is non-profit. However, due to the shortage of both EMTs and Paramedics, it is uncertain if this rate is sustainable in the long term. A contract of this nature should include a multi-year commitment from the provider, a surge plan for coverage, yearly escalators in rates, and performance standards to meet for contract extensions. It is suggested that a 20% overhead cost be included to the estimated cost above bringing the total cost (using Enloe current costs) to \$1.8 million.

The benefits to this type of deployment are that it provides for a complete turnkey operation that does not require any significant dedication of resources by the fire agencies or the County. This allows first responders to respond to an EMS incident without a commitment to continue patient care to the hospital. This, in turn, maintains maximum capacity for other incidents - both EMS as well as non-EMS activities across the entire county.

The timeline for implementation of a subcontract is dependent upon the County's procurement process in drafting an RFP and the negotiations between the bidder and the provider. Once completed, there is a time frame to recruit new employees, outfit units, and

establish schedules. These logistical needs are dependent on the provider's internal capacity to stand up operations and could be as little as 90 days or up to a year to be fully operational.

### ***Option #2: Creation of an Ambulance District***

Special Districts are authorized under the California constitution but while very prominent in years past, the creation of a special district is more difficult today. This process must go through several steps, including the Local Agency Formation Commission (LAFCo) approval process. The LAFCo process is dependent upon the complexity of the special district and the funding source to name a few. Unlike Option #1 which relies on a turnkey operation provided by a single ambulance provider, the creation of a special district requires the entire infrastructure be developed. This includes an elected Board, Administrator, administrative staff, offices, ambulances, employees, policies, establishment of rates for services, uniforms, billing and collections, Medical Director, training, etc.

Determination of actual costs are extremely difficult as most are not known until the framework of the entire operation has been established. The development of the framework requires the creation of a business plan to establish costs for the LAFCo process to approve or disapprove. As a result, in today's environment this can take several years to complete. However, as this is a realistic option, we have used the cost structure of an ambulance district in Stanislaus County to aid in applying a cost for consideration by Colusa County.

The deployment continues to be based on two 24-hour ALS units staffed by one EMT and one paramedic. As these crews are not firefighters, they do not qualify for the 7K exemption that firefighters enjoy under FLSA. There are several shift options with the two most common among public providers being a 24-hour shift schedule and 12-hour shift schedule. The primary consideration is the staffing requirements for each model. The 24-hour shift requires less crew



members, a total of six working a standard 56-hour work week similar to the firefighter schedule. This shift schedule incurs more overtime hours as a normal 40-hour work week consists of 2,080 hours per year plus an additional 832 overtime hours for a total of 2,912 per year per employee for each unit. The advantages to this are the overtime costs are offset by the reduced number of employees compared to the 12-hour deployment. Conversely, the 12-hour deployment methodology requires eight employees per staffed unit. The benefit to this deployment is less overtime hours in some cases offsets the additional personnel. Another advantage to a 12-hour shift option is the additional personnel add more flexibility to cover shifts.

Below is a comparable difference of cost between 12-hour staffing and 24-hour staffing using hourly rates only.

<b>EMT @ 12-hour shifts</b>	<b>Hours worked</b>	<b>Paramedic @ 12-hour shifts</b>	<b>Hours worked</b>	<b>Totals</b>
Hourly rate \$16.23	2,080	\$19.90	2,080	
OT rate \$24.35	208	\$29.85	208	
Total annual hours	2,288		2,288	
Total compensation	\$38,823		\$47,601	\$86,430
Staffing x 2 units (8)	310,584		\$380,809	\$691,392

<b>EMT @ 24-hour shifts</b>	<b>Hours worked</b>	<b>Paramedic @ 24-hour shifts</b>	<b>Hours worked</b>	<b>Totals</b>
Hourly rate \$16.23	2,080	\$19.90	2,080	
OT rate \$24.35	832	\$29.85	832	
Total annual hours	2,912		2,912	
Total compensation	\$54,017		\$66,227	\$120,244
Staffing x 2 units (6)	324,103		\$397,362	\$721,465

As reflected in the tables above, the difference between 12-hour staffing versus 24-hour staffing is minimal at \$30,000 between the two. However, two factors that must be considered are the benefits packages and the salaries for these employees. The built-in overtime for the 24-

hour shifts creates a larger annual income compared to the 12-hour shifts. This will be more attractive for recruitment and retention. In addition to the greater salaries, there will be less costs for benefits and future pension liabilities.

This new district will need to establish a complete cost allocation for benefits and pension that is yet undetermined. To provide an example, the ambulance district used for this survey, Del Puerto Health Care District, shows their fully encumbered cost for EMTs at \$80,366 and paramedics at \$93,655 (all inclusive). Applying this total cost factor to the ambulance personnel only assigned to 24-hour shifts bring employee costs alone to \$1,044,126.

To estimate a reasonable cost for operating a health care district using the Del Puerto budget, we can input the following cost factors

Cost Center	Administration	Operations	Totals
Salaries/wages	\$216,090	\$1,044,126	\$1,260,216
Benefits	\$58,947	\$281,795	\$340,742
Professional fee'	\$58,642	\$18,162	\$76,804
Purchased services	\$5,675	\$215,016	\$220,691
Supplies	\$3,471	\$92,341	\$95,812
Utilities	\$3,788	\$17,675	\$21,463
Rent/lease	\$2,174	\$360	\$2,534
Insurance	\$17,202	\$178,454	\$195,656
Maintenance	\$1,385	\$62,192	\$63,577
Depreciation	\$5,889	\$156,742	\$162,631
Other	\$27,465	\$193,036	\$220,501
<b>Total Expense</b>	<b>\$400,725</b>	<b>\$2,259,899</b>	<b>\$2,660,624</b>

### ***Option #3: Subcontracting ALS Ambulance Services with a Private Provider and Two Dedicated BLS Ambulances with Fire Agencies***

An option discussed in our most current meeting was the continued use of a private ALS ambulance provider staffing a dedicated 24-hour unit and contracting with one or more fire agencies for BLS ambulances. The disadvantages of this type of system are the loss of an

additional ALS unit in the County. It is a fact that most incidents do not require direct ALS treatment and interventions; however, without the ability to triage the call and dispatch the closest, most appropriate unit to the incident, there will always be a risk that ALS and BLS units may be responding to incident types that are not appropriate for their service level. Conversely, there are benefits to this hybrid type of deployment. One is the ability of fire department-based BLS units to be employed and housed in fire stations which then provides additional personnel on the fire ground when needed. At a cost nearly the same as the two ALS unit costs described in Option #1, two BLS units can be introduced into the system increasing total ambulance coverage to three units. The Williams Fire Department provided a fully encumbered cost to fully staff a dedicated BLS unit per year at \$540,913. Applying this cost to two units brings the total to \$1,081,826. When combining the cost of the Enloe unit and the two fire department-based BLS units, the total cost is \$1,845,506.

Option #3 provides for one additional ambulance where the others don't. The trade-off is reduction of the ALS capabilities with the County.

#### ***Option #4: Subcontracting ALS Ambulance with a Single Partially-Staffed Ambulance through Fire Agencies***

This option is nearly identical to Option #3 in providing two dedicated ALS ambulances and includes a partially-staffed BLS ambulance provided by Williams Fire. This concept should be viewed from the perspective that the ALS units provide the primary EMS transport response and the third unit, BLS from Williams, will function in the same manner as the stop gap plan discussed in the beginning. Unlike the stop gap that relies on the use of on-duty firefighters to staff an ambulance, this unit is available and staffed without impacting the Williams engine company staffing. It should be noted that this deployment requires the agency whose jurisdiction the incident is located will need to provide the additional member to continue to provide patient

care. The positive side of this option is the dedicated BLS unit is available during those infrequent times that both units ALS unit are committed to other incidents. Williams also provided this cost breakdown and estimates fully encumbered costs at \$270,456.64. Combined with the two ALS units, it brings the total operational costs to \$2,070,456.

## Dispatch

One of the most vital aspects of the EMS system is the communications center or Dispatch. These services are provided by the Sheriff as the primary PSAP. Dispatch currently provides limited service to the EMS system due to staffing issues, primarily recruiting for dispatchers. This is not a Sheriff's Department issue, but a nationwide issue. Emergency Medical Dispatching provides for call triaging and prearrival instructions to be given to callers for medical emergencies. California regulations and laws pertaining to dispatching do not allow a public dispatch center to transfer an EMS call to a private dispatch center for dispatching purposes. Because the Colusa PSAP does not provide EMD services, there is no current ability to triage BLS incidents from ALS incidents to dispatch the appropriate unit type as described in Option #3. There is an opportunity to enhance the EMS experience for callers during the time of the emergency. While a PSAP cannot transfer a call to a private dispatch center for dispatching, they can transfer the caller to a private dispatch center to receive pre-arrival instructions while units are responding. These pre-arrival instructions often limit the impacts of the medical emergency, benefitting the patient and reducing the impacts and anxiety of family members as well.

The current PSAP staffing is a single dedicated dispatcher/call taker located within the Sheriff's office. This creates significant concerns as discussed in the study previously presented. We would recommend that an additional two dispatchers be considered during the peak hours of the day. Not only will this enhance the safety across both law enforcement and fire but can

begin the transition to a full EMD program in the future if the County chooses to go that direction. Assistant Sheriff Bradwell has provided the fully encumbered cost of a Step 2 Dispatcher at \$90,158.59. Introducing two dispatchers brings this cost to \$180,318.

## Funding the Enhanced Deployment Options

The team, with some guidance from the two supervisors present and participating in the meeting, determined that funding this would require an alternate funding source separate from the revenue received through transport services. Options for a benefit assessment, partial tax, occupancy tax, and sales tax were discussed in depth. The consensus was the implementation of a sales tax would be the best option and most likely to be accepted by the public. In a brief discussion with a municipal accounting firm (NBS), they were able to review the current projection of “taxable sales” in Colusa County for 2022 at \$249 million. While these are moving targets and subject to economic conditions, they do have the ability to fluctuate from year to year. As an example, 2015-2019 showed an average taxable retail sales of \$212 million with 2020 coming in at \$195 million. While it is not disputed that this drop was pandemic related, it would have experienced a drop in collected revenue to support the deployment costs. Until a complete estimate of a sales tax can be determined, preliminary projections indicate a one cent tax could generate between \$2 to \$2.5 million in revenue to support the ambulance system. When combined with the revenue from transport, total revenue could be as high as \$3 million per year. This number should be considered a hard maximum number, understanding that this could be as low as \$2 to \$2.5 million.

## Pending Costs Yet to be Determined

An unknown cost factor is the ability and capacity for the County to administer and collect the revenue for distribution to the subcontractors and fire agencies. This process would require the County to oversee the sales tax revenues as well as collect and distribute the revenue from

transport. The Supervisors present in the meeting did not suggest that this should pose a problem, however, they did not commit the County to providing the service. They will be meeting with the appropriate County offices to determine the capacity and cost for those services. Until those have been determined, this cost is pending.

## Summary of Options and Associated Costs

### Option #1: Subcontracting to a Single Private Ambulance Provider

<b>Ambulance Contract</b>	<b>\$1,800,000</b>
<b>Additional Dispatcher</b>	<b>\$180,317</b>
<b>County Admin Cost</b>	<b>?</b>
<b>Total Expense</b>	<b>\$1,980,317</b>
<b>Transport Revenue</b>	<b>\$650,000</b>
<b>Sales Tax</b>	<b>\$2 million</b>
<b>Total Revenue</b>	<b>\$2.65 million</b>
<b>Net Revenue</b>	<b>\$669,683</b>
<b>Reserve Fund 50%</b>	<b>\$1,000,000 / 1.5 yrs.</b>

This option provides for two ALS units through a private contractor. It has a high probability for success with little impact to the local fire agencies. It allows for the creation of a reserve fund in the first year of operation. It should more than cover the administrative costs to the County and can supply a revenue stream to expand fire department staffing in support of the County's EMS mission.

### Option #2: Creation of an Ambulance District

<b>Estimated Cost</b>	<b>\$2,660,624</b>
<b>Additional Dispatcher</b>	<b>\$180,317</b>
<b>County Admin Cost</b>	<b>?</b>
<b>Total Expense</b>	<b>\$2,840,941</b>
<b>Transport Revenue</b>	<b>\$650,000</b>
<b>Sales Tax</b>	<b>\$2 million</b>
<b>Total Revenue</b>	<b>\$2.65 million</b>
<b>Net Revenue</b>	<b>-\$190K - +150K</b>
<b>Reserve Fund 50%</b>	<b>\$0 – \$1.4/ 10 yrs.</b>

This possibility provides for two ALS units through the creation of a special district. While this is a feasible option, it has a high amount of risk for instability as it relies on a sales tax that can fluctuate with the economy. Creating a reserve fund at a recommended 50% could take as long as ten years to reach. If this choice is selected, we would recommend that a sales tax be calculated to ensure a higher margin to maintain sustainability.

Due to the complexities of creating a special district and the revenue projections, we do not recommend this option without substantial safeguards to ensure long-term sustainability.

### **Option #3 Subcontracting ALS Ambulance Services with a Private Provider and Two Dedicated BLS Ambulances with Fire Agencies**

<b>Contract One Unit</b>	<b>\$763,680</b>
<b>Fire BLS x Two Units</b>	<b>\$1,081,826</b>
<b>Additional Dispatcher</b>	<b>\$180,317</b>
<b>County Admin Cost</b>	<b>?</b>
<b>Total Expense</b>	<b>\$2,025,823</b>
<b>Transport Revenue</b>	<b>\$650,000</b>
<b>Sales Tax</b>	<b>\$2 million</b>
<b>Total Revenue</b>	<b>\$2.65 million</b>
<b>Net Revenue</b>	<b>\$624,177</b>
<b>Reserve Fund 50%</b>	<b>\$1 million / 1.5 years</b>

This option provides for two ALS units through the creation of a special district. While this is a feasible option it has a high amount of risk for instability as it relies on a sales tax that can fluctuate with the economy. Creating a reserve fund at a recommended 50% could take as long as ten years to reach. If this choice is selected, we would recommend that a sales tax be calculated to ensure a higher margin to maintain sustainability.

Due to the complexities of creating a special district and the revenue projections, we do not recommend this option without substantial safeguards to ensure long-term sustainability.

#### Option #4 Subcontracting ALS Ambulance with a Single Partially Staffed Ambulance through Fire Agencies

<b>Ambulance Contract</b>	<b>\$1,800,000</b>
<b>Williams Unit</b>	<b>\$270,456</b>
<b>Additional Dispatcher</b>	<b>\$180,317</b>
<b>County Admin Cost</b>	<b>?</b>
<b>Total Expense</b>	<b>\$2,250,733</b>
<b>Transport Revenue</b>	<b>\$650,000</b>
<b>Sales Tax</b>	<b>\$2 million</b>
<b>Total Revenue</b>	<b>\$2.65 million</b>
<b>Net Revenue</b>	<b>\$399,267</b>
<b>Reserve Fund 50%</b>	<b>\$1,100,00 / 3 yrs.</b>

This option provides for two dedicated ALS units from a private contractor and provides a dedicated partially staffed unit that operates in the same manner as the stop gap deployment plan.

While we have pending costs to be determined by the County for administration, all four options provide varying degrees of risk as well as cost recovery. It is important to understand that there are still options that could be developed using combinations of the above that could be implemented.



## Board of Supervisors Action – December 14, 2021

On December 14, 2021, the four options were presented to the County Board of Supervisors for consideration and discussion. The Board acted to pursue Options #1 and #3 as the most likely to result in a sustainable system for the County.

### Option #1: Subcontracting to a Single Private Ambulance Provider

To facilitate and implement Option #1, we would encourage the County Board of Supervisors to authorize Sierra Sacramento Valley Emergency Medical Services (SSV), which functions as the County's LEMSA, to create an Exclusive Operating Area (EOA). While there is no requirement to create an EOA for Colusa County in order to award a contract to an ambulance provider, it may be in their best interest. Without the creation of an EOA, the County would remain as a "non-exclusive" county for ambulance operations. As the path forward would involve a subsidy to the selected provider, the County would be in a better position to avoid diluting the market with additional providers and provide the stability of a single ambulance provider. Using this process, the County BOS would provide direction to SSV as to the content of the Request for Proposal (RFP) as well as the performance standards that the selected contractor would be required to meet and the penalties for not meeting those requirements. It should be made clear that the LEMSA cannot create an EOA or establish the requirements for the RFP without the approval of the BOS. Once the LEMSA has been given direction as to the expectations of the RFP, SSV will send a draft to the State EMS Authority for approval of the RFP process. State EMSA may or may not request changes to the draft before the final RFP approval. Once approved, SSV will post the RFP for competitive bids to be submitted. In a typical process, SSV will conduct and supervise the process and provide a summary of the bids along with a recommendation to the BOS for an award of a contract. The BOS can then either accept or reject the recommendation to award a contract. The important parts of this process are that

SSV, as the contracted LEMSA to the County, will facilitate the entire process on behalf of the County as well as manage the contract for the County. The benefits of Option #1 are that once the County has taken action for Option #1, the County has little involvement in the process, for the most part, and it should result in a generally self-supporting ambulance system.

### **Option #3 Subcontracting ALS Ambulance Services with a Private Provider and Two Dedicated BLS Ambulances with Fire Agencies**

With the differences between the Options #1 and #3 noted above, this process can take some different directions from option #1. Option #3 utilizes both a private ambulance and fire-based providers for ambulance transport. While the use of one or more providers for an EOA is not prohibited, it does create additional supervision on behalf of the LEMSA. In order to discuss this, some historical background may be helpful. The issue of the County's responsibility to provide ambulance services was addressed three times with the California Supreme Court making three decisions in what is known as Lomita I, II, and III. In each of these decisions the Court was clear that counties have four choices to discharge their obligations for ambulance services. (1) The county may directly provide emergency ambulance services using their own employees and vehicles. (2) The county may assign emergency ambulance services to a department of the county to provide emergency ambulance services. (3) The county may contract with another public agency to provide emergency ambulance services. (4) The county can create EOAs. If the county chooses to create EOAs, they can use existing providers that meet certain criteria and be designated historical or "grandfathered" providers and do not require an RFP to award a contract. The other option is, if there are no historical providers (as is the case in Colusa), they must conduct a competitive bid to select an exclusive provider as described in Option #1 above.

Only Choice #4 above requires an RFP and only if there are no historical providers (Colusa County has none). Choices 1,2 and 3 do not require an RFP process and the BOS has the authority to provide a direct award, as has been done in El Dorado County with approval of State EMSA.

This warrants discussion for the process. The County can do one of two things under this scenario. The first option is the County can do a direct award to a public agency, which in this case is the fire department who is providing the two BLS units. This does not require an RFP, only an intergovernmental agreement between the County and the provider. This agreement can contain all of the same criteria as the contract under an RFP process, thus ensuring the same level of accountability. The public provider would then use their process to select a subcontractor for the single ALS unit. The fire agency would become the provider of record, conduct all the billing and collections, participate in any supplemental reimbursement programs, receive the County subsidy, and pay the private ambulance provider their contracted payments for services. There are numerous fire agencies, as well as cities, across the state that do this now and are very successful. This meets the Court's requirements for the county's discharge of ambulance services.

The second option is a parallel pathway. The County can create an EOA and conduct an RFP to secure a private provider. Within the RFP, SSV can disclose that two public BLS units will be provided into the system under an intergovernmental agreement, and the cost of the private ALS unit will be subsidized as well as the public units. While this may sound complicated, it is fairly simple. The County may select a third-party billing company to conduct all billing and collections. We would recommend that the County "piggyback" on a current

public billing contract. Currently, the cost for billing is running 3.25% of net collections. The private provider, as well as the public provider, would electronically submit their patient care records to the billing company. The billing company would collect all revenue and submit collections to the County's Lock Box. The County receives all collections and submits payments to both the public and private providers. The County would have their own National Provider Identification number (NPI) and be enrolled into Medi-Cal and would be eligible for federal supplemental reimbursement.

Regardless of the method chosen, the revenue to support a multiple ambulance deployment model will require a subsidy to sustain long term operations in Colusa County.

Each of these deployments requires added funding that cannot be realized through transport revenue alone. The establishment of non-transport revenue streams is needed for Colusa County (and is outside the services AP Triton performs). However, there are considerations that should be discussed. The financial projections provided are based on current cost analyses provided by both the fire agencies as well as Enloe. We find ourselves in a potential Catch 22 scenario as it stands now. To determine the actual cost of ambulance services for the next five years, we need to do an RFP with five-year projections. That will establish the amount of subsidized revenue that is needed to support deployment both now and into the future. This process could take as long as six months. Once the five-year projection has been established, we may be outside the time frame to establish the preferred tax measure and insert it into the upcoming ballot measure for a vote. Therefore, it may be optimal to concurrently solicit an RFP for bids while the County works through the best option for revenue sources.

## Final Summary

To facilitate a sustainable emergency ALS ambulance system, the logical choice for the next five years would be for the County to authorize SSV to create an EOA with a private provider, as described in Option #1, to direct SSV to include a five-year projection in the RFP for full cost of the deployment in the RF, and to concurrently engage a firm that has expertise in tax initiatives to provide projections for the best direction to achieve a successful ballot measure to meet the subsidy that will be needed to support the deployment.

**COLUSA AMBULANCE FORECAST**  
For The Fiscal Year Ending June 30.

	FY22 Jan YTD / Account		FY23 (Forecast) / Account		FY24 (Forecast) / Account		FY25 (Forecast) / Account	
	(Annualized)							
<b>Billed Accounts</b>	814		828		842		856	
Worked Hours	17,600	22	17,600	21	17,600	21	17,600	21
PTO/ESL Hours	2,258	3	2,258	3	2,258	3	2,258	3
Total Hours	19,858	24	19,858	24	19,858	24	19,858	23
Worked FTE	8.5		8.5		8.5		8.5	
Total FTE	9.5		9.5		9.5		9.5	
<b>REVENUE</b>								
Gross Revenue	\$ 3,975,969	\$ 4,883	\$ 4,106,864	\$ 4,961	\$ 4,242,068	\$ 5,040	\$ 4,381,723	\$ 5,121
Net Revenue	\$ 482,755	\$ 593	\$ 498,648	\$ 602	\$ 515,064	\$ 612	\$ 532,021	\$ 622
Estimated Collection Percentage	12.1%		12.1%		12.1%		12.1%	
Other Revenue	\$ 10,815	\$ 13	\$ 10,996	\$ 13	\$ 11,179	\$ 13	\$ 11,365	\$ 13
<b>TOTAL NET REVENUE</b>	\$ 493,570	\$ 606	\$ 509,644	\$ 616	\$ 526,243	\$ 625	\$ 543,386	\$ 635
<b>EXPENSE</b>								
Salaries and Wages	\$ 602,050	\$ 739	\$ 617,765	\$ 746	\$ 639,386	\$ 760	\$ 661,765	\$ 773
Employee Benefits	299,821	368	307,647	372	318,414	378	329,559	385
Supplies	40,495	50	43,228	52	46,146	55	49,261	58
Dispatch	76,824	94	82,010	99	87,546	104	93,455	109
Insurance & Registration	5,355	7	5,623	7	5,904	7	6,199	7
Other Expenses	1,428	2	1,524	2	1,627	2	1,737	2
<b>TOTAL DIRECT EXPENSE</b>	\$ 1,025,973	\$ 1,260	\$ 1,102,611	\$ 1,332	\$ 1,143,838	\$ 1,359	\$ 1,186,790	\$ 1,387
<b>CONTRIBUTION MARGIN</b>	\$ (\$532,403)	\$ (654)	\$ (\$592,967)	\$ (716)	\$ (\$617,595)	\$ (734)	\$ (\$643,404)	\$ (752)
Contribution Margin Percentage	-107.9%		-116.3%		-117.4%		-118.4%	
Indirect Support Services	\$ 297,767		\$ 307,570		\$ 317,696		\$ 328,155	
<b>NET CONTRIBUTION MARGIN</b>	\$ (830,170)	\$ (1,020)	\$ (900,537)	\$ (1,088)	\$ (935,291)	\$ (1,111)	\$ (971,559)	\$ (1,135)
Net Contribution Margin Percentage	-168.2%		-176.7%		-177.7%		-178.8%	

3 Year Projection

## COLUSA AMBULANCE ANALYSIS AND FORECAST

For The Fiscal Year Ending June 30.

### OVERVIEW

The purpose of this analysis is to assess the current financial status of operating resources related to ambulance coverage, estimate the cost of adding additional 24/7 ambulance, and forecast the marginal impact over three years. The analysis only represents Colusa Ambulance's direct operational impact and does not follow the patient population through the hospital. Therefore, ignoring the marginal impact of treatment at Enloe Medical Center. Colusa staffs one ambulance 24/7 with one Paramedic and one EMT.

### FINANCIAL ASSUMPTIONS

FY22 Financial Data contains information on 7 months of operations and is annualized to show a baseline for the 3-year projection.

Transport statistics were forecasted using the Percent Over Last Year approach, which assumed a 1.67% increase per fiscal year. A 3-year average substituted the FY21 statistic since volumes were directly affected by the COVID-19 pandemic lockdowns.

FY22 worked hours were used to estimate worked hours over the next three years.

The actual PTO rate was used to calculate PTO hours.

Gross Revenue was calculated on a per-account basis and was forecasted using the Percent Over Last Year approach, which assumed a 1.60% increase per fiscal year. Net Revenue was calculated using the FY22 estimated collection percentage on zero balance accounts.

Other Revenue includes lump sum payments received by Dispatch for providing services to First Responder and is allocated based on total transports for each ambulance cost center. This revenue is not expected to increase.

Salary and Wages is based on the average hourly rate in FY22 and assuming a 3.5% increase per fiscal year.

Employee Benefits include additional allocated benefits to capture the cost of all employee benefits such as, but not limited to, PTO, FICA, Health/Dental Insurance, and Life Insurance.

Insurance premiums assume a 5% increase per fiscal year.

All other expenses are considered variable and calculated on a per-account basis, with a 5% increase per fiscal year.

Indirect Support Services were estimated using cost-to-charge ratios, which include allocated benefits.